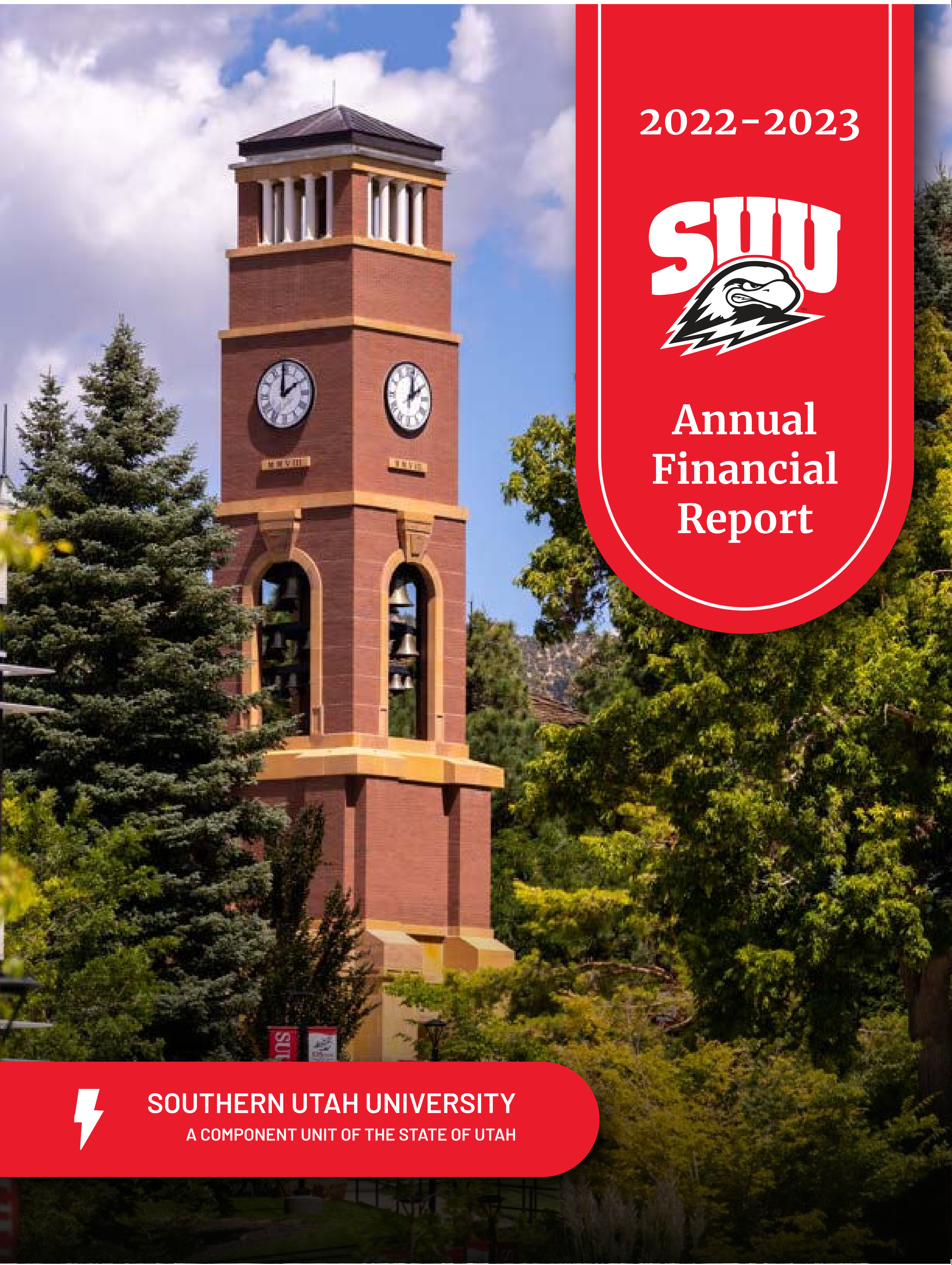

2022-2023

Annual Financial Report

SOUTHERN UTAH UNIVERSITY

A COMPONENT UNIT OF THE STATE OF UTAH

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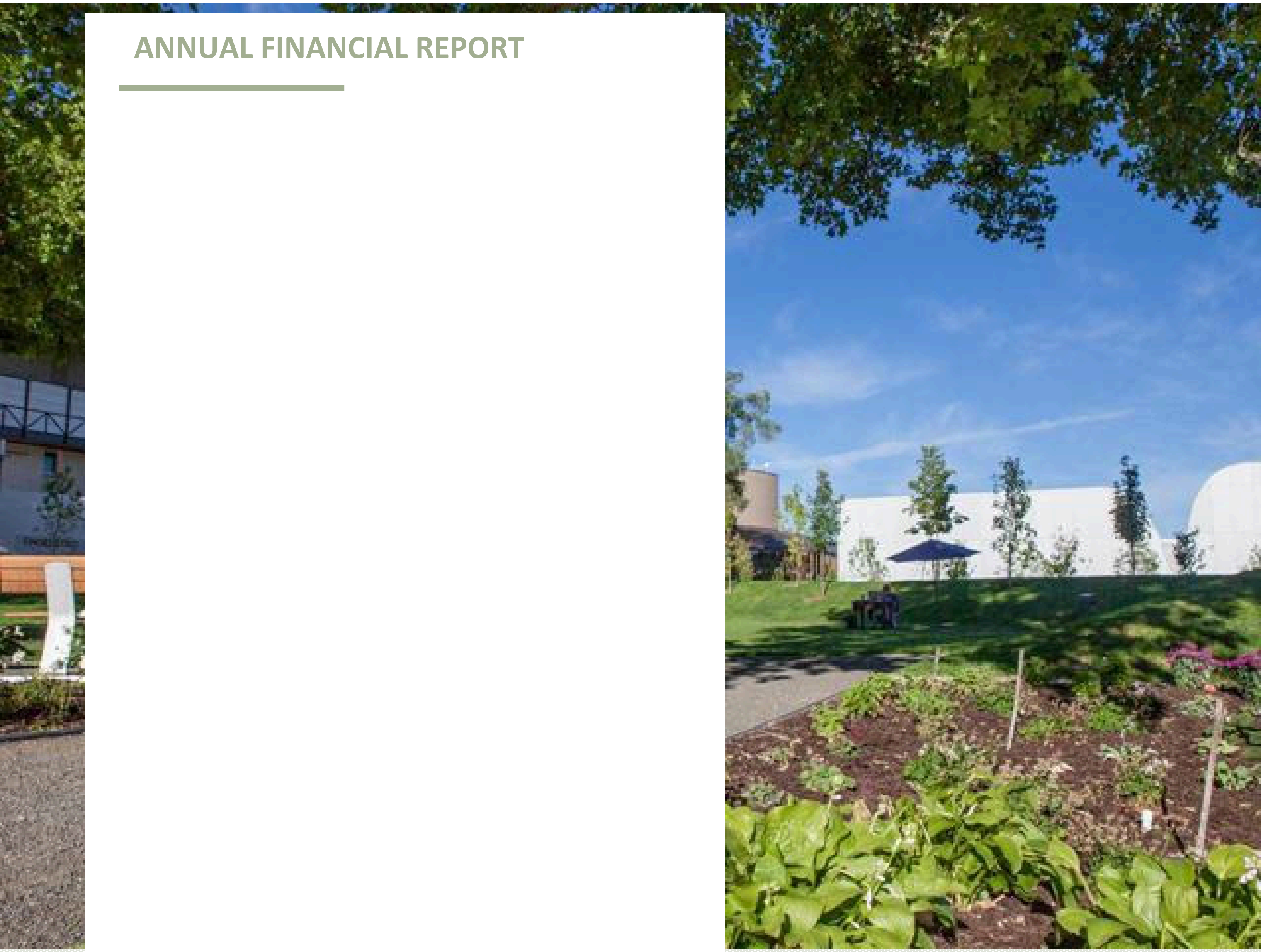
ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED JUNE 30, 2023

SUU SOUTHERN UTAH UNIVERSITY

Message from the President

It was another great year for Southern Utah University! With more than 150 undergraduate programs, 32 graduate and certificate programs, and a professional doctorate degree, SUU continues to gain local, state, and national recognition as a top regional university in the West. SUU is committed to providing a high quality, affordable education for our students and fostering an environment of personal and professional development.

This year, we commemorated our 125th anniversary allowing for the SUU community to remember our past, celebrate our present, and look forward to our institution's bright future. Celebrations included the Presidential Inauguration, Founder's Week complete with a SUU Birthday Party, 125th themed 'Day on the Hill' at the state capitol building, a SUU history class and student curated exhibit in Special Collections of the Sherratt Library, as well as many other community activities.

For the second year in a row, SUU was named as a College of Distinction. This national recognition is based on results across four distinctions: Engaged Students, Great Teaching, Vibrant Community, and Successful Outcomes. SUU was also ranked 32nd among the top regional universities in the West. SUU also ranked 2nd among regional universities in the West for students with the least debt. We are proud to offer an accessible and high-quality education for an affordable price.

In addition to national recognition as a College of Distinction, SUU also gained state recognition for its enrollment growth. SUU led all other institutions in the Utah System of High Education in year-to-year growth at 5.28%. SUU's population now exceeds 14,000 students participating both on campus, and online. To accommodate our increasing student population, we cut the ribbon on our newest academic building, Bristlecone Hall, in April. Bristlecone Hall will be an integral addition to our campus, adding 90,000 square feet, 17 classrooms, 7 labs, 7 teaching and art studios, and 80 offices and workspaces to the University's facilities.

Through the help of our Southern Utah legislators, SUU was able to secure a total of $37,328,600 for institutional priorities including capital projects and employee compensation increases during the 2023 General Legislative Session. The university prioritized and invested in our employees at an unprecedented level with the help of the legislature and SUU leadership. We also secured funding for a new Music Building and an addition and expansion to the Dixie L. Leavitt School of Business.

Our many successes this year are made possible because of dedicated faculty, staff, alumni, donors, and students. Thank you for your dedication to this institution. I look forward to another successful year at SUU.

Sincerely,

Mindy Benson

Mindy Benson
President

OFFICE OF THE
STATE AUDITOR

Independent Auditor’s Report

To the Board of Trustees, Audit Committee
and
Mindy Benson, President
Southern Utah University

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Southern Utah University (the University) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the University, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Proportionate Share of the Net Pension

Liability, and the Schedule of Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Message from the President and the list of Governing Boards and Officers but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2023 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Office of the State Auditor

Office of the State Auditor
Salt Lake City, Utah
November 17, 2023

MANAGEMENT’S DISCUSSION & ANALYSIS

Management's Discussion and Analysis

Introduction

The following discussion and analysis provides an overview of the financial position and activities of Southern Utah University (University) for the year ended June 30, 2023. This discussion was prepared by management and should be read in conjunction with the audited financial statements and the notes thereto, which follow this section.

Since its founding in 1897, the University has evolved from a teacher training school into its current role as Utah's premier four-year regional university. Historically, it has served the southern region of Utah and areas of two contiguous states with undergraduate and graduate programs and applied technology training. More recently, it has expanded its reach both nationally and internationally. People look to the University for public education, outreach services, culture, sporting events, economic and business development, regional history, public affairs, and major academic specialties. The University enrolls over 13,000 undergraduate and graduate students.

Financial

The annual report consists of three basic financial statements that provide information on the University as a whole: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. Each of these statements will be discussed.

The University's financial statements include, as a blended component unit, the activity of the Southern Utah University Foundation (Foundation). The Foundation was established to support, promote, sponsor, and carryout educational and related activities and objectives at the University.

Statement of Net Position

The Statement of Net Position reports the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University at June 30. Net Position is categorized as "Net Investment in Capital Assets", "Restricted" (Expendable or Nonexpendable), or "Unrestricted." Net Investment in Capital Assets includes fixed assets of the University reduced by accompanying debt and accumulated depreciation. Restricted Nonexpendable assets include endowment and similar funds that are held in perpetuity. Restricted Expendable assets are subject to externally imposed restrictions governing their use. All other assets are listed as Unrestricted. Below is a Condensed Statement of Net Position as of June 30, 2023 and 2022.

Condensed Statement of Net Position As of June 30	2023	2022*	Change	% Change
Assets				
Current Assets	$ 31,765,334	$ 43,256,590	$ (11,491,256)	-26.6%
Noncurrent Assets				
Net Capital Assets	194,360,483	201,350,842	(6,990,359)	-3.5%
Other Noncurrent Assets	125,135,226	107,378,794	17,756,432	16.5%
Total Assets	**351,261,043**	**351,986,226**	**(725,183)**	**-0.2%**
Deferred Outflows of Resources	**6,052,336**	**5,010,465**	**1,041,871**	**20.8%**
Liabilities				
Current Liabilities	29,172,347	29,610,847	(438,500)	-1.5%
Noncurrent Liabilities	45,895,718	41,258,004	4,637,714	11.2%
Total Liabilities	**75,068,065**	**70,868,851**	**4,199,214**	**5.9%**
Deferred Inflows of Resources	**793,766**	**13,080,501**	**(12,286,735)**	**-93.9%**
Net Position				
Net Investment in Capital Assets	154,513,576	155,767,470	(1,253,894)	-0.8%
Restricted Nonexpendable	30,969,287	31,421,601	(452,314)	-1.4%
Restricted Expendable	22,868,481	24,873,110	(2,004,629)	-8.1%
Unrestricted	73,100,204	60,985,158	12,115,046	19.9%
Total Net Position	**$ 281,451,548**	**$ 273,047,339**	**$ 8,404,209**	**3.1%**

**As presented in 2022 published financial statements*

Current assets decreased by $11.5 million due to decreases of $14.8 million from current bond investments maturing ($14.4 million) and reinvestment in non-current bond investments with higher yielding interest rates. Related party receivables also decreased ($106K) due to a reduction in Veteran's Administration awards ($230K), offset by an increase in DFCM receivables ($130K). Loans receivable decreased $222K because of assigning Perkins loans to the Department of Education ($135K) and converting Talent Development Loans ($92K) to grants per the State of Utah. Prepaid expenses decreased $143K from a reduction in prepaid expenses for various state academic support programs ($273K), a decrease in prepaid interest on the 2022 Bond issuance ($164K), and a decrease in prepaid equipment contracts ($47K), a decrease in deferred charges for the Utah Shakespeare Festival ($120K), offset by an increase of $395K in advance deposits for the purchase of aircraft for the Aviation Program ($357K) and a new lease on an office building property ($32K). The decreases in current assets were offset by increases of $3.3 million due to an increase in cash and cash equivalents of $4.6M from maintaining liquidity investments in PTIF due to moderate returns compared to bonds, offset by a decrease in cash ($2.3M) due to payroll and associated expenses being paid out at year end. Net receivables also increased by $1.0 million from pledges receivable ($394K), interest receivable on investments from rising interest rates ($148K), and grants receivable ($882K) from federal financial aid, and other private, state, and federal grants, and a decrease in allowance for doubtful accounts of $311K primarily from collection of a large portion of international student debts owed from previous years.

Capital assets before depreciation increased $2.6 million, with the acquisition of $5.2 million in capital assets and retirement of capital assets of $2.6 million. The acquisitions primarily consisted of several items of equipment ($4.2 million) including the purchase or donation of aircraft ($1.1 million), a new scoreboard for Eccles Coliseum ($668K), as well as Eccles Coliseum track renovation ($415K) and a few motor vehicles ($457K) among other assets acquired. Assets retired consisted primarily of equipment ($2.1 million). Net depreciation of assets was $9.6 million, resulting in net capital asset decrease of $7.0 million.

Other noncurrent assets increased by $17.8 million due to an increase in noncurrent investments of $21.5 million, of which was mostly due to investment in non-current bonds to take advantage of rising bond yields ($18.8 million), an increase in investment in common stock and other equities to diversity our endowment portfolio ($2.0 million), and an increase in alternative investments to expand our allocation of alternatives closer to 10% of our total portfolio ($1.2 million). These non-current investments were offset by a reduction in brokered CDs due to maturity ($573K). Pledges receivable increased by $1.3 million primarily as future donations toward the upcoming Business Building expansion project. Other noncurrent assets were offset by $1.2 million cash that was held in PTIF reserves became current in FY 23 for use in paying off the 2011 bond issuance. Loans receivable also decreased by $340K due to assignment of all remaining Perkins loan accounts to the Department of Education in FY 23. Finally, the net pension asset decreased $3.5 million as a result of the recognition of deferred inflows related to pensions ($12.6 million), offset by the recognition of actuarial pension expense ($5.9 million) and deferred outflows related to pensions ($3.2 million).

Deferred Outflows Related to Pensions increased $1.0 million due to a net increase in benefit expense ($207K), an increase in net pension liability ($4.0 million), offset by an increase in net pension asset ($3.2 million).

Current liabilities only decreased $438K, but the change was due primarily to a decrease in self-insurance liability of $117K and a decrease in designated and other scholarships being recognized as deferred revenue ($1.3 million). The current portion of debt service also decreased by $1.2 million due to payment of debt service principal and final payoff of the 2011 Series Bonds. These decreases in current liabilities were offset by increases due to an increase in deferred revenues of $2.2 million from the aforementioned unawarded scholarships, a decrease in summer aviation enrollment which reduced aviation program fee unearned revenues by $227K, and reduced unearned revenues from the 2023 USF season of $277K, and an increase in current vacation accrual of $305 due to increased unused vacation hours, along with higher salaries due to COLA increases.

Noncurrent liabilities increased $4.6 million due to a $9.1 million increase in net pension liability from the recognition of benefit expense ($2.2 million), actuarial calculated pension expense ($3.2 million), and deferred outflows of resources related to pensions of $4.0 million, offset by deferred inflows of resources related to pensions ($263K). Compensated absences increased by $254K as a result of additional noncurrent vacation accrual ($94K), and three new employee early retirements ($180K). Noncurrent liabilities were offset by $4.8 million of debt service payments for FY 24 becoming current, thus reducing noncurrent liabilities.

Deferred Inflows Related to Pensions decreased $12.3 million as a result of changes affecting prior year net pension asset ($12.6 million), offset by changes affecting current year net pension liability ($263K).

The University's Net Position increased as a result of the following: Net Investment in Capital Assets decreased primarily due to the reduction in net capital assets, offset by the effect of reducing the debt service on capital assets. Restricted Nonexpendable Net Position decreased due to the aforementioned reduction in Net Pension Assets, offset by increased market values of endowment investments. Restricted Expendable Net Position decreased primarily from the effects of paying down debt service and amortizing lease liabilities. Unrestricted Net Position increased primarily due to increases in tuition and fees, net of expenditures, and the effect of the aforementioned changes to deferred inflows of resources related to pensions, offset by the effect of the changes in deferred outflows of resources related to pensions.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the results of operations for the year ended June 30. Below is a Condensed Statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2023 and 2022.

Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30

	2023	2022*	Change	% Change
Operating Revenues				
Tuition and Fees	$ 86,126,508	$ 73,046,733	$ 13,079,775	17.9%
Grants and Contracts	3,543,120	3,700,559	(157,439)	-4.3%
Sales and Services of Educational Activities	18,547,656	16,761,822	1,785,834	10.7%
Sales and Services of Auxiliary Enterprises	6,360,458	5,142,032	1,218,426	23.7%
Other	8,970	30,368	(21,398)	-70.5%
Total Operating Revenues	**114,586,712**	**98,681,514**	**15,905,198**	**16.1%**
Operating Expenses				
Salaries	96,639,012	85,594,880	11,044,132	12.9%
Benefits	37,826,848	30,573,480	7,253,368	23.7%
Other Operating Expenses	23,661,308	21,367,138	2,294,170	10.7%
Student Aid	19,900,900	17,096,920	2,803,980	16.4%
Services and Supplies	36,564,763	33,398,206	3,166,557	9.5%
Depreciation	11,637,183	11,006,988	630,195	5.7%
Repairs and Maintenance	539,023	553,335	(14,312)	-2.6%
Utilities	3,332,041	2,607,446	724,595	27.8%
Total Operating Expenses	**230,101,078**	**202,198,393**	**27,902,685**	**13.8%**
Operating Loss	**(115,514,366)**	**(103,516,879)**	**(11,997,487)**	**-11.6%**
Nonoperating Revenues (Expenses)				
State Appropriations	71,517,419	55,219,715	16,297,704	29.5%
Grants and Contracts	37,135,445	56,866,137	(19,730,692)	-34.7%
Private Gifts and Grants	5,666,505	5,470,616	195,889	3.6%
Investment Income	4,446,155	(8,979,810)	13,425,965	149.5%
Other Nonoperating Revenues (Expenses)	(609,809)	(7,653,311)	7,043,502	100.0%
Interest on Indebtedness	(1,045,018)	(622,913)	(422,105)	-67.8%
Net Nonoperating Revenue (Expenses)	**117,110,697**	**100,300,434**	**16,810,263**	**16.8%**
Income (Loss) Before Other Revenue	**1,596,331**	**(3,216,445)**	**4,812,776**	**149.6%**
Other Revenues	**6,807,878**	**17,110,989**	**(10,303,111)**	**-60.2%**
Change in Net Position	**8,404,209**	**13,894,544**	**(5,490,335)**	**-39.5%**
Net Position - Beginning of Year	273,047,339	259,152,795	13,894,544	5.4%
Net Position - End of Year	**$ 281,451,548**	**$ 273,047,339**	**$ 8,404,209**	**3.1%**

**As presented in 2022 published financial statements*

Fiscal year 2023 is the fourth consecutive year that the University has not increased tuition rates. However, overall tuition and fee revenues (before scholarship allowances) increased 2.85% ($3.6 million) due to increasing enrollment, with non-resident tuition revenue growth of 5.9% ($2.6 million) from FY 2022. Scholarship allowances also decreased over FY 2022 by $9.5 million (-18.1%), which accounted for the net tuition and fees increase of $13.1 million. Student fees increased a modest $355K, commensurate with growth. Additionally, course fees increased $936K primarily due to continued moderate growth in aviation course fees.

Sales and Services of Educational Activities increased by $1.4 million prior to elimination of inter-departmental revenues, etc. This increase was due in part to increased fee and registration income from various programs and offerings such Distance Education, Continuing Education & Professional Development, ESL courses, Study Abroad, and Special Education($315K), as well as Valley Farm, Guest Services, Aviation program, beverage naming rights, Southwest Utah AHEC, and USF admissions ($820K). Additionally, the University recognized insurance proceeds due to campus flooding and other issues ($449K). These increases were affected by the change in the amount of elimination of deferred revenues for the Shakespeare Festival ($317K) and decreases in eliminations of inter-departmental billings of $100K. These items result in a net increase in revenues related to educational activities of $1.8 million.

Sales and Services of Auxiliary Enterprises increased $1.2 million from increase in dining services meal plans ($303K), Housing nightly rentals ($213K) and resident living revenues ($374K), Inclusive Access Content revenue ($352K), with decreases in Bookstore textbook and electronic sales ($375K) and by the reduction in the elimination of scholarship allowances from auxiliaries ($353K).

Total salaries increased by $11.0 million primarily due to increases in E&G salaries ($6.1 million) as a result of cost-of-living adjustments (COLA) at 5% ($2.8 million), thirty-nine (39) new employee lines ($2.2 million, the hiring of more adjunct faculty and teaching overloads ($726K), and additional accrued vacation hours ($397K). Non-E&G salaries increased $1.3 million primarily because of the 5% COLA an 5 new positions funded. Total wages increased $2.6 million because of an increase in campus wide departments and a variety of educational programs ($1.4 million), and wages in support of a variety of federally funded grants ($1.0 million). Salary driven benefits increased $3.4 million (9.6%) which change is consistent with salary increases. A reduction in USF deferred salaries, wages, and benefits ($816K) also contributed to the total net increase in wages, as did a decrease in the pension expense elimination ($3.7 million) resulting in a net increase of total benefits expense of $7.3 million.

Other operating expenses increased $2.3 million primarily from an increase in current expenses ($1.1 million) and travel expenditures ($1.2 million). Current expenses increased due to additional marketing strategies for campus, admissions, graduate and online recruitment, among others ($832K), meals expense for campus departments and athletics ($600K), athletic guarantees paid out ($167K), apartment rental for USF actors ($176K) and new office rental space ($65K). Current expenses were offset by a decrease in insurance claims net of administrative fees ($599K). Travel expenses increased primarily due to increased campus travel and international travel ($1.2 million).

Student aid decreased by $7.0 million before scholarship allowances. Scholarship allowances decreased by $9.8 million, which resulted in a net increase of total student aid of $2.8 million. Student aid and scholarship allowances were both affected by a reduction in student aid awards from HEERF funding received in prior years ($9.1 million).

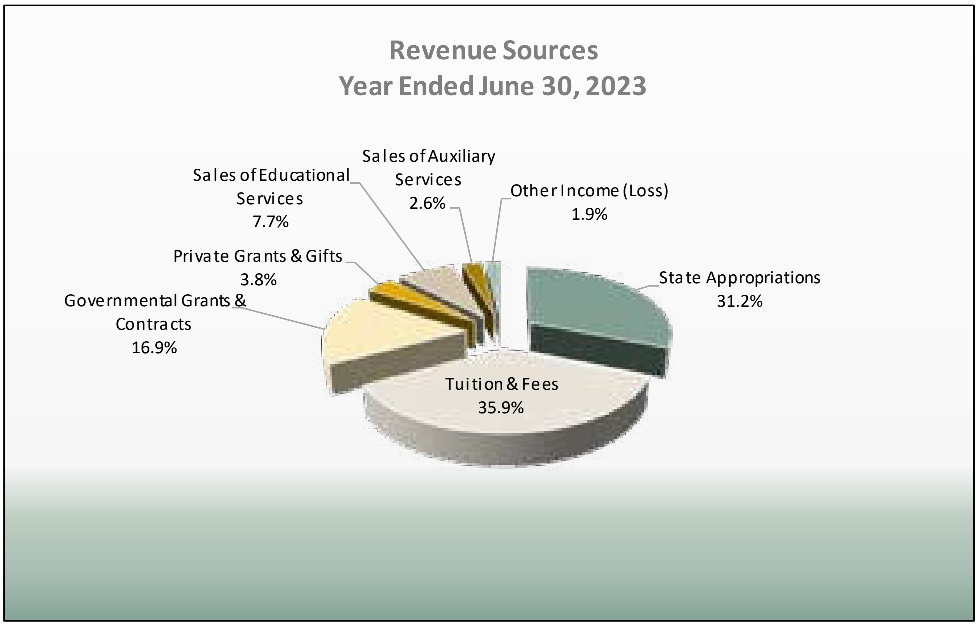
Services and supplies increased $3.2 million, net of related party eliminations, as aviation parts expense and fuel costs increased ($1.8 million) due to growth in the flight hours, an increase in fees related to academic partnerships ($541K), athletics ($188K), and other programs. Utilities expense increased by $725K because of more usage and higher prices of natural gas ($1.6 million) with an offset due to lower electricity costs ($863K).

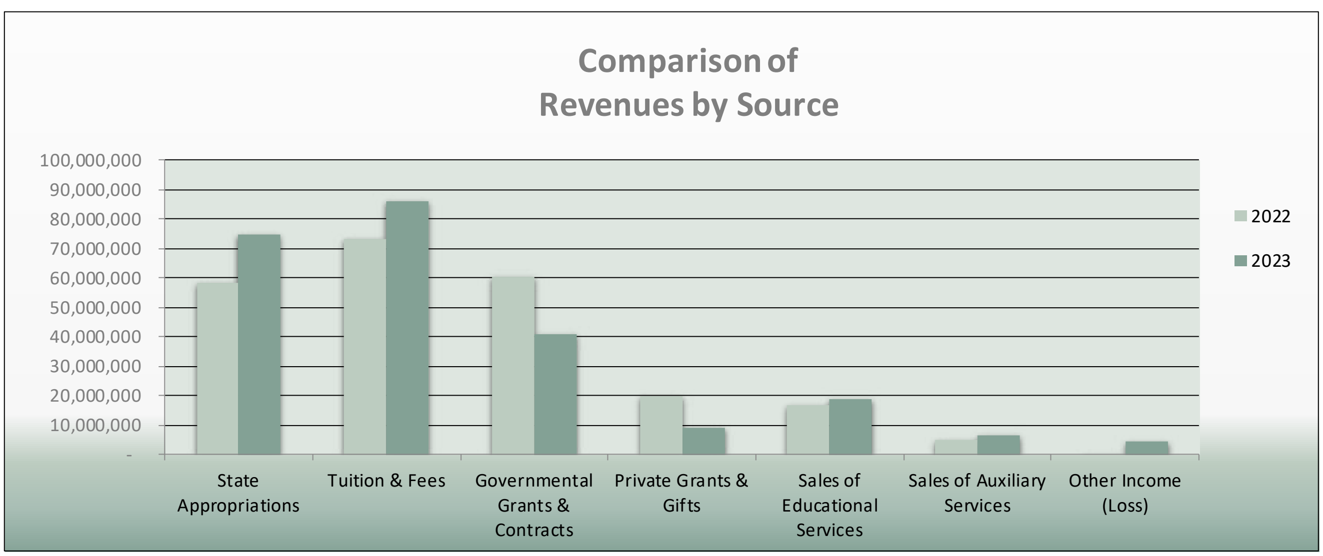
Depreciation expense increased $630K due to net additions of depreciable buildings and equipment ($564K) as well as amortization of right to use leased assets ($48K).

State appropriations increased $16.3 million for compensation as well as operations and maintenance ($12.7 million), additional funding for USF ($1.2 million) and other state grant programs ($2.4 million), offset by DFCM expense reclassification ($3.5 million). Non-operating Grants and Contracts decreased $19.7 million due to reduction of HEERF funding ($19.3 million) and Small Business Administration funding, offset by additional Pell funding ($1.1 million), as well as ongoing funding of National Park Service, US Bureau of Land Management, and other federal agency awards. Private Gifts and Grants revenue increased only slightly ($195K) as gifts net of capital contributions remained consistent from prior year. Investment income rose substantially ($13.4 million) as a result of a rebound in market valuations of our total investment portfolio after a substantial reduction in prior year market valuations. Other nonoperating expenses decreased $7.0 million as a result of losses recognized on the sale/disposition of certain land or buildings in the prior year. Interest on indebtedness increased ($422K) due to the interest cost attributed to the right to use leased assets and ongoing debt burden carried by the University.

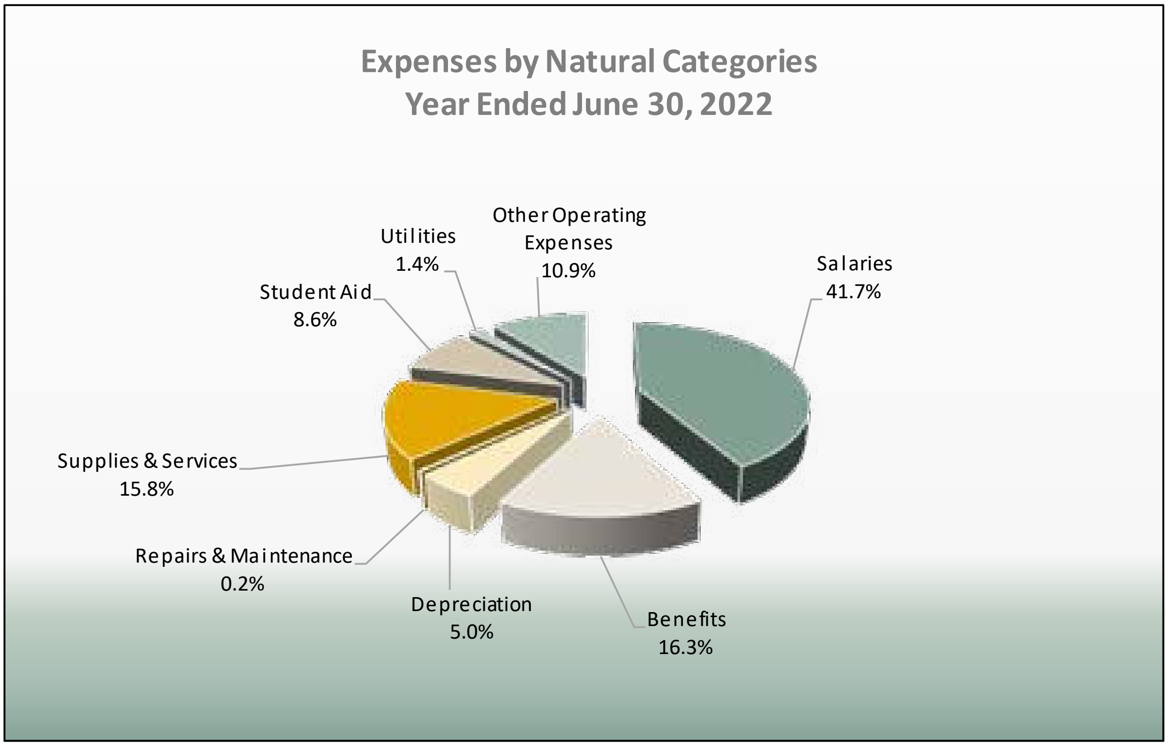
Capital appropriations increased $466K due to a variety of campus building improvement appropriations ($2.2 million), offset by changes in AMA expenses eliminated ($1.8 million). Capital Gifts and Grants decreased $9.9 million due to the addition of the Center for the Arts facilities transferred to the University in the prior year. Additions to Permanent Endowments decreased $895K, resulting in total Other Revenue decrease of $10.3 million.

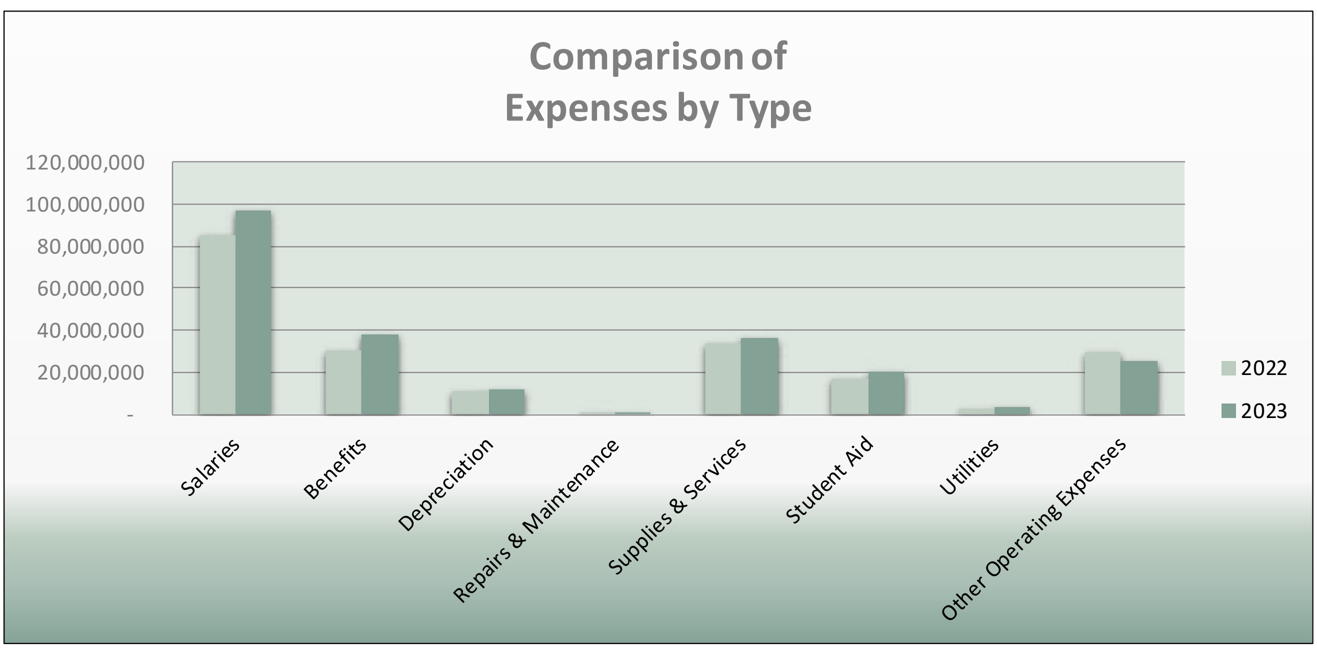
The following graphs illustrate all funding sources as a percentage of total revenues for the year ended June 30, 2023, with a comparison to the prior year:





The following graphs illustrate expenses of the University by natural classification as a percentage of total expense for the year ended June 30, 2023, with a comparison to the prior year:





Statement of Cash Flows

The Statement of Cash Flows provides an additional perspective on the University's financial results for the fiscal year. The statement identifies sources and uses of cash by broad categories of activity including Operations, Noncapital Financing Activities, Capital Financing Activities, and Investing Activities. Below is a Condensed Statement of Cash Flows for the fiscal years ended June 30, 2023 and 2022.

Condensed Statement of Cash Flows
For the Years Ended June 30

	2023	2022*	Change	% Change
Cash Provided (Used) by:				
Operating Activities	$ (99,790,523)	$ (94,454,327)	$ (5,336,196)	-5.6%
Noncapital Financing Activities	115,124,071	121,508,712	(6,384,641)	-5.3%
Capital Financing Activities	(11,552,102)	(10,912,280)	(639,822)	-5.9%
Investing Activities	(2,695,017)	(35,681,803)	32,986,786	92.4%
Net Increase (Decrease) in Cash	**1,086,429**	**(19,539,698)**	**20,626,127**	**105.6%**
Cash - Beginning of Year	15,289,393	34,829,091	(19,539,698)	-56.1%
Cash - End of Year	**$ 16,375,822**	**$ 15,289,393**	**$ 1,086,429**	**7.1%**

*As presented in 2022 published financial statements

Noncapital Financing Activities include state appropriations, most grants and contracts, noncapital gifts, other non-operating revenue and agency fund activity. Capital Financing Activities are those associated with capital assets such as capital appropriations, gifts, proceeds from capital debt, capital debt payments, proceeds from the sale of capital assets, and capital asset purchases. Investing Activities include proceeds from the sale of investments, interest/dividend earnings, and payments for the purchase of investments. Changes in cash provided or used by the various cash flow activities is a reflection of results as previously mentioned.

Economic Outlook

Despite ongoing economic challenges in the State of Utah and throughout the country, the University is continuing to see strong growth in enrollments, with current projections for continued enrollment growth. With increased enrollment combined with the generous support of continued funding from the State of Utah, and from alumni and friends of the University, the University believes it is well positioned to manage current and future budget challenges.

FINANCIAL STATEMENTS

Statement of Net Position

As of June 30, 2023

ASSETS	
Current Assets:	
Cash and Cash Equivalents (Note B)	$ 16,062,667
Short-term Investments (Note B)	665,784
Receivables, Net of Allowance (Note C)	7,449,733
Due From Related Parties (Note D)	573,686
Loans Receivable, Net (Note E)	17,014
Inventories (Note F)	1,011,868
Prepaid Expenses (Note G)	5,984,582
Total Current Assets	**31,765,334**
Noncurrent Assets:	
Restricted Cash and Cash Equivalents (Note B)	313,155
Investments (Note B)	123,034,470
Pledges and Leases Receivable (Note C)	1,452,505
Capital Assets, Net of Accumulated Depreciation/Amortization (Note H)	194,360,483
Other Noncurrent Assets (Note I)	335,096
Total Noncurrent Assets	**319,495,709**
Total Assets	**351,261,043**
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions (Note O)	6,052,336
Total Deferred Outflows of Resources	**6,052,336**

Continued on next page…

LIABILITIES	
Current Liabilities:	
Accounts and Interest Payable (Note J)	3,273,185
Due to Related Parties (Note D)	51,757
Refundable Government Grants (Note R)	1,057,170
Payroll and Withholding Taxes Payable (Note J)	1,110,724
Accrued Benefits & Deductions Payable (Note Q)	1,402,413
Deposits and Other Liabilities (Note K)	1,356,747
Unearned Revenues (Note G)	13,919,097
Compensated Absences and Termination Benefits (Note L)	2,797,898
Bonds, Notes, and Contracts Payable (Note M)	4,203,356
Total Current Liabilities	**29,172,347**
Noncurrent Liabilities:	
Compensated Absences and Termination Benefits (Note L)	1,158,204
Bonds, Notes, and Contracts Payable (Note M)	35,599,888
Net Pension Liability (Notes L & O)	9,137,626
Total Noncurrent Liabilities	**45,895,718**
Total Liabilities	**75,068,065**
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions (Note O)	263,552
Deferred Inflows Related to Irrevocable Split-Interest Agreements (Note A)	476,816
Deferred Inflows Related to Leases Receivable (Note A)	53,398
Total Deferred Inflows of Resources	**793,766**
NET POSITION	
Net Investment in Capital Assets	154,513,576
Restricted Nonexpendable:	
Scholarships	24,778,873
Other	6,190,414
Restricted Expendable:	
Scholarships	4,036,513
Capital Projects	5,479,091
Loans	4,306,555
Other	9,046,322
Unrestricted	73,100,204
Total Net Position	**$ 281,451,548**

The accompanying notes are an integral part of these financial statements.

Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2023

Operating Revenues	
Student Tuition and Fees (net of scholarship discounts and allowances of $42,934,968)	$ 86,126,508
Governmental Grants and Contracts	3,543,120
Sales and Services of Educational Activities	18,547,656
Sales and Services of Auxiliary Enterprises (net of scholarship discounts and allowances of $1,597,837)	6,360,458
Interest Income on Student Loans	8,970
Total Operating Revenues	**114,586,712**
Operating Expenses	
Salaries	96,639,012
Benefits	37,826,848
Depreciation	11,637,183
Repairs and Maintenance	539,023
Services and Supplies	36,564,763
Student Aid	19,900,900
Utilities	3,332,041
Other Operating Expenses	23,661,308
Total Operating Expenses	**230,101,078**
Operating Income (Loss)	**(115,514,366)**
Nonoperating Revenues (Expenses)	
Government Appropriations - State	71,517,419
Government Grants and Contracts	37,135,445
Private Grants & Gifts	5,666,505
Investment Income (Loss)	4,446,155
Other Nonoperating Revenue (Expense)	(609,809)
Interest on Indebtedness	(1,045,018)
Net Nonoperating Revenues (Expenses)	**117,110,697**
Income (Loss) Before Other Revenue	**1,596,331**
Other Revenue	
Capital Appropriations	3,467,455
Capital Grants & Gifts	2,325,492
Additions to Permanent Endowments	1,014,931
Total Other Revenue	**6,807,878**
Increase (Decrease) in Net Position	**8,404,209**
Net Position - Beginning of Year	**273,047,339**
Net Position - End of Year	**$ 281,451,548**

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees	$ 86,355,959
Receipts from Auxiliary and Educational Services	25,877,164
Receipts from Grants/Contracts	3,654,317
Collection of Loans to Students and Employees	90,578
Loans Issued to Students and Employees	(35,320)
Payments for Student Financial Aid	(19,900,900)
Payments to Suppliers	(61,120,397)
Payments for Employee Services and Benefits	(134,711,924)
Net Cash Provided (Used) by Operating Activities	**(99,790,523)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Appropriations	71,517,419
Receipts from Grants/Contracts	36,253,688
Gifts/Grants for Other Than Capital Purposes	6,648,664
Custodial Account Receipts	1,686,116
Custodial Account Payments	(981,816)
Net Cash Provided (Used) by Noncapital Financing Activities	**115,124,071**
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Receipts from Capital Grants/Gifts	630,983
Proceeds from Sale of Capital Assets	196,247
Proceeds from Capital Debt	46,889
Interest Paid on Capital Debt/Leases	(1,045,018)
Purchases of Capital Debt/Leases	(5,433,593)
Principal Paid on Capital Debt/Leases	(5,947,610)
Net Cash Provided (Used) by Capital Financing Activities	**(11,552,102)**
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sale/Maturity of Investments	31,243,509
Receipt of Interest/Dividends from Investments	3,864,839
Purchase of Investments	(37,803,365)
Net Cash Provided (Used) by Investing Activities	**(2,695,017)**
Net Increase (Decrease) in Cash	**1,086,429**
Cash & Cash Equivalents - Beginning of Year	**15,289,393**
Cash & Cash Equivalents - End of Year	**16,375,822**

The accompanying notes are an integral part of these financial statements.

Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Income (Loss)	$ (115,514,366)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	11,637,183
Difference between Actuarial Calculated Pension Expense and Actual Contributions	(759,740)
Changes in Assets and Liabilities:	
Unearned Revenues	1,711,878
Accrued Liabilities	1,166,186
Compensated Absences	563,105
Student Loans Receivable	561,926
Receivables (Net)	397,314
Due from Related Parties	283,828
Prepaid Expenses	143,224
Leases Receivable	53,398
Accrued Payroll	25,847
Due to Related Parties	531
Accounts Payable	(10,884)
Inventories	(49,953)
Net Cash Used by Operating Activities	**$ (99,790,523)**

Noncash Investing, Capital, and Financing Activities	
Capital Projects paid by DFCM	$ 3,467,455
Change in Fair Value of Investments Recognized as Investment Income	251,677
Re-investment of Investment Dividends and Interest	344,419
Investment Securities donated	175,330
Total Noncash Investing, Capital, and Financing Activities	**$ 4,238,881**

Reconciliation of Cash and Cash Equivalents to the Statement of Net Position	
Cash and Cash Equivalents Classified as Current Assets	$ 16,062,667
Cash and Cash Equivalents Classified as Noncurrent Assets	313,155
Total Cash and Cash Equivalents	**$ 16,375,822**

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements

Note A. – Summary of Significant Accounting Policies

The significant accounting policies followed by Southern Utah University (University) are described below to enhance the usefulness of the financial statements to the reader.

Reporting Entity

The University is a component unit of the State of Utah as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. The financial activity of the University is included in the State's Annual Comprehensive Financial Report as a non-major discrete component unit.

The University's financial statements include the accounts of the University, all auxiliary enterprises, and other restricted and unrestricted funds of the University. In addition, the financial statements include the Southern Utah University Foundation (the Foundation).

The Foundation is a legally separate, non-profit organization, incorporated under Utah law in 1996. The Foundation was established to provide support for the University, its students and faculty, and to promote, sponsor, and carry out educational, scientific, charitable, and related activities and objectives of the University.

The Foundation is included in the University's financial statements as a blended component unit. A blended component unit is an entity which is legally separate from the University, but which is so intertwined with the University that it is, in substance, the same as the University.

Financial statements of the Foundation can be obtained from the University. In Note S, condensed financial statements have been prepared for the Foundation.

Basis of Accounting

Under the provisions of the GASB standards, the University is permitted to report as a special-purpose government engaged in business-type activities (BTA). BTA reporting requires the University to present only the basic financial statements and required supplementary information (RSI) for an enterprise fund. The basic financial statements include a Management's Discussion and Analysis, a Statement of Net Position or Balance Sheet, a Statement of Revenues, Expenses and Changes in Net Position, a Statement of Cash Flows, and notes to the financial statements. The required basic financial statements described above are prepared using the economic resources measurement focus and the accrual basis of accounting.

Cash and Cash Equivalents and Investments

Cash and cash equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments are recorded at fair value or net asset value (NAV) in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The University distributes earnings from pooled investments based on the average daily investment of each participating account, or for endowments, distributes earnings according to the University's spending policy.

According to the Uniform Prudent Management of Institutional Funds Act, Section 51-8 of the Utah Code, the governing board may appropriate for expenditure for the purposes for which an endowment is established, as much of the net appreciation, realized and unrealized, of the fair value of the assets of an endowment over the historic dollar value as is prudent under the facts and circumstances prevailing at the time of the action or decision.

The endowment income spending policy at June 30, 2023, was 4.00% of the 12-quarter moving average of the fair value of the endowment pool. The spending policy is reviewed periodically, and any necessary changes are made. The amount of net appreciation on investments of donor-restricted endowments available for authorization for expenditure at June 30, 2023 was $1,411,209. The net appreciation was a component of restricted, expendable net position.

Accounts Receivable

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, staff, and other private parties. Accounts receivable also include amounts due from federal, state, and local governments, or private sources in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts. Donor pledges are also included as accounts receivable. Only those pledges deemed by management as collectible are recorded; therefore, no estimate is made for uncollectible amounts.

Inventories

Inventories are carried at the lower of cost or market on the first-in, first-out (“FIFO”) method.

Restricted Cash and Cash Equivalents and Investments

Cash and cash equivalents and investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets, are classified as noncurrent assets in the Statement of Net Position.

Capital Assets

The University has recorded right to use leased assets in accordance with GASB 87. For purposes of this statement, a right to use leased asset is a contract that conveys control of the right to use another entity’s nonfinancial asset for a period of time in an exchange or exchange-like transaction. The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability, plus any lease payments made at or before the commencement of the lease term, less any lease incentives, plus any ancillary charges necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the terms of the related leases.

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation in the case of gifts. All land is capitalized and not depreciated. New buildings with a cost of $100,000 or more are capitalized. Renovations to buildings, infrastructure, and land improvements that increase the value or extend the useful life of the structure with a cost of $100,000 or more are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. For equipment and intangibles, the University’s capitalization policy includes all items with a unit cost of $5,000 or more ($3,000 or more for fiscal years prior to 2015), and an estimated useful life of greater than one year. All library books are capitalized with a useful life of 20 years. Collections and works of art valued in excess of $2,000 are capitalized. Useful lives for collections and works of art shall be determined on a case-by-case basis, typically 20 years. Depreciation is computed for all capital assets using the straight-line method over the estimated useful lives of the assets, generally 30 to 40 years for buildings, 20 to 40 years for infrastructure, land improvements, library and other collections, 3 to 20 years for equipment, and 3 to 5 years for intangibles. Leasehold improvements are depreciated over the life of the lease.

Other Noncurrent Assets

Other noncurrent assets include funds held in reserve by third parties that are not likely to be liquidated within the next fiscal year.

Unearned Revenues

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but earned in the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Compensated Absences

Non-academic University employee vacation pay is accrued at year-end for financial statement purposes. The liabilities and expenses incurred are recorded at year-end as a component of compensated absences and termination benefits in the Statement of Net Position, and as a component of salaries and benefits expense in the Statement of Revenues, Expenses, and Changes in Net Position.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS’s fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Noncurrent Liabilities

Noncurrent liabilities include: (1) principal amounts of revenue bonds, financed purchases, leases (including right to use leased assets) and annuities payable with contractual maturities greater than one year; (2) estimated amounts for compensated absences and termination benefits and other liabilities that will not be paid within the next fiscal year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as noncurrent assets.

Net Position

The University’s Net Position is classified as follows:

Net investment in capital assets: This represents the University's total investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets.

Restricted – expendable: Restricted expendable net position include resources which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Restricted – nonexpendable: Nonexpendable restricted net position consists of endowment and similar type funds which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Unrestricted: Unrestricted net position represent resources derived from student tuition and fees, state appropriations, and sales and services of educational activities. These resources are used for transactions relating to the education and general operations of the University and may be used at the discretion of the governing board to meet current expenses for any legal purpose. These resources are also used for auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

When both restricted and unrestricted resources are available for use, it is the University's policy to use restricted resources first, then unrestricted resources as they are needed.

Classification of Revenues and Expenses

The University has classified its revenues and expenses as either operating or non-operating revenues and expenses according to the following criteria:

Operating Revenues and Expenses: Operating revenues and expenses include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) some federal, state, and local grants and contracts, (4) interest on institutional student loans (5) the cost of providing services, (6) administration expenses, and (7) depreciation of capital assets.

Non-operating Revenues and Expenses: Non-operating revenues and expenses include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, expenses not meeting the definition of operating expenses, and other revenue sources that are defined as non-operating cash flows by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, such as state appropriations, grants, and investment income.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

Deferred Inflows

In accordance with GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, the University has recognized a deferred inflow of resources in the amount of $476,816 for certain irrevocable split-interest agreements where the University has a beneficial interest or right to a portion of the benefits donated pursuant to an irrevocable split-interest agreement, in which the donor enters into a trust and transfers resources to an intermediary. Asset recognition criteria include (1) the government is specified by name as beneficiary in the legal document underlying the donation; (2) the donation agreement is irrevocable; (3) the donor has not granted variance power to the intermediary with respect to the donated resources; (4) the donor does not control the intermediary, such that the actions of the intermediary are not influenced by the donor beyond the specified stipulations of the agreement; (5) the irrevocable split-interest agreement established a legally enforceable right for the government's benefit (an unconditional beneficial interest).

In accordance with GASB Statement No. 87, *Leases*, the University has recognized a deferred inflow of resources in the amount of $53,398 for a certain lease where the University is the lessor. The University will subsequently recognize as revenue in a systematic and rational manner over the term of the lease. See Note C for further details of this lease.

Note B. – Cash & Cash Equivalents and Investments

At June 30, 2023, cash and cash equivalents and investments consisted of:

Cash and Cash Equivalents		
Current		
Cash	$	663,339
Utah PTIF	$	15,399,328
Sub-total - Current	**$**	**16,062,667**
Restricted		
Cash and Money Market	$	295,973
Utah PTIF	$	17,182
Sub-total - Restricted	**$**	**313,155**
Total Cash and Cash Equivalents	**$**	**16,375,822**

Investments		
Current		
Brokered Certificates of Deposit	$	473,534
Securities		192,250
Sub-total - Current		**665,784**
Noncurrent		
Brokered Certificates of Deposit		4,623,201
Securities		83,937,227
Mutual Funds		14,188,214
Exchange Traded Products		14,569,659
Alternative Investments		4,447,550
Common Stocks		837,019
Property Held for Resale		431,600
Sub-total - Noncurrent		**123,034,470**
Total Investments	**$**	**123,700,254**

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the University's deposits may not be returned to it. The University does not have a formal deposit policy for custodial credit risk. As of June 30, 2023, the University's bank balances were $732,257, of which $482,267 was uninsured and uncollateralized.

Investments

The State of Utah Money Management Council has the responsibility to advise the Utah State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state and review the rules adopted under the authority of the State of Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) (the Act) that relate to the deposit and investment of public funds.

Except for endowment funds, the University follows the requirements of the Act in handling its depository and investment transactions. The Act requires the depositing of University funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government, and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

For endowment funds, the University follows the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and State Board of Regents Rule 541, Management and Reporting of Institutional Investments (Rule 541).

The Act defines the types of securities authorized as appropriate investments for the University's non-endowment funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the University to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers' Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the Securities and Exchange Commission (SEC) as an investment company. The PTIF is authorized and regulated by the Act. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The UPMIFA and Rule 541 allow the University to invest endowment funds (including gifts, devises, or bequests of property of any kind from any source) in any of the above investments or any of the following subject to satisfying certain criteria: mutual funds registered with the Securities and Exchange Commission; investments sponsored by the Common Fund; any investment made in accordance with the donor's directions in a written instrument; investments in corporate stock listed on a major exchange (direct ownership); and any alternative investment funds that derive returns primarily from high yield and distressed debt (hedged or non-hedged), private capital (including venture capital and private equity), natural resources, and private real estate assets or absolute return and long/short hedge funds.

Fair Value of Investments – The University measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted prices for identical investments in active markets;

Level 2: Observable inputs other than quoted market prices; and,

Level 3: Unobservable inputs.

As of June 30, 2023, the University had the following recurring fair value measurements:

		Fair Value Measurements Using		
	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Debt Securities				
Corporate Notes	$ 11,741,714	$ -	$ 11,741,714	$ -
U.S. Agencies	72,387,763	-	72,387,763	-
Utah Public Treasurers' Investment Fund	11,794,886	-	11,794,886	-
Total Debt Securities	**95,924,363**	**-**	**95,924,363**	**-**
Equity Securities				
Equity Mutual Funds	14,188,214	-	14,188,214	-
Exchange Traded Products	14,569,659	14,569,659	-	-
Alternative Investments	3,151,048	3,151,048	-	-
Brokered Certificates of Deposit	5,096,735	5,096,735		
Common Stocks	837,019	837,019	-	-
Total Equity Securities	**37,842,675**	**23,654,461**	**14,188,214**	**-**
Donated Property Held for Sale	431,600			**431,600**
Donated Property Held for Sale	**431,600**	**-**	**-**	**431,600**
Total Investments by Fair Value Level	**$ 134,198,638**	**$ 23,654,461**	**$ 110,112,577**	**$ 431,600**
Investments Measured at Net Asset Value (NAV)				
Private Equity Partnerships	1,296,502			
Total Investments Measured at NAV	**1,296,502**			
Total Investments	**$ 135,495,140**			

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

Corporate Notes: quoted prices for similar securities in active markets;

U.S. Agencies: quoted prices for identical securities in markets that are not active;

Utah Public Treasurers' Investment Fund (PTIF): application of the June 30, 2023 fair value factor, as calculated by the Utah State Treasurer, to the University's June 30 balance in the Fund.

Equity Mutual Funds: published fair value per share (unit) for each fund.

Investments valued using the net asset value (NAV) per share (or its equivalent) are considered "alternative investments" and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The University values these investments based on the partnerships' audited financial statements. Where June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent calls and distributions. The following table presents the unfunded commitments, redemption frequency, and the redemption notice period for the University's alternative investment measured at NAV:

Investments Measured at Net Asset Value (NAV)	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity Partnerships	$ 1,296,502	$ -	Quarterly	45-60 days
Total Investments Measured at NAV	**$ 1,296,502**	**$ -**		

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Act or the UPMIFA and Rule 541, as applicable. For non-endowment funds, Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 10 years for institutions of higher education. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years. For endowment funds, Rule 541 is more general, requiring only that investments be made as a prudent investor would, by considering the purposes, terms, distribution requirements and other circumstances of the endowments and by exercising reasonable care, skill, and caution.

As of June 30, 2023, the University had the following investments with the following maturities:

		Investment Maturities (in Years)			
Investment Type:	**Fair Value**	**Less than 1**	**1-5**	**6-10**	**More than 10**
Corporate Notes	$ 11,741,714	$ 192,250	$ 11,549,464	$ -	$ -
U. S. Agencies	72,387,763	-	72,387,763	-	-
Utah PTIF	11,794,886	11,794,886	-	-	-
Totals	**$ 95,924,362**	**$ 11,987,136**	**$ 83,937,227**	**$ -**	**$ -**

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University's policy for reducing its exposure to credit risk is to comply with the Act, the UPMIFA, and Rule 541 as previously discussed.

As of June 30, 2023, the University had the following investments with the following quality ratings:

	Fair	Quality Ratings			
Investment Type:	**Value**	**AA**	**A**	**BBB**	**Unrated**
Corporate Notes	$ 11,741,714	$ -	$ 11,549,464	$ -	$ 192,250
U. S. Agencies	72,387,763	69,098,303	3,289,460	-	-
Utah PTIF	11,794,886	-	-	-	11,794,886
Totals	**$ 95,924,363**	**$ 69,098,303**	**$ 14,838,924**	**$ -**	**$ 11,987,136**

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The University's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council or the UPMIFA and Rule 541, as applicable. Rule 17 of the Money Management Council limits non-endowment fund investments in a single issuer of commercial paper and corporate obligations to 5-10%

depending upon the total dollar amount held in the portfolio at the time of acquisition. For endowment funds, Rule 541 requires that a minimum of 25% of the overall endowment portfolio be invested in fixed income or cash equivalents. Also, the overall endowment portfolio cannot consist of more than 75% equity investments. Rule 541 also limits investments in alternative investment funds to between 0% and 30% based on the size of the University's endowment fund.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The University does not have a formal policy for custodial credit risk. As of June 30, 2023, the University had $84,129,477 in debt securities and $28,757,873 in equity securities that were held by the investment's counterparty.

Note C. – Receivables, Net of Allowance for Doubtful Accounts

In addition to the components of receivables discussed in Footnote A, SUU also entered into a lease agreement as the lessor for the Red Rock Building – 216 S 200 W, Cedar City – This lease was effective August 15, 2022 for a lease term of 48 months with monthly payments of $1,500. The lease receivable is measured at a discount rate of 2.46%. The University recorded a lease receivable of $53,398 as of June 30, 2023. Future minimum lease payments on this lease are as follows:

FY	Interest	Principal Amount	Lease Receivable Balance
2023	$ 1,248	$ 15,252	$ 53,398
2024	1,122	16,878	36,520
2025	703	17,297	19,223
2026	273	17,727	1,497
2027	3	1,497	-

Receivables consisted of the following as of June 30, 2023:

	Total	Current Portion	Noncurrent Portion
Student Tuition and Fees	$ 2,619,999	$ 2,162,999	$ -
Federal, State, and Private Grants and Contracts	2,861,578	2,861,578	-
Auxiliary Service Charges	59,356	59,356	-
Continuing & Professional Studies Fees	106,696	106,696	-
Utah Shakespearean Festival Ticket Sales	277,284	277,284	-
Interest and Dividends Receivable	432,923	432,923	-
Other Operating	995,443	995,443	-
Leases Receivable (GASB 87)	53,398	16,878	36,520
Allowance for Doubtful Accounts	(457,000)	-	-
Total Receivables, net of Allowance	**6,949,677**	**6,913,157**	**36,520**
Contributions and Gifts (Pledges)	1,952,561	536,576	1,415,985
Total	**$ 8,902,238**	**$ 7,449,733**	**$ 1,452,505**

Note D. – Due To/Due From Related Parties

The University receives and provides services, supplies, repairs and maintenance, and capital projects through departments, agencies, and other component units of the State of Utah. The following tables are a summary of the net amount due to the Division of Facilities and Construction Management (DFCM) for repairs and maintenance and capital projects and amounts due from and due to all other related parties for services and supplies as of the year ended June 30, 2023.

Related Party Receivables at June 30, 2023:	
DFCM	$ 567,135
Utah Vocational Rehabilitation	6,551
Total Related Party Receivables	**$ 573,686**

Related Party Payables at June 30, 2023:	
Other related parties	$ 51,757
Total Related Party Payables	**$ 51,757**

Note E. – Loans Receivable

Student loans made through the Federal Perkins Loan Program (the Program) comprised a significant portion of loans receivable in previous years. However, all Perkins Loans were liquidated and returned to the Department of Education during fiscal year 2023. Loans receivable now consist only of small student emergency loans and faculty and staff loans.

As of June 30, 2023, the current loans receivable amount was $17,014.

Note F. – Inventories

Total inventories as of June 30, 2023 were $1,011,868, consisting solely of Bookstore inventory.

Note G. – Prepaid Expenses and Unearned Revenues

Prepaid expenses are those disbursements for goods or services applicable to the subsequent fiscal year when they will be recorded as expenses. Prepaid Expenses as of June 30, 2023 were $5,984,582.

Unearned revenues are receipts of funds that are applicable to the subsequent fiscal year when they become earned and recorded as revenues. Unearned Revenues as of June 30, 2023, consisted of the following:

Unearned Revenues	
Tuition and Fees	$ 8,344,061
Utah Shakespeare Festival	2,182,758
Grants and Contracts	3,033,869
Miscellaneous	358,409
Total	**$ 13,919,097**

Note H. – Capital Assets

Capital Assets

Capital assets are stated at historical cost or at acquisition value at the date of donation (in the case of gifts) and consisted of the following as of June 30, 2023:

	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023
Capital Assets Not Being Depreciated/Amortized:				
Land	$ 10,766,329	$ -	$ (814)	$ 10,765,515
Construction-in-Progress	10,000	-	-	10,000
Total Nondepreciable Assets	**10,776,329**	**-**	**(814)**	**10,775,515**
Capital Assets Being Depreciated/Amortized:				
Land Improvements	13,389,322	415,335	(516,202)	13,288,455
Buildings	241,556,745	-	(51,672)	241,505,073
Leasehold Improvements	12,295,222	-	-	12,295,222
Leased Buildings	19,206,730	46,889	-	19,253,619
Equipment	35,228,480	4,203,847	(2,060,953)	37,371,374
Vehicles	2,075,302	457,112	(3,455)	2,528,959
Intangibles	538,634	-	(14,618)	524,016
Artwork	3,973,090	121,999	-	4,095,089
Library Collections	7,108,931	11,450	-	7,120,381
Total Depreciable Assets	**335,372,456**	**5,256,632**	**(2,646,900)**	**337,982,188**
Total Capital Assets	**346,148,785**	**5,256,632**	**(2,647,714)**	**348,757,703**
Less: Accumulated Depreciation/Amortization				
Land Improvements	10,210,075	257,041	(516,202)	9,950,914
Buildings	104,795,885	6,476,604	(51,672)	111,220,817
Leased Buildings	1,009,241	1,057,307	-	2,066,548
Equipment	20,508,258	3,385,296	(1,451,958)	22,441,596
Vehicles	1,513,743	168,471	(3,455)	1,678,759
Intangibles	538,634	-	(14,618)	524,016
Artwork	851,448	63,573	-	915,021
Library Collections	5,370,659	228,891	-	5,599,550
Total Depreciation	**144,797,943**	**11,637,183**	**(2,037,905)**	**154,397,221**
Capital Assets, net	**$ 201,350,842**	**$ (6,380,551)**	**$ (609,809)**	**$ 194,360,482**

The Division of Facilities Construction and Management (DFCM) administers most of the construction of facilities for State institutions, maintains records, and furnishes cost information for recording capital assets on the books of the University. Construction projects are recorded on the books of the University as funds are expensed or when projects are substantially completed if funded through State Appropriations administered through DFCM. The University is committed to the completion of all projects that are added to construction in progress. No remaining (unpaid) costs were contractually committed to DFCM as of June 30, 2023.

Note I. – Other Noncurrent Assets

Total Other Noncurrent Assets as of June 30, 2023 were $335,096. They consisted of medical plan and dental plan reserve amounts held by third parties in the amount of $274,750 and $60,346, respectively.

Note J. – Accounts, Interest, and Payroll Related Payables

Accounts and Interest Payable at June 30, 2022:	
Vendors	$ 2,893,051
Veterans Administration	38,692
Interest	112,088
Sales Tax	8,973
Other	220,381
Total Accounts & Interest Payable	**$ 3,273,185**

Payroll & Witholding Taxes Payable at June 30, 2023:	
Accrued Payroll	$ 1,054,600
FICA & Medicare	54,196
Other Witholding Taxes	1,928
Total Payroll & Withholding Taxes	**$ 1,110,724**

Note K. – Deposits and Other Liabilities

Deposits & Other Liabilities at June 30, 2022:	
Business-Type & Fiduciary Activities	$ 559,997
International Student & Other Advanced Deposits	362,062
Gift Certificates	396,252
Utah Shakespeare Festival	38,436
Total Deposits & Other Liabilities	**$ 1,356,747**

Note L. – Compensated Absences, Termination Benefits, and Net Pension Liability

Compensated absences, termination benefits, and net pension liability activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Current Portion	Noncurrent Portion
Compensated Absences	$ 2,688,749	$ 2,697,020	$ (2,297,695)	$ 3,088,074	$ 2,484,797	$ 603,277
Termination Benefits	704,248	472,805	(309,025)	868,028	313,101	554,927
Sub-total	**3,392,997**	**3,169,825**	**(2,606,720)**	**3,956,102**	**2,797,898**	**1,158,204**
Net Pension Liability	-	9,137,626	-	9,137,626	-	9,137,626
Total	**$ 3,392,997**	**$ 12,307,451**	**$ (2,606,720)**	**$ 13,093,728**	**$ 2,797,898**	**$ 10,295,830**

Compensated Absences

Non-academic full-time and certain part-time University employees earn vacation leave for each month worked at a rate between 12 and 22 days per year. Vacation time may be used as it is earned. A maximum of 240 hours can be carried over into the next vacation year, which begins each July 1. Upon termination, no more than the maximum plus the current year earned vacation is payable to the employee. Non-academic full-time and certain part-time University employees earn sick leave at the rate of one day earned for each month worked. No payment is made for unused sick leave in the event of termination. After an employee has accumulated 18 days of unused sick leave, any sick leave days accumulated by the end of the sick leave year may be converted at the option of the employee to vacation days, up to a maximum of four (4) days. A liability is recognized in the Statement of Net Position for vacation payable to the employees at the statement date.

Termination Benefits

The University, as authorized by its Board of Trustees, offers an early retirement incentive option to eligible employees that includes a stipend of an amount equal to the lesser of 20 percent of the employee's annual base salary at the time of early retirement or the employee's estimated Social Security benefit at full retirement age, along with the continuation of certain health care insurance premiums for a period of the lesser of 5 years or until the employee reaches Social Security full retirement age. Full-time University employees whose accumulated age plus years of service equal at least 75 and are at least 57 are eligible to apply. The cost of early retiree benefits is funded on a pay-as-you-go basis. The total early retiree stipend and benefits payments for the year ended June 30, 2023 was $199,378. The number of participants for the year ended June 30, 2023 was eight.

The projected future cost of the early retirement stipends and early retirement medical and dental insurance benefits has been calculated based on the known amount to be paid out in the next fiscal year plus projected increases of 2.52 and 4.14 percent, respectively. These increases are based on historical data. The net present value of the total projected costs is calculated using the estimated yield (0.36 percent) for short term investments. The net present value is the amount recognized on the financial statements as a liability for termination benefits.

Note M. – Bonds, Financed Purchases, Leases, and Annuities Payable

Bonds, Finance Purchases, Leases, and Annuities Payable activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Current Portion	Noncurrent Portion
Bonds Payable	$ 18,500,000	$ -	$ (1,760,000)	$ 16,740,000	$ 695,000	$ 16,045,000
Unamortized Bond Premium	615,615	-	(78,547)	537,068	60,100	476,968
Financed Purchases	8,020,066	-	(3,211,841)	4,808,225	2,554,742	2,253,483
Leases Payable	18,375,234	46,889	(897,222)	17,524,901	846,625	16,678,276
Charitable Remainder Annuity Trust and Unitrust	239,013	-	(45,963)	193,050	46,889	146,161
Total Bonds, Contracts, Leases, and Annuities Payable	**$ 45,749,928**	**46,889**	**$ (5,993,573)**	**$ 39,803,244**	**$ 4,203,356**	**$ 35,599,888**

Bonds Payable

Revenue bonds payable consisted of the following as of June 30, 2023:

Bond Series	Date of Issue	Interest Rate	Original Amount of Issue	Retired or Paid Current Year	Retired or Paid Prior Years	Balance June 30, 2023
Auxiliary System, Series 2011	8/11/2011	2.000-4.000%	$ 8,285,000	$ 1,025,000	$ 7,260,000	$ -
Auxiliary System, Series 2016	4/27/2016	2.000-3.000%	8,420,000	490,000	1,860,000	6,070,000
Auxiliary System, Series 2022	6/22/2022	4.000-5.000%	10,915,000	245,000	-	10,670,000
Total Bonds Payable			**$ 27,620,000**	**$ 1,760,000**	**$ 9,120,000**	**$ 16,740,000**

The scheduled maturities of the revenue bonds are as follows as of June 30, 2023:

Bond Scheduled Maturities			
Year	Principal	Interest	Total
2024	695,000	672,531	1,367,531
2025	725,000	637,781	1,362,781
2026	765,000	601,531	1,366,531
2027	800,000	563,281	1,363,281
2028	825,000	540,982	1,365,982
2029-2033	4,825,000	2,659,288	7,484,288
2034-2038	1,320,000	1,300,950	2,620,950
2039-2043	1,985,000	1,291,794	3,276,794
2044-2048	2,440,000	839,375	3,279,375
2049-2052	2,360,000	263,594	2,623,594
Total Bonds Payable (before unamortized premium/discount)	**$ 16,740,000**	**$ 9,371,107**	**$ 26,111,107**

Principal and interest on these revenue bonds are collateralized by a first lien on and pledge of Student Center Building Fees, net revenues derived from the operation of the Auxiliary Enterprise System and investment income of the bond security reserve funds (See Note N).

Financed Purchases

On August 22, 2016, the University took over full operation of the SUU Aviation Program. Consequently, the University has entered into multiple financed purchase agreements to acquire several Aviation assets as follows:

1) Helicopters (9) and Fixed-wing Aircraft (12) funded through a seven-year agreement for $7,753,575, with interest at 2.78% and maturing in April 2024;
2) Helicopters (3) and Fixed-wing Aircraft (3) funded through a seven-year agreement for $3,100,000, with interest at 3.38% and maturing in June 2025;
3) Aircraft hangar funded through a seven-year agreement for $256,415 with interest at 2.30% and maturing in November 2027;
4) Helicopters (6) funded through a seven-year agreement for $3,744,929 with interest at 2.30% and maturing in July 2028.
5) Aircraft hangars (2) for $1,216,000 funded through a 10-year interest-bearing note, with interest at 2.15%, and maturing in October 2026;
6) Aircraft hangar (1) for $205,000 funded through a 10-year interest-bearing note, with interest at 10.00%, and maturing in April 2029;
7) Aircraft hangar (1) and Piper Cherokee Aircraft (1) for $202,500 funded through a 10-year interest-bearing note, with interest at 8.00%, and maturing in November 2028;
8) Flight simulators (2) for $775,000 funded through a seven-year interest-bearing note, with interest at 2.75% and maturing in November 2023.

Future minimum financed purchase commitments are as follows:

Financed Purchases	
Fiscal Year	Future Minimum Payments
2024	2,699,376
2025	1,268,464
2026	744,822
2027	137,288
2028	100,437
2029-2030	26,921
Total future commitments	**4,977,308**
Amount representing interest	(301,155)
Present value of future commitments	**$4,676,153**

Leases

The University has entered into nine leases to lease additional office, classroom and residential living space. The lease agreements qualify as other than short-term leases under GASB 87 and, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The right to use asset is also discussed in Note H above. The details of each of these lease liabilities are as follows:

1) Head Start – 1830 N Main, Cedar City – This lease was effective April 1, 2017 for a lease term of 119 months with monthly payments of $8,197. The lease liability is measured at a discount rate of 2.46%. The University

has recorded a right to use asset with a lease liability of $352,060 as of June 30, 2023.

2) Head Start – 1469 W Sunset Blvd, St George – This lease was effective March 1, 2018 for a lease term of 112 months with monthly payments of $11,333. The lease liability is measured at a discount rate of 2.46%. The University has recorded a right to use asset with a lease liability of $517,614 as of June 30, 2023.
3) Head Start – 2390 W Hwy 56 #1, Cedar City – This lease was effective August 1, 2021 for a lease term of 119 months with monthly payments of $8,612. The lease liability is measured at a discount rate of 2.46%. The University has recorded a right to use asset with a lease liability of $749,906 as of June 30, 2023.
4) Head Start – 2390 W Hwy 56 #3, Cedar City – This lease was effective June 1, 2021 for a lease term of 36 months with monthly payments of $800. The lease liability is measured at a discount rate of 2.46%. The University has recorded a right to use asset with a lease liability of $8,693 as of June 30, 2023.
5) Head Start – 2390 W Hwy 56 #7 & #8, Cedar City – This lease was effective September 1, 2017 for a lease term of 36 months with monthly payments of $1,082. The lease liability is measured at a discount rate of 2.46%. The University has recorded a right to use asset with a lease liability of $2,157 as of June 30, 2023.
6) Head Start – 705 N 195 W, La Verkin – This lease was effective August 1, 2018 for a lease term of 60 months with monthly payments of $4,507. The lease liability is measured at a discount rate of 2.46%. The University has recorded a right to use asset with a lease liability of $4,498 as of June 30, 2023.
7) Head Start – 295 W 200 S, Fillmore – This lease was effective August 1, 2022 for a lease term of 24 months with monthly payments of $2,000. The lease liability is measured at a discount rate of 2.46%. The University has recorded a right to use asset with a lease liability of $25,631 as of June 30, 2023.
8) Aviation Maintenance Building – 597 N 1500 W, Cedar City – This lease was effective April 1, 2022 for a lease term of 24 months with monthly payments of $2,043. The lease liability is measured at a discount rate of 2.46%. The University has recorded a right to use asset with a lease liability of $18,200 as of June 30, 2023.
9) SWTECH Business Resource Center – This lease was effective September 1, 2021 for a lease term of 24 months with monthly payments of $500. The lease liability is measured at a discount rate of 2.46%. The University has recorded a right to use asset with a lease liability of $997 as of June 30, 2023.
10) Founders Hall – This lease was effective July 1, 2018 for a lease term of 360 months with monthly payments of $67,934. The lease liability is measured at a discount rate of 2.10%. The University has recorded a right to use asset with a lease liability of $15,845,145 as of June 30, 2023.

Net future minimum lease payments are as follows:

Net Future Minimum Lease Payments			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	$ 846,625	$ 365,155	$ 1,211,780
2025	808,253	808,253	1,616,506
2026	824,475	824,475	1,648,949
2027	818,464	818,464	1,636,928
2028	923,121	923,121	1,846,242
2029 - 2033	2,822,258	2,822,258	5,644,517
2034 - 2038	3,134,425	3,134,425	6,268,849
2039 - 2043	3,481,119	3,481,119	6,962,239
2044 - 2048	3,866,161	3,866,161	7,732,323
Total future commitments	**$17,524,901**	**$ 17,043,431**	**$ 34,568,333**
Amount representing interest			(17,043,431)
Present value of commitments			**$ 17,524,901**

Remainder Annuity Trusts Payable

Remainder Annuity Trusts payable are due in quarterly installments for the lifetime of the donors or through the end of the agreement. Annuities payable consisted of the following as of June 30, 2023:

	Date Created	Interest Rate	Present Value	Current Portion
Charitable Remainder Annuity Trusts:				
K & H Englehart	11/10/2015	6.000%	$ 193,050	$ 46,889
Total Annuities Payable			**$ 193,050**	**$ 46,889**

The estimates of future annuities payable are as follows:			
Year	Principal	Interest	Payments
2024	46,889	13,047	59,936
2025	47,834	12,102	59,936
2026	48,798	11,138	59,936
2027	49,781	10,155	59,936
2028	50,030	9,906	59,936
2029 - 2033	269,689	29,991	299,680
2034 - 2036	156,093	4,620	160,713
Total	**$ 669,114**	**$ 90,959**	**$ 760,073**

Note N. – Auxiliary System Bond Revenue Fund

The following schedule reflects the pledged receipts and disbursements of the Bond Revenue Fund of the Auxiliary System for the year ended June 30, 2023:

Pledged Receipts and Disbursements:	
Operating Revenues	$ 10,406,719
Operating & Maintenance Expenses	(7,061,223)
Total Pledged Net Receipts	**$ 3,345,496**
Debt Service Principal and Interest Payments	**$ 2,430,189**
Debt Service Ratio	**1.38**

Note O. – Retirement Plans

As required by State law, eligible non-exempt employees (as defined by the U.S. Fair Labor Standards Act) of the University are covered by the Utah Retirement Systems (Systems) and eligible exempt employees (as defined by the U.S. Fair Labor Standards Act) are covered by the defined contribution plans, such as Teachers Insurance and Annuity Association (TIAA) or Fidelity Investments (Fidelity).

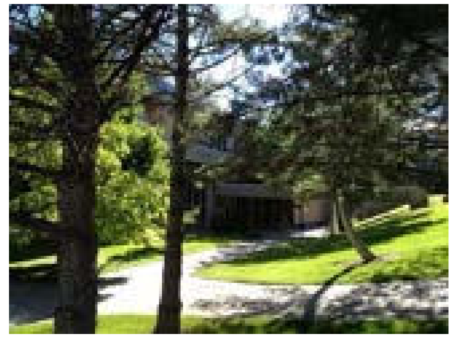
Defined Benefit Plan

Eligible plan participants are provided with pensions through the following cost-sharing, multiple-employer public employee retirement systems:

- Public Employees Noncontributory Retirement System (Noncontributory System);
- Public Employees Contributory Retirement System (Contributory System);
- The Public Safety Retirement System (Public Safety System);
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System)
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighter System);

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Systems, are members of the Tier 2 Retirement System.

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the directions of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds and are a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. The Systems issue a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.



The Systems provide retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.00% per year July 1975 to present	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4 % depending upon employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year to June 30, 2020 2.00% per year July 1, 2020 to present	Up to 2.5%

**Actuarial reductions are applied.*

***All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.*

Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Systems' Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Required contribution rates as of June 30, 2023 are as follows:

System	Employee Paid	Paid by Employer	Employer Contribution Rates
Noncontributory System	N/A	N/A	22.19%
Contributory System	N/A	6.00%	17.70%
Public Safety System	N/A	N/A	41.35%
Tier 2 Public Employees System*	N/A	N/A	19.84%
Tier 2 Public Safety and Firefighter System*	N/A	N/A	32.54%

**Tier 2 rates include a statutorily required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.*

For the year ended June 30, 2023, the University and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	$ 2,014,889	N/A
Contributory System	-	$ -
Public Safety System	70,130	-
Tier 2 Public Employees System*	1,679,567	-
Tier 2 Public Safety and Firefighter System*	64,862	5,162
Total Contributions	**$ 3,829,448**	**$ 5,162**

**Contributions reported are the Systems' Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.*

For the year ended June 30, 2023, the University reported a net pension asset of $0 and a net pension liability of $9,137,626. The net pension asset and liability were measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the University's actual contributions to the Systems during the plan year over the total of all University contributions to the Systems during the plan year.

	December 31, 2022			December 31, 2021	
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share	Change
Noncontributory System	$ -	$ 8,580,093	0.3973599%	0.4114600%	-0.0141001%
Contributory System	-	34,573	0.2645466%	0.4044656%	-0.1399190%
Public Safety System	-	140,088	0.1775761%	0.1769853%	0.0005908%
Tier 2 Public Employees System*	-	378,013	0.3471534%	0.3404632%	0.0066902%
Tier 2 Public Safety and Firefighter System*	-	4,859	0.0582422%	0.0554652%	0.0027770%
Total Net Pension Asset/Liability	**$ -**	**$ 9,137,626**			

For the year ended June 30, 2023, the University recognized pension expense of $3,213,936.

As of June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,632,639	$ 16,609
Changes in assumptions	619,618	1,449
Net difference between projected and actual earnings on pension plan investments	1,683,789	-
Changes in proportion and differences between contributions and proportionate share of contributions	93,541	245,494
Contributions subsequent to the measurement date	2,022,749	-
Total	**$ 6,052,336**	**$ 263,552**

The $2,022,749 reported as deferred outflows of resources related to pensions results from contributions made by the University prior to its fiscal year end, but subsequent to the measurement date of December 31, 2022. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended December 31	Net Deferred Outflows (Inflows) of Resources
2023	$ (46,683)
2024	234,227
2025	718,953
2026	2,695,329
2027	33,913
Thereafter	130,295

Actuarial Assumptions

The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation – 2.50%;
- Salary increases 3.25 – 9.25%, average, including inflation;
- Investment rate of return – 6.85%, net of pension plan investment expense, including inflation.

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2022, valuation were based on the results of an actuarial experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long Term Expected Portfolio Real Rate of Return
	Expected Return Arithmetic Basis		
Equity securities	35.00%	6.58%	2.30%
Debt securities	20.00%	1.08%	0.22%
Real assets	18.00%	5.72%	1.03%
Private equity	12.00%	9.80%	1.18%
Absolute return	15.00%	2.91%	0.44%
Cash and cash equivalent	0.00%	-0.11%	0.00%
Totals	**100.00%**		**5.17%**
Inflation			2.50%
Expected arithmetic nominal return			**7.67%**

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, and a real return of 4.35% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the Systems' Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension asset and liability calculated using the discount rate of 6.85%, as well as what the proportionate share of the net pension asset and liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85%) or 1-percentage-point higher (7.85%) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	$ 21,445,070	$ 8,580,093	$ (2,185,003)
Contributory System	182,603	34,573	(92,820)
Public Safety System	526,680	140,088	(177,763)
Tier 2 Public Employees System	1,651,710	378,013	(603,209)
Tier 2 Public Safety and Firefighter	38,893	4,859	(22,191)
Total Net Pension (Asset)/Liability	**$ 23,844,956**	**$ 9,137,626**	**$ (3,080,986)**

Defined Contribution Savings Plans

Certain Defined Contribution Savings Plans are administered by the Systems' Board and are generally supplemental plans to the basic retirement benefits of the Systems but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b), and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

The University participates in the following Defined Contribution Savings Plans with the Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan

Employee and University contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30, 2023, were as follows:

Defined Contribution Plans	University's Contributions	Employee's Contributions
401(k) Plan	$ 301,386	$ 291,383
457(b) Plan	-	12,073
Roth IRA Plan	N/A	72,514

TIAA and/or Fidelity provide individual defined contribution retirement fund contracts with each participating employee. Employees may allocate contributions by the University to any or all of the providers and the contracts become vested at the time the contribution is made. Employees are eligible to participate from the date of employment and are not required to contribute to the fund. Benefits provided to retired employees are based on the value of individual contracts and the estimated life expectancy of the employee at retirement. For the year ended June 30, 2023, the University's contribution to this multiple-employer defined contribution plan was 14.2% of the employees' annual salary or $8,330,859, and the fiscal year 2023 contributions are included in pension expense. The University has no further liability once annual contributions are made. Employee contributions for the year ended June 30, 2023 were $1,418,628.

For employees participating in a Noncontributory, Tier 2 Public Employee, or Tier 2 Public Safety and Firefighter System, the University is required to contribute 0.62%, or 2.27%, respectively, of the employee's salary into a 401(k)/457 plan. For employees who choose to participate in the Tier 2 Public Employee or Public Safety and Firefighter defined contribution plans (Tier 2 DC), the University is required to contribute 20.02% or 32.54% of the employees' salary of which 10.00% or 16.27% is paid into a 401(k)/457 plan while the remainder is contributed to the Tier 1 Contributory Public Employee System, as required by law.

Changes in Assumptions

No changes were made in actuarial assumptions from the prior years' valuation.

Note P. – Funds Held in Trust by Others

Funds held in trust by others were neither in the possession of nor under the management of the University. These funds, which were not recorded on the University's financial records and which arose from contributions, were held and administered by external fiscal agents, selected by the donors, who distributed net income earned by such funds to the University, where it was recorded when received. Funds held in trust as of June 30, 2023 were $312,085 at cost and $325,590 at fair value.

Note Q. – Insurance Coverage

The University insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage through policies administered by the State of Utah Risk Management Fund. This all-risk insurance coverage provides for repair or replacement of damaged property at a replacement cost basis subject to a $1,000 per occurrence deductible. All revenues from the University operations, rental income for its residence halls, and tuition are insured against loss due to business interruption caused by fire or other insurable perils. Additionally, the University is protected against employee dishonesty exposures under a $10 million crime policy. The Utah State Risk Management Fund provides coverage to the University for general, automobile, personal injury, errors or omissions, and malpractice liability at $10 million per occurrence. The University qualifies as a "governmental body" under the Utah Governmental Immunity Act (*Utah Code* Title 63G, Chapter 7, Section 604) which limits applicable claim settlements to $583,900 for one person in any one occurrence or $3,000,000 for two or more persons in any one occurrence and $233,600 for property damage liability in any one occurrence.

All University employees are covered by worker's compensation insurance, including employer's liability coverage, by the Worker's Compensation Fund of Utah. The University has established a self-insurance fund for employee medical and dental care plans that are administered through UMR (both plans referred to as Health Care Plan). When claims paid by the Plan on behalf of a member during a plan year exceed a specific threshold (currently $200,000), the specific stop loss insurance will reimburse the Plan for eligible claims paid above the threshold level. GASB Statement No. 10 requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The University has recorded the investments of the Health Care Plan funds as of June 30, 2023 and the estimated liability for self-insurance claims at that date in the Statement of Net Position. The income and expenses related to the administration of the self-insurance and estimated provision for the claims liabilities for the year then ended are recorded in the Statement of Revenues, Expenses, and Changes in Net Position.

Changes in the University's medical & dental claims liability and other benefit liabilities are as follows:

Medical & Dental Claims Payable:	2023	2022
Estimated Claims Liability - Beginning of Year	$ 1,516,732	$ 4,301,886
Net Current Year Claims and Administration Expenses	$ 24,021,576	$ 26,997,533
Cash Paid for Claims	$ (24,140,245)	$ (29,782,687)
Estimated Claims Liability - End of Year	**$ 1,398,063**	**$ 1,516,732**
Other Accrued Benefits & Deductions Payable		
Retirement Contributions Liability	512	-
Medical Plan Contributions Liability	3,698	4,198
Other Miscellaneous Deductions Liability	140	26,467
Total Accrued Benefits & Deductions Payable	**$ 1,402,413**	**$ 1,547,397**

Note R. – Refundable Government Grants

Congress did not renew the Federal Perkins Loan Program after September 30, 2017. No new Perkins loans could be disbursed after June 30, 2018. The lack of renewal also means that the federal capital contribution (FCC) and the portion of any loan repayments must be returned to the Department of Education, (DoEd). In fiscal year 2023, the amount of FCC required to be returned to the DoEd was $72,850, which leaves a liability of $1,057,170 for the University's balance of FCC.

Note S. – SUU Foundation – Blended Component Unit

The Southern Utah University Foundation (the Foundation) is a legally separate, tax-exempt component unit of the University. The Foundation acts primarily as a fund-raising organization to supplement resources that are available to the University in support of its programs. The majority of the resources or income the foundation holds and invests are restricted for the benefit of the University by the donors. The University appoints a controlling number of positions on the Board of Directors of the Foundation and the University has the ability to impose its will on the Foundation, significantly influencing the programs, projects and activities of the Foundation. Additionally, the Foundation provides services entirely or almost entirely to the University. For these reasons, the Foundation is considered a component unit of the University and is presented in the University financial statements as a blended component unit. Separate financial statements for the Foundation can be obtained from the University.

Elimination of internal balances and transactions between SUU and the Foundation and a presentation of eliminated balances and transactions in a separate column is required by GASB Statement 34. However, because there are no such internal balances and transactions, the following is a single-column, condensed version of the Foundation financial statements for the fiscal year ended June 30, 2023:

SUU FOUNDATION Condensed Statement of Net Position	
Assets	
Current Assets	
Cash & Receivables	$ 487,751
Noncurrent Assets	
Investments	380,200
Capital Assets, net of Accumulated Depreciation	1,196,656
Total Assets	**$ 2,064,607**
Net Position	
Net Investment in Capital Assets	$ 1,196,656
Restricted	380,200
Unrestricted	487,751
Total Net Position	**$ 2,064,607**

SUU FOUNDATION Statement of Revenues, Expenses, and Changes in Net Position	
Total Operating Revenues	**$ -**
Operating Expenses	
Other Expenses	43,723
Total Operating Expenses	**43,723**
Operating Income (Loss)	**(43,723)**
Nonoperating Revenues (Expenses)	
Private Gifts	-
Total Nonoperating Revenues (Expenses)	**-**
Decrease in Net Position	**(43,723)**
Net Position at Beginning of Year	2,108,330
Net Position at End of Year	**$ 2,064,607**

SUU FOUNDATION Statement of Cash Flows	
Net Cash Provided (Used) By:	
Operating Activities	$ (1,858)
Net Decrease in Cash	**(1,858)**
Cash & Cash Equivalents at Beginning of Year	489,609
Cash & Cash Equivalents at End of Year	**$ 487,751**

Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Net Operating Income (Loss)	$ (43,723)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation Expense	41,865
Net Cash Used by Operating Activities	**$ (1,858)**

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability As of December 31	2022	2021	2020	2019	2018	2017	2016	2015	2014
Noncontributory System									
Proportion of Systems net pension liability (asset)	0.3973599%	0.4114600%	0.4236545%	0.4168153%	0.3814387%	0.3813235%	0.3639326%	0.3636182%	0.3579107%
Proportionate share of Systems net pension liability (asset)	$ 8,580,093	$ (2,811,277)	$ 5,647,831	$ 9,260,393	$ 14,191,492	$ 9,324,741	$ 11,794,753	$ 11,422,289	$ 8,992,609
Covered payroll	$ 9,130,143	$ 9,638,135	$ 9,919,562	$ 9,913,131	$ 9,867,938	$ 9,923,719	$ 9,953,525	$ 10,122,213	$ 9,923,414
Proportionate share of Systems net pension liability (asset) as a percentage of its covered payroll	93.98%	-29.17%	56.94%	93.42%	143.81%	93.96%	118.50%	112.84%	90.62%
Plan fiduciary net position as a percentage of the total pension liability	91.6%	102.7%	94.3%	90.1%	84.1%	89.2%	84.9%	84.5%	87.2%
Contributory System									
Proportion of Systems net pension liability (asset)	0.2645466%	0.4044656%	0.3448931%	0.2952290%	0.1629085%	0.1345811%	0.1177917%	0.1022645%	0.0922137%
Proportionate share of Systems net pension liability (asset)	$ 34,573	$ (364,222)	$ (82,029)	$ 20,382	$ 115,666	$ 8,856	$ 64,545	$ 64,084	$ 10,111
Covered payroll	$ 17,370	$ 34,235	$ 33,263	$ 32,937	$ 31,616	$ 30,621	$ 31,576	$ 32,395	$ 33,177
Proportionate share of Systems net pension liability (asset) as a percentage of its covered payroll	199.04%	-1063.90%	-246.61%	61.88%	365.85%	28.92%	204.41%	197.82%	30.48%
Plan fiduciary net position as a percentage of the total pension liability	97.9%	114.1%	103.7%	98.9%	91.4%	99.2%	93.4%	92.4%	98.7%
Public Safety System									
Proportion of Systems net pension liability (asset)	0.1775761%	0.1769853%	0.1604764%	0.1616796%	0.1767365%	0.1988919%	0.1857309%	0.2041688%	0.1980694%
Proportionate share of Systems net pension liability (asset)	$ 140,088	$ (162,239)	$ 103,938	$ 238,757	$ 423,063	$ 345,846	$ 397,109	$ 439,548	$ 368,060
Covered payroll	$ 162,591	$ 155,419	$ 142,157	$ 149,886	$ 200,394	$ 225,094	$ 222,402	$ 238,257	$ 227,905
Proportionate share of Systems net pension liability (asset) as a percentage of its covered payroll	86.16%	-104.39%	73.11%	159.29%	211.12%	153.64%	178.55%	184.48%	161.50%
Plan fiduciary net position as a percentage of the total pension liability	95.2%	105.7%	95.8%	90.0%	83.2%	87.4%	83.5%	82.3%	84.3%
Tier 2 Public Employees System									
Proportion of Systems net pension liability (asset)	0.3471534%	0.3404632%	0.3581416%	0.3377578%	0.3210046%	0.3386836%	0.2468898%	0.1795573%	0.1861719%
Proportionate share of Systems net pension liability (asset)	$ 378,013	$ (144,097)	$ 51,511	$ 75,964	$ 137,479	$ 29,861	$ 27,540	$ (392)	$ (5,642)
Covered payroll	$ 7,569,798	$ 6,321,033	$ 5,726,663	$ 4,692,603	$ 3,751,521	$ 3,314,733	$ 2,024,701	$ 1,160,145	$ 913,709
Proportionate share of Systems net pension liability (asset) as a percentage of its covered payroll	4.99%	-2.28%	0.90%	1.62%	3.66%	0.90%	1.36%	-0.03%	-0.62%
Plan fiduciary net position as a percentage of the total pension liability	92.3%	103.8%	98.3%	96.5%	90.8%	97.4%	95.1%	100.2%	103.5%
Tier 2 Public Safety and Firefighter System									
Proportion of Systems net pension liability (asset)	0.0582422%	0.0554652%	0.0582480%	0.0665695%	0.0278155%	0.0325679%	0.0156266%	N/A	N/A
Proportionate share of Systems net pension liability (asset)	$ 4,859	$ (2,803)	$ 5,225	$ 6,262	$ 697	$ (377)	$ (136)	N/A	N/A
Covered payroll	$ 179,198	$ 132,638	$ 116,153	$ 109,724	$ 37,254	$ 34,377	$ 12,911	N/A	N/A
Proportionate share of Systems net pension liability (asset) as a percentage of its covered payroll	2.71%	-2.11%	4.50%	5.71%	1.87%	-1.10%	-1.05%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	96.4%	102.8%	93.1%	89.6%	95.6%	103.0%	103.6%	N/A	N/A

Note: The University implemented GASB Statement No. 68 in fiscal year 2015. Information on the University's portion of the plans net pension liabilities (assets) is not available for periods prior to fiscal year 2015.

Schedule of Contributions For Fiscal Years Ending June 30	2023	2022	2021	2020	2019
Noncontributory System					
Contractually Required	$ 2,014,889	$ 2,051,228	$ 2,134,147	$ 2,221,964	$ 2,146,318
Contributions in Relation to the Contractually Required	$ (2,014,889)	$ (2,051,228)	$ (2,134,147)	$ (2,221,964)	$ (2,146,318)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 9,185,533	$ 9,269,099	$ 9,668,135	$ 10,152,681	$ 9,821,482
Contributions as a Percentage of Covered Payroll	21.94%	22.13%	22.07%	21.89%	21.85%
Contributory System					
Contractually Required	$ -	$ 6,149	$ 5,929	$ 5,887	$ 8,329
Contributions in Relation to the Contractually Required	$ -	$ (6,149)	$ (5,929)	$ (5,887)	$ (8,329)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ -	$ 34,740	$ 33,496	$ 33,263	$ 46,594
Contributions as a Percentage of Covered Payroll	0.00%	17.70%	17.70%	17.70%	17.88%
Public Safety System					
Contractually Required	$ 70,130	$ 65,064	$ 59,220	$ 62,592	$ 71,167
Contributions in Relation to the Contractually Required	$ (70,130)	$ (65,064)	$ (59,220)	$ (62,592)	$ (71,167)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 169,600	$ 157,349	$ 143,217	$ 151,370	$ 172,110
Contributions as a Percentage of Covered Payroll	41.35%	41.35%	41.35%	41.35%	41.35%
Tier 2 Public Employees System*					
Contractually Required	$ 1,679,567	$ 1,328,911	$ 1,156,081	$ 1,042,621	$ 767,375
Contributions in Relation to the Contractually Required	$ (1,679,567)	$ (1,328,911)	$ (1,156,081)	$ (1,042,621)	$ (767,375)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 8,465,783	$ 6,847,604	$ 6,041,824	$ 5,488,530	$ 4,065,417
Contributions as a Percentage of Covered Payroll	19.84%	19.41%	19.13%	19.00%	18.88%
Tier 2 Public Safety and Firefighter System*					
Contractually Required	$ 64,862	$ 48,812	$ 42,720	$ 34,247	$ 21,280
Contributions in Relation to the Contractually Required	$ (64,862)	$ (48,812)	$ (42,720)	$ (34,247)	$ (21,280)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 199,331	$ 147,617	$ 122,722	$ 114,769	$ 71,410
Contributions as a Percentage of Covered Payroll	32.54%	33.07%	34.81%	29.84%	29.80%

**Contractually Required Contributions, Contributions, and Covered Payroll include information for Tier 2 Employees. The Tier 2 Public Employees System was created in fiscal year 2011. Prior to the implementation of GASB Statement No. 68, Tier 2 information was not separately available.*

Schedule of Contributions (continued)					
For Fiscal Years Ending June 30	2018	2017	2016	2015	2014
Noncontributory System					
Contractually Required	$ 2,158,520	$ 2,161,713	$ 2,153,271	$ 2,319,809	$ 2,027,040
Contributions in Relation to the Contractually Required	$ (2,158,520)	$ (2,161,713)	$ (2,153,271)	$ (2,319,809)	$ (2,027,040)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 9,925,614	$ 9,999,130	$ 9,970,411	$ 10,143,115	$ 9,817,043
Contributions as a Percentage of Covered Payroll	21.75%	21.62%	21.60%	22.87%	20.65%
Contributory System					
Contractually Required	$ 5,420	$ 5,589	$ 5,734	$ 5,739	$ 5,117
Contributions in Relation to the Contractually Required	$ (5,420)	$ (5,589)	$ (5,734)	$ (5,739)	$ (5,117)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 30,621	$ 31,576	$ 32,395	$ 32,426	$ 32,041
Contributions as a Percentage of Covered Payroll	17.70%	17.70%	17.70%	17.70%	15.97%
Public Safety System					
Contractually Required	$ 91,615	$ 87,724	$ 98,109	$ 96,577	$ 92,803
Contributions in Relation to the Contractually Required	$ (91,615)	$ (87,724)	$ (98,109)	$ (96,577)	$ (92,803)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 221,560	$ 212,151	$ 237,266	$ 233,559	$ 236,079
Contributions as a Percentage of Covered Payroll	41.35%	41.35%	41.35%	41.35%	39.31%
Tier 2 Public Employees System*					
Contractually Required	$ 674,640	$ 516,860	$ 251,738	$ 85,958	$ 66,156
Contributions in Relation to the Contractually Required	$ (674,640)	$ (516,860)	$ (251,738)	$ (85,958)	$ (66,156)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 3,658,090	$ 2,833,666	$ 1,380,385	$ 1,315,692	$ 967,391
Contributions as a Percentage of Covered Payroll	18.44%	18.24%	18.24%	6.53%	6.84%
Tier 2 Public Safety and Firefighter System*					
Contractually Required	$ 10,750	$ 8,416	N/A	N/A	N/A
Contributions in Relation to the Contractually Required	$ (10,750)	$ (8,416)			
Contribution Deficiency (Excess)	$ -	$ -			
Covered Payroll	$ 36,794	$ 28,891			
Contributions as a Percentage of Covered Payroll	29.22%	29.13%			

**Contractually Required Contributions, Contributions, and Covered Payroll include information for Tier 2 Employees. The Tier 2 Public Employees System was created in fiscal year 2011. Prior to the implementation of GASB Statement No. 68, Tier 2 information was not separately available.*

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SOUTHERN UTAH UNIVERSITY

Annual Financial Report prepared by
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