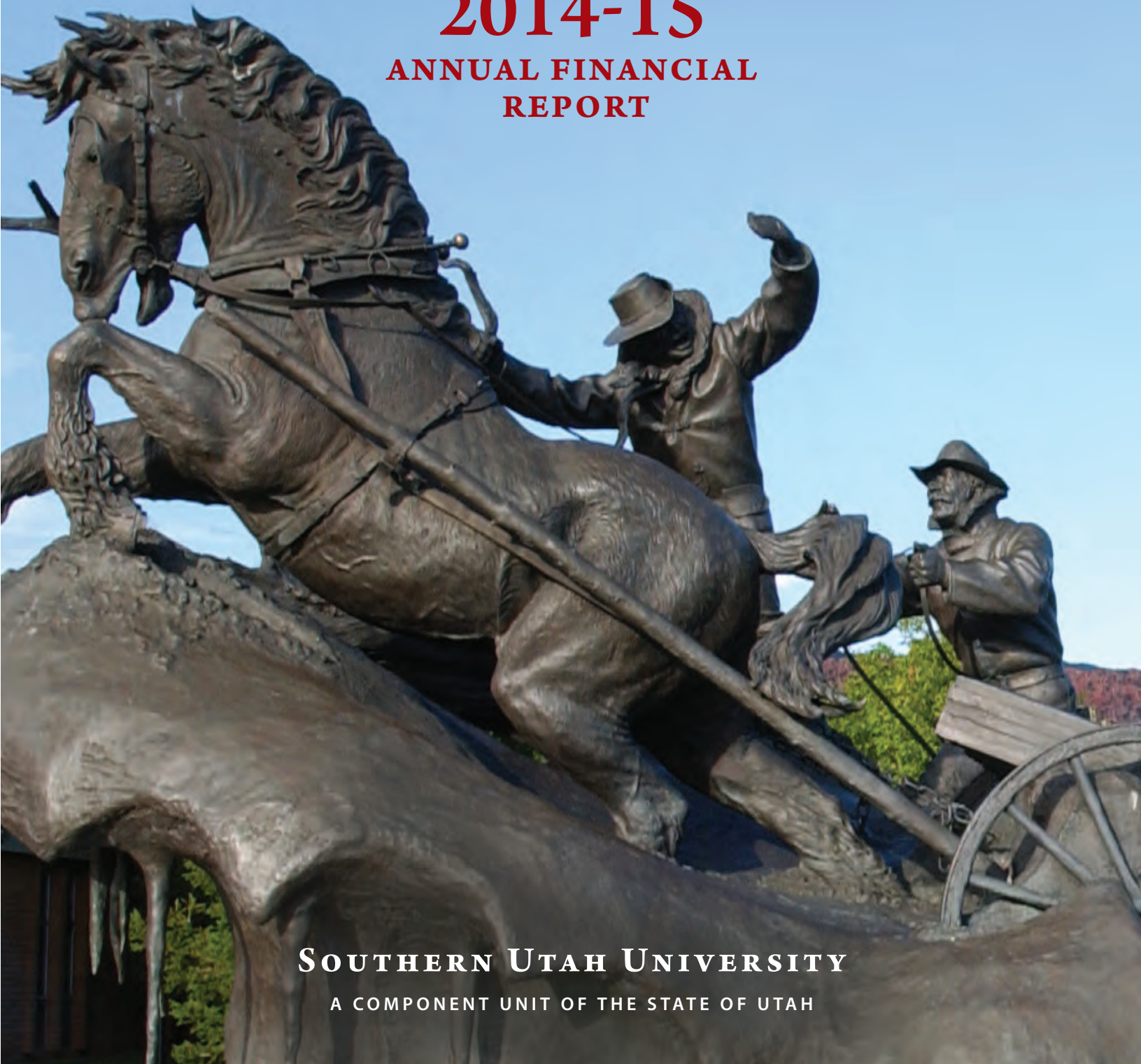


# SUU

2014-15

ANNUAL FINANCIAL  
REPORT



**SOUTHERN UTAH UNIVERSITY**

A COMPONENT UNIT OF THE STATE OF UTAH



CONTENTS

	<b>Page</b>
<b>Letter from the President .....</b>	<b>2</b>
<b>Report of Independent Auditors .....</b>	<b>5</b>
<b>Management Discussion and Analysis .....</b>	<b>7</b>
<b>Statement of Net Position .....</b>	<b>15</b>
<b>Statement of Revenues, Expenses, and Changes in Net Position .....</b>	<b>17</b>
<b>Statement of Cash Flows .....</b>	<b>18</b>
<b>Notes to the Financial Statements .....</b>	<b>21</b>
<b>Required Supplementary Information .....</b>	<b>43</b>
<b>Governing Boards and Officers .....</b>	<b>45</b>





## From the President

It is a privilege for me to serve as President of Southern Utah University. In my second year, I continue to find myself extremely impressed by the high volume of individual and collective achievements by our university community. SUU is able to attract bright students and has the highest graduation rate among the regional universities in the eight Intermountain West states.

I am pleased to be able to highlight a few of the many recent accomplishments of our students, faculty and staff, and University as a whole that make SUU such an extraordinary place.

### ACADEMICS

- For the ninth consecutive year, The Princeton Review named SUU among its Best Colleges: Region by Region.
- Among the Class of 2015 graduates is a group of well-read English Education students who are heading into their teaching careers well prepared for success, graduating from a program that touts a 100% Praxis I and II pass rate for the past three years.
- The 2015 graduating class from the SUU Department of Nursing achieved a 100% NCLEX-RN examination first-time pass rate. SUU's cumulative NCLEX first-time pass rate over the last 10 years has been an astounding 98.7 percent, which is head and shoulders above the national average (82%) and Utah average (84%).
- SUU was named a national 2015 Best Value College by The Princeton Review and is one of only 80 public universities in the nation to be selected.
- SUU's masters of accountancy program was named #4 by OnlineU.
- For the third consecutive year SUU has been named in the annual "America's 100 Best College Buys" for its superior quality education as well as its affordability. Institutional Research & Evaluation, Inc. selected SUU as one of only 14 schools in the western U.S. to be included in the list.

### UNIVERSITY ADVANCEMENT

- In July 2014 Siemens PLM Software donated an in-kind software grant with a commercial value of nearly \$37 million that gives SUU students access to the same technology that companies around the world depend on every day. SUU graduates with this kind of training will be highly-recruited candidates for advanced technology jobs.
- Receiving the largest single gift in the history of SUU, the University received a \$7.5 million pledge from the Dixie and Anne Leavitt Foundation, \$5 million of which will go toward



construction of a new building for the University's School of Business and \$2.5 million which will support scholarships.

- In April 2015, SUU premiered a documentary film "Back Up the Mountain", which tells of the monumental task and courage of an 1898 company who forged up the mountain in a blizzard to seek lumber to build the first higher education institution in southern Utah. Such is the story of the founding of SUU, a school in need championed by a committed community and together they accomplished the unexpected.
- Cultivating a spirit of service on campus and across the globe, SUU faculty, staff and students completed more than 197,000 documented hours of service, by collecting Christmas gifts for impoverished children, providing medical care to underserved villages in the Dominican Republic, beautifying public lands, and much more.
- SUU Women's Gymnastics team finished the year ranked 16<sup>th</sup> in the nation, the highest finish in program history. The team also finished second in the Mountain Rim Gymnastics Conference, placed third at the NCAA Regional Championships in Norman, OK, and sent two gymnasts (Jamie Armijo and Ana Jaworski) to the NCAA finals in individual competition.
- Nate Jewkes, a member of the SUU Cross Country and Track & Field team, finished 15<sup>th</sup> and garnered All-American honors at the 2014 NCAA Cross Country Championships.

## **INDIVIDUAL ACHIEVEMENTS**

- Three SUU business students attended the Future Business Leaders of America-Phi Beta Lambda National Leadership Conference in Tennessee. Competing in some of the 50 events and against 250,000 other competitors, Ashley Amundsen (senior advertising major) and Jake Amundsen (junior graphic design major) took fifth place in Desktop Publishing and tenth place in Web Design. Brant Parker (junior finance major) competed in the community service project event and garnered sixth place for his work at the Teddy Bear Den in Cedar City. Ashley was also elected western region vice president of the organization, ensuring that SUU would have a lasting effect on the nation's largest and oldest collegiate business organization.
- For their outstanding academic achievements, 129 SUU athletes were named to the Fall 2014, Winter 2014-15, and Spring 2015 Academic All-Big Sky team in their respective sport.
- Alumnus Josh Smith ('09) has embarked on a journalism career taking him around the world as an expeditionary reporter for Stars and Stripes, a magazine that serves the United States military community, covering the troops in Afghanistan, where he has lived for almost two years.
- Southern Utah University assistant professor of art education Deb Snider was selected to be the 2015 Higher Education Art Educator of the Year by the Utah Art Education Association.
- Salt Lake Tribune Washington correspondent and alumna, Thomas Burr ('02), has worked in Washington DC since 2005 covering Congress, the White House, and federal agencies. Burr was unanimously elected by his peers as vice president of the National Press Club, a leading professional organization for journalists and communications professionals.

Again, these are only a few of the many accomplishments, successes and initiatives that motivate all of us in moving SUU forward. I am honored to be a part of this terrific institution and am proud of the significant influence for good it has on students, the campus, the local community and beyond.

Thank you for your interest in and support of Southern Utah University.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line that extends to the right and then curves slightly downwards.

President Scott L Wyatt



OFFICE OF THE  
UTAH STATE AUDITOR

INDEPENDENT STATE AUDITOR'S REPORT

To the Board of Trustees, Audit Committee  
and  
Scott L Wyatt, President  
Southern Utah University

**Report on the Financial Statements**

We have audited the accompanying financial statements of Southern Utah University (the University), a component unit of the State of Utah, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University as of June 30, 2015, and the changes in its financial position and its

cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

The University implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, in fiscal year 2015. As a result of these required changes in accounting principle, the University recorded a \$9,680,979 million reduction in beginning net position. The University's ending net position also reflects the newly required net pension liability related to its participation in defined benefit retirement systems. See Notes A and N for further information. Our opinion for the University is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 7–14 and the University's Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions on pages 43–44 be presented to supplement the basic financial statements. Such information, 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***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the University's basic financial statements. The Letter from the President and the listing of the governing boards and officers have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2015 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 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 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 Utah State Auditor*

Office of the Utah State Auditor  
December 15, 2015



# SOUTHERN UTAH UNIVERSITY

MANAGEMENT DISCUSSION AND ANALYSIS

FISCAL YEAR ENDED JUNE 30, 2015

---

## 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, 2015. 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.

Through its 118-year history, the University has evolved from a teacher training school into its current role as Utah's comprehensive liberal arts and sciences 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 approximately 8,900 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.

# SOUTHERN UTAH UNIVERSITY

MANAGEMENT DISCUSSION AND ANALYSIS

FISCAL YEAR ENDED JUNE 30, 2015

## 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, 2015 and 2014.

<b>Condensed Statement of Net Position</b>				
	<u>June 30, 2015</u>	<u>June 30, 2014*</u>	<u>Change</u>	<u>% Change</u>
<b>Assets</b>				
Current Assets	\$ 51,190,930	\$ 56,697,158	\$ (5,506,228)	-9.7%
Noncurrent Assets				
Other Noncurrent Assets	84,436,671	59,865,013	24,571,658	41.0%
Capital Assets	<u>123,488,878</u>	<u>126,170,881</u>	<u>(2,682,003)</u>	<u>-2.1%</u>
<b>Total Assets</b>	<u>259,116,479</u>	<u>242,733,052</u>	<u>16,383,427</u>	<u>6.7%</u>
<b>Deferred Outflows of Resources</b>	<u>1,423,123</u>	<u>-</u>	<u>1,423,123</u>	<u>100.0%</u>
<b>Liabilities</b>				
Current Liabilities	25,674,245	20,125,330	5,548,915	27.6%
Noncurrent Liabilities	<u>27,277,047</u>	<u>19,353,540</u>	<u>7,923,507</u>	<u>40.9%</u>
<b>Total Liabilities</b>	<u>52,951,292</u>	<u>39,478,870</u>	<u>13,472,422</u>	<u>34.1%</u>
<b>Deferred Inflows of Resources</b>	<u>889,517</u>	<u>-</u>	<u>889,517</u>	<u>100.0%</u>
<b>Net Position</b>				
Net Investment in Capital Assets	105,818,795	106,870,287	(1,051,492)	-1.0%
Restricted Nonexpendable	19,510,078	18,574,093	935,985	5.0%
Restricted Expendable	44,979,416	35,661,301	9,318,115	26.1%
Unrestricted	<u>36,390,504</u>	<u>42,148,501</u>	<u>(5,757,997)</u>	<u>-13.7%</u>
<b>Total Net Position</b>	<u>\$ 206,698,793</u>	<u>\$ 203,254,182</u>	<u>\$ 3,444,611</u>	<u>1.7%</u>

\*The 2014 amounts presented above have not been changed for the prior period adjustment discussed in Note A.

Current Asset decreases were mainly a result of net decreases in cash and cash equivalents and receivables, along with a net increase in short-term investments. Changes in cash and cash equivalents and short-term investments were a result of investment strategies and daily operations. Receivable decreases were mainly due to pledges received in fiscal year 2015 for the Beverly Taylor Sorenson Center for the Arts (Center for the Arts) and a reduction in grant awards receivable. Other Noncurrent Assets increased as a result of a net increase in noncurrent investments due to investment acquisitions, an increase in restricted cash and cash equivalents, an increase in loans receivable for the Center for the Arts, and noncurrent pledges for a new Business Building. The decrease in Capital Assets was caused by depreciation and asset retirements in excess of net additions. Capital asset commitments for capital expenditures increased as a result of moving forward with the Center for the Arts project (see Note H in the accompanying Notes to the Financial Statements). A Net Pension Asset of \$5,642 and Deferred Outflows of Resources of \$1,423,123 were added to the financial statements as a result of implementation of the new GASB 68 standard (see Note N).

# SOUTHERN UTAH UNIVERSITY

MANAGEMENT DISCUSSION AND ANALYSIS

FISCAL YEAR ENDED JUNE 30, 2015

---

The increase in Current Liabilities is a result of increases in unearned revenues, notes payable, and in accrued benefits and deductions payable. The increase to unearned revenues was due to Aviation course fees. The increase in notes payable is due to a line of credit extended by Wells Fargo bank (see Note L). The increase in accrued benefits and deductions payable is due to higher than average insurance claims paid during the current fiscal year. Noncurrent Liabilities increased due to the addition of a net pension liability of \$9,370,780 and deferred inflows of resources of \$889,517 were added as a result of implementation of the new GASB 68 standard (see Note N).

The University's Net Position increased as a result of the following: Net Investment in Capital Assets decreased as a result of net depreciation and net asset retirements over capital additions during the year as well as an increased construction in progress balance. Increases in Restricted Nonexpendable Net Position resulted from the receipt of generous endowment donations from University friends and alumni for both scholarships and other operating needs. Increases in Restricted Expendable Net Position resulted from the additions in funding for the Center for the Arts in the form of gifts and grants. The decreases in Unrestricted Net Position are attributed to the recording of the University portion of the net pension liability, the decreased private gifts, grants revenues and transfer of pledges receivable from SUU Foundation to SUU.



# SOUTHERN UTAH UNIVERSITY

MANAGEMENT DISCUSSION AND ANALYSIS

FISCAL YEAR ENDED JUNE 30, 2015

## 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, 2015 and 2014.

### Condensed Statement of Revenues, Expenses, and Changes in Net Position

	June 30, 2015	June 30, 2014*	Change	% Change
<b>Operating Revenues</b>				
Tuition and Fees	\$ 65,446,703	\$ 46,346,728	\$ 19,099,975	41.2%
Grants and Contracts	753,125	466,569	286,556	61.4%
Sales and Services of Educational Activities	15,170,338	15,548,067	(377,729)	-2.4%
Sales and Services of Auxiliary Enterprises	4,109,925	3,925,692	184,233	4.7%
Other	27,836	31,930	(4,094)	-12.8%
<b>Total Operating Revenues</b>	85,507,927	66,318,986	19,188,941	28.9%
<b>Operating Expenses</b>				
Salaries	52,030,245	48,586,209	3,444,036	7.1%
Benefits	20,263,582	20,558,394	(294,812)	-1.4%
Depreciation	6,248,767	6,515,704	(266,937)	-4.1%
Repairs and Maintenance	1,160,275	3,343,226	(2,182,951)	-65.3%
Services and Supplies	42,069,296	23,140,485	18,928,811	81.8%
Student Aid	5,208,623	6,859,815	(1,651,192)	-24.1%
Utilities	2,175,686	2,375,500	(199,814)	-8.4%
Other Operating Expenses	10,343,805	10,950,892	(607,087)	-5.5%
<b>Total Operating Expenses</b>	139,500,279	122,330,225	17,170,054	14.0%
<b>Operating Loss</b>	(53,992,352)	(56,011,239)	2,018,887	3.6%
<b>Nonoperating Revenues (Expenses)</b>				
State Appropriations	33,290,083	31,583,161	1,706,922	5.4%
Grants and Contracts	21,460,934	22,242,823	(781,889)	-3.5%
Private Gifts and Grants	4,230,618	10,187,914	(5,957,296)	-58.5%
Investment Income	962,011	2,408,367	(1,446,356)	-60.1%
Other Nonoperating Revenues (Expenses)	(703,693)	(13,481)	(690,212)	-5119.9%
Interest on Indebtedness	(806,755)	(698,262)	(108,493)	-15.5%
<b>Net Nonoperating Revenue (Expenses)</b>	58,433,198	65,710,522	(7,277,324)	-11.1%
<b>Income (Loss) Before Other Revenue</b>	4,440,846	9,699,283	(5,258,437)	-54.2%
<b>Other Revenues</b>	8,684,744	6,728,705	1,956,039	29.1%
<b>Change in Net Position</b>	13,125,590	16,427,988	(3,302,398)	-20.1%
Prior Period Adjustment Related to Pensions	(9,680,979)			
<b>Net Position - Beginning of Year</b>	203,254,182	186,826,194	16,427,988	8.8%
<b>Net Position - End of Year</b>	\$ 206,698,793	\$ 203,254,182	\$ 13,125,590	6.5%

\*The 2014 amounts presented above have not been changed for the prior period adjustment discussed in Note A.

The increases to Tuition and Fees were largely a result of fees assessed for the Aviation Program. Operating Grants and Contracts increased due to a new Youth Intern Partnership with the National Parks Service. Auxiliary Enterprises revenues increased primarily from higher Bookstore sales and Housing rentals.

The increase in salaries was due primarily to the hiring of faculty for the Aviation program as part of our contract with Upper Limit Aviation and the Department of Veterans Affairs. Benefits decreased primarily as a result of a



# SOUTHERN UTAH UNIVERSITY

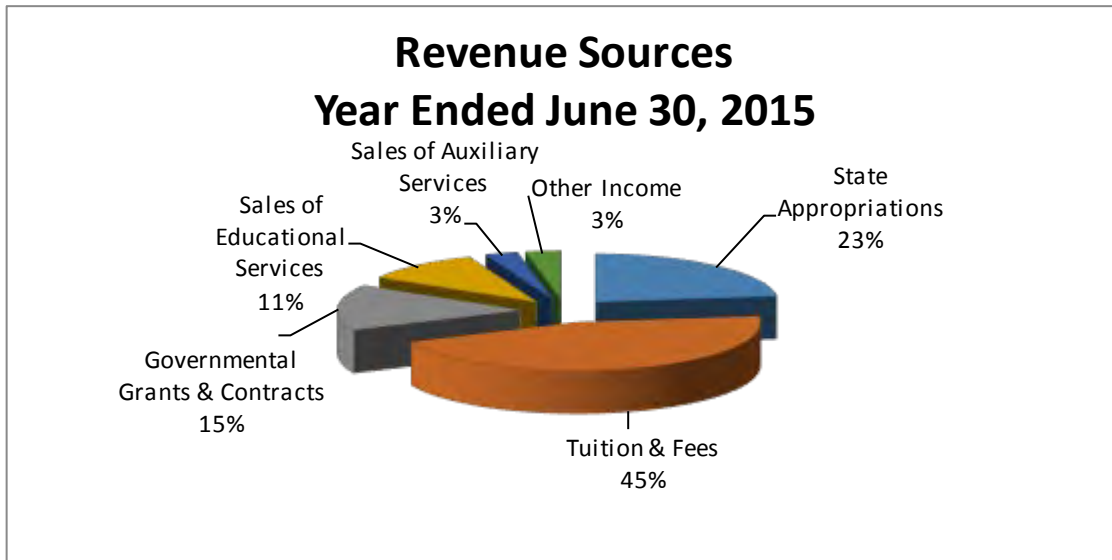
MANAGEMENT DISCUSSION AND ANALYSIS

FISCAL YEAR ENDED JUNE 30, 2015

negative net pension expense resulting from implementation of the new GASB 68 standard (see Note N). Repairs and Maintenance decreased as a result of Division of Facilities Construction and Management (DFCM) maintenance projects being completed and expensed. Services and supplies increased as a result of payments to Upper Limit Aviation for operating costs associated with the Aviation Program. Student Aid expenses decreased as a result of increased third party payments for student tuition and fees. Other operating expenses decreased as a result of administration's efforts to control spending due to tighter budget constraints.

State appropriations increased due to increased funding for salaries, operating expenses, and one-time funding for a STEM initiative. Non-Operating Grants and Contracts decreased as a result of non-capital construction projects transferred from DFCM and an offsetting increase in Department of Education and Health funding. Private gifts and grants decreased as a result of reduced fund raising for the Center for the Arts. Investment income decreased primarily due to unusually high increases on market value for investments held during the prior year. Other nonoperating expenses increased as a result of increased sales and retirement of plant assets at a loss.

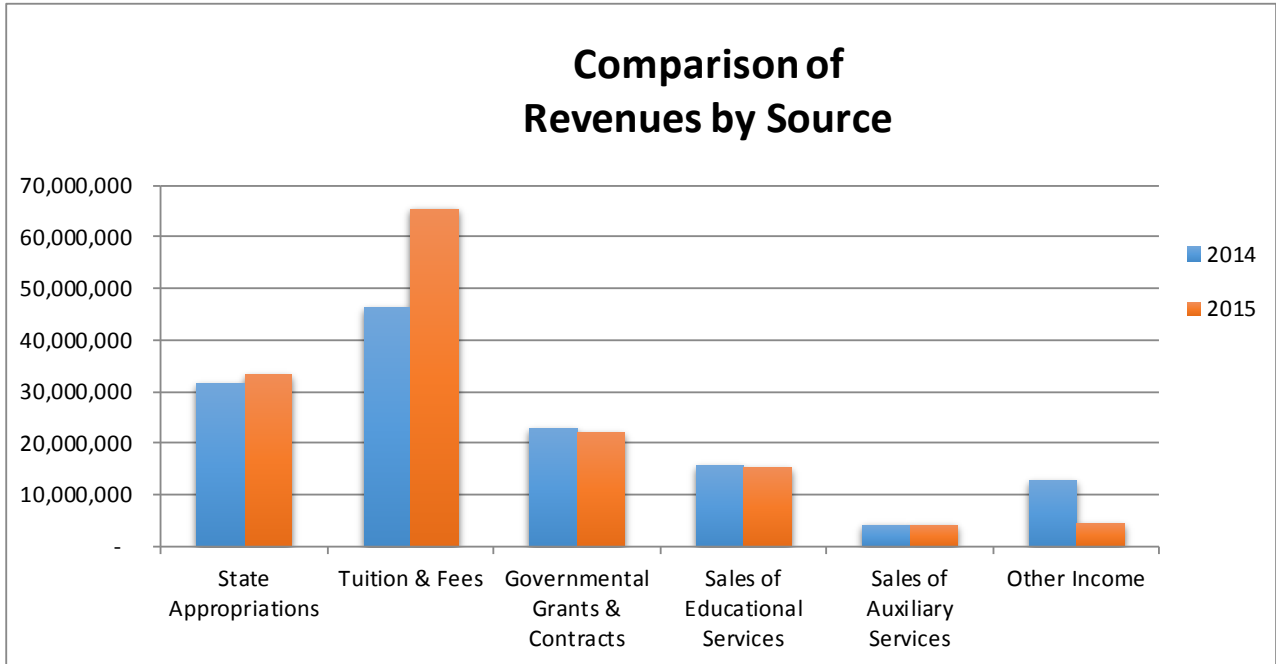
The following graphs illustrate all funding sources, except Capital Appropriations, Capital Grants and Gifts and Additions to Permanent Endowments of the University, as a percentage of total revenues for the year ended June 30, 2015, with a comparison to the prior year:



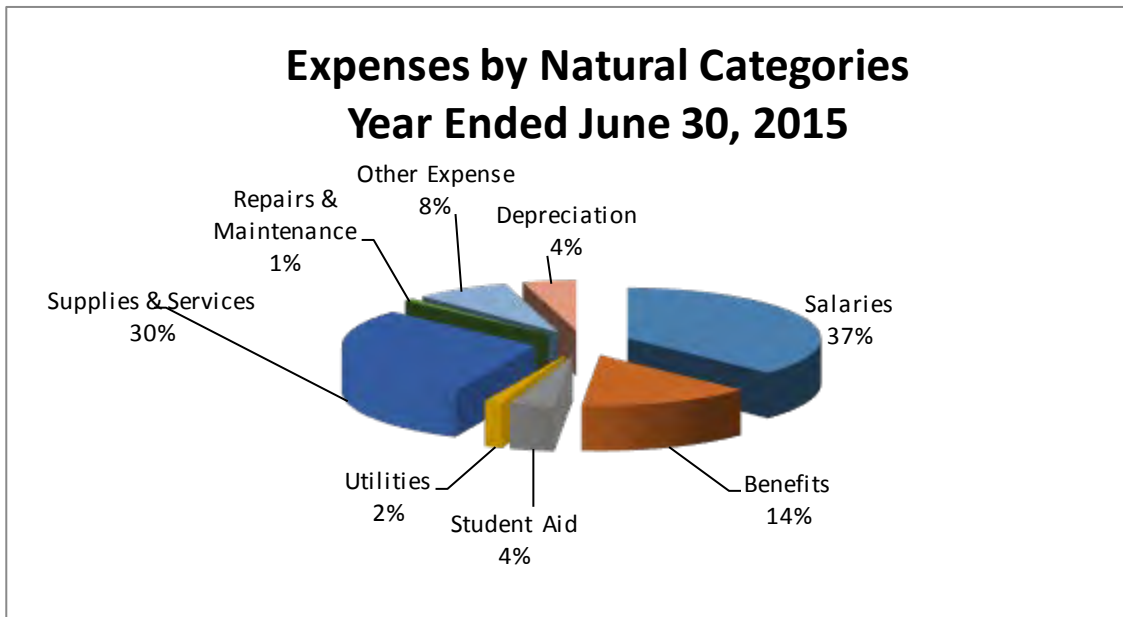
# SOUTHERN UTAH UNIVERSITY

MANAGEMENT DISCUSSION AND ANALYSIS

FISCAL YEAR ENDED JUNE 30, 2015



The following graphs illustrate expenses of the University by natural classification as a percentage of total expense for the year ended June 30, 2015, with a comparison to the prior year:

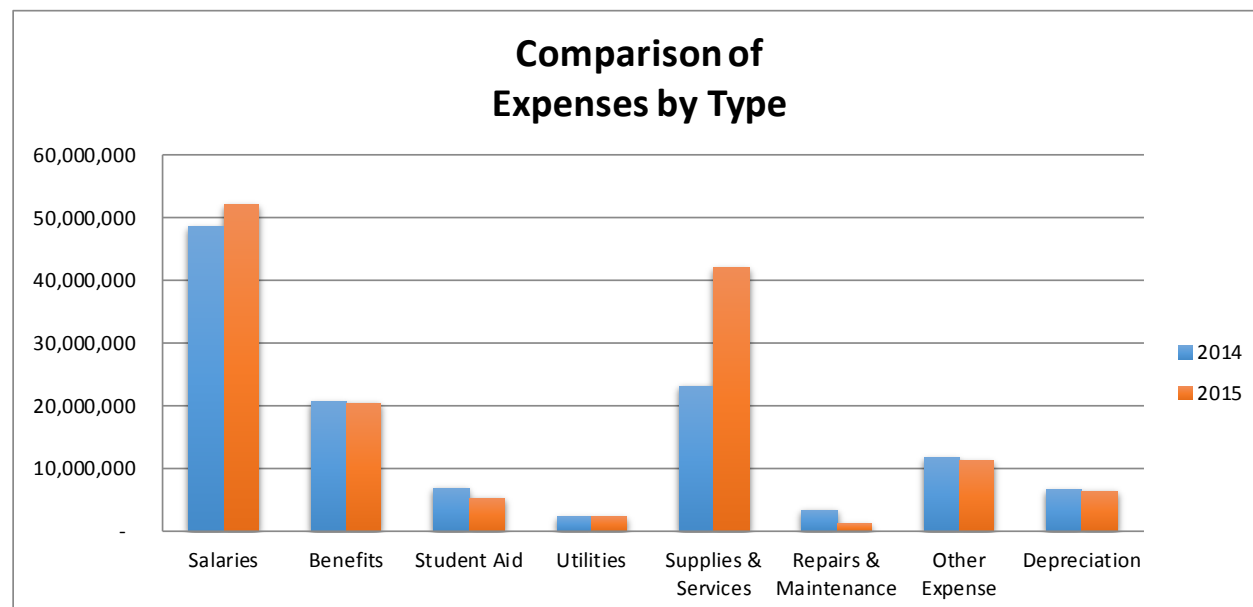




# SOUTHERN UTAH UNIVERSITY

MANAGEMENT DISCUSSION AND ANALYSIS

FISCAL YEAR ENDED JUNE 30, 2015



## 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, 2015 and 2014.

### Condensed Statement of Cash Flows

	June 30, 2015	June 30, 2014*	Change	% Change
Cash Provided (Used) by:				
Operating Activities	\$ (44,936,592)	\$ (43,605,753)	\$ (1,330,839)	-3.1%
Noncapital Financing Activities	62,685,859	54,220,864	8,464,995	15.6%
Capital Financing Activities	(8,046,478)	3,472,797	(11,519,275)	-331.7%
Investing Activities	<u>(22,463,338)</u>	<u>(15,730,999)</u>	<u>(6,732,339)</u>	<u>-42.8%</u>
Net Increase (Decrease) in Cash	(12,760,549)	(1,643,091)	(11,117,458)	-676.6%
Cash - Beginning of Year	<u>51,331,040</u>	<u>52,974,131</u>	<u>(1,643,091)</u>	<u>-3.1%</u>
Cash - End of Year	<u>\$ 38,570,491</u>	<u>\$ 51,331,040</u>	<u>\$ (12,760,549)</u>	<u>-24.9%</u>

\*The 2014 amounts presented above have not been changed for the prior period adjustment discussed in Note A.

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 and interest/dividend earnings and payments for the purchase of investments.

# SOUTHERN UTAH UNIVERSITY

MANAGEMENT DISCUSSION AND ANALYSIS

FISCAL YEAR ENDED JUNE 30, 2015

---

The amount of cash used by Operating Activities increased as a result of increased payments to suppliers and employees; however, these increases in operating cash outflows were mainly offset by increased receipts from tuition and fees, increased receipts from auxiliary and educational services, and decreased payments for student financial aid. Cash provided by Noncapital Financing Activities increased as a result of increased receipts from state appropriations, permanent endowments, and from non-operating and noncapital gifts/grants. Cash flows from Capital Financing Activities decreased as a result of issuing a note receivable, increased purchases of capital assets, increased payments on capital debt, and decreased capital appropriations; however, some of these capital financing cash outflows were offset by proceeds from capital debt. Cash flows from Investing Activities decreased because of increased investment purchases; although, receipts from the sale or maturity of investments also increased, along with interest and dividends.

## **Economic Factors that May Affect the Future**

Economists and business leaders continue to be optimistic about the state's economy and forecast that economic growth in the state will continue to grow at a rate higher than the national average. Utah's unemployment rate continues to drop, and the state's consumer attitude continues to rise. The technology sector within Utah seems to be where the growth is centered. Although Utah has seen increases in employment, wage growth has not kept pace, but economists are encouraged that as the U.S. and Utah continue with a healthy employment situation, wage growth will be the next issue to tackle.

The University is also continuing to see modest growth in enrollments, with Fall 2015 semester welcoming its largest freshmen class. With this growth, gross tuition is expected to increase in 2016. With a focus on additional recruiting and retention efforts, the University believes it is well positioned to manage current and future budget challenges.

## **Summary**

The accompanying financial statements, including footnotes, reflect the budgeting challenges of this past year while continuing to show that the University's financial position remains solid during these challenging times.



# SOUTHERN UTAH UNIVERSITY

STATEMENT OF NET POSITION

AS OF JUNE 30, 2015

ASSETS	University	Southern Utah University Foundation	Total
Current Assets:			
Cash and Cash Equivalents (Note B)	\$ 14,854,728	\$ 1,503,876	\$ 16,358,604
Short-term Investments (Note B)	17,960,250	257,000	18,217,250
Receivables, Net of Allowance (Note C)	5,859,925	3,992,404	9,852,329
Due From Related Parties (Notes C & D)	686,060		686,060
Loans and Notes Receivable, Net (Note E)	440,853		440,853
Inventories (Note F)	837,390		837,390
Prepaid Expenses (Note G)	4,798,444		4,798,444
Total Current Assets	45,437,650	5,753,280	51,190,930
Noncurrent Assets:			
Restricted Cash and Cash Equivalents (Note B)	22,211,887		22,211,887
Investments (Note B)	43,504,329		43,504,329
Pledges Receivable (Note C)	5,748,528	297,521	6,046,049
Loans and Notes Receivable, Net (Note E)	11,379,280		11,379,280
Real Estate Held for Sale (Note H)	51,400	1,238,084	1,289,484
Capital Assets, Net of Accumulated Depreciation (Note H)	123,488,878		123,488,878
Net Pension Asset (Note N)	5,642		5,642
Total Noncurrent Assets	206,389,944	1,535,605	207,925,549
Total Assets	251,827,594	7,288,885	259,116,479
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions (Note N)	1,423,123		1,423,123
Total Deferred Outflows of Resources	1,423,123	-	1,423,123
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts and Interest Payable (Note I)	4,607,896	398	4,608,294
Due to Related Parties (Note D)	1,138,664		1,138,664
Payroll and Withholding Taxes Payable (Note I)	858,501		858,501
Accrued Benefits & Deductions Payable (Note Q)	1,995,015		1,995,015
Deposits and Other Liabilities (Note J)	454,948	-	454,948
Unearned Revenues (Note G)	9,760,593		9,760,593
Compensated Absences and Termination Benefits (Note K)	2,205,952		2,205,952
Bonds, Notes, and Contracts Payable (Note L)	1,275,634	3,376,644	4,652,278
Total Current Liabilities	22,297,203	3,377,042	25,674,245
Noncurrent Liabilities:			
Compensated Absences and Termination Benefits (Note K)	1,264,427		1,264,427
Bonds, Notes, and Contracts Payable (Note L)	16,446,373	195,467	16,641,840
Net Pension Liability (Notes K & N)	9,370,780		9,370,780
Total Noncurrent Liabilities	27,081,580	195,467	27,277,047
Total Liabilities	49,378,783	3,572,509	52,951,292
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions (Note N)	889,517		889,517
Total Deferred Inflows of Resources	889,517	-	889,517

Continued on next page...

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

# SOUTHERN UTAH UNIVERSITY

STATEMENT OF NET POSITION

AS OF JUNE 30, 2015

	University	Southern Utah University Foundation	Total
<b>NET POSITION:</b>			
Net Investment in Capital Assets	105,818,795		105,818,795
Restricted Nonexpendable:			
Pensions	5,642		5,642
Scholarships	11,421,880		11,421,880
Other	8,082,556		8,082,556
Restricted Expendable:			
Scholarships	3,176,541		3,176,541
Capital Projects	33,817,142		33,817,142
Loans	2,058,763		2,058,763
Other	5,305,799	621,171	5,926,970
Unrestricted	33,295,299	3,095,205	36,390,504
Total Net Position	<u>\$ 202,982,417</u>	<u>\$ 3,716,376</u>	<u>\$ 206,698,793</u>

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

# SOUTHERN UTAH UNIVERSITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FISCAL YEAR ENDED JUNE 30, 2015

	University	Southern Utah University Foundation	Total
<b>Operating Revenues</b>			
Student Tuition and Fees (net of scholarship discounts and allowances of \$19,786,620)	\$ 65,446,703	\$ -	\$ 65,446,703
Governmental Grants and Contracts	753,125		753,125
Sales and Services of Educational Activities	15,151,813	18,525	15,170,338
Sales and Services of Auxiliary Enterprises (net of scholarship discounts and allowances of \$829,382)	4,109,925		4,109,925
Interest Income on Student Loans	27,836		27,836
<b>Total Operating Revenues</b>	<b>85,489,402</b>	<b>18,525</b>	<b>85,507,927</b>
<b>Operating Expenses</b>			
Salaries	52,030,245		52,030,245
Benefits	20,263,582		20,263,582
Depreciation	6,248,767		6,248,767
Repairs and Maintenance	1,158,585	1,690	1,160,275
Services and Supplies	42,067,039	2,257	42,069,296
Student Aid	5,208,623		5,208,623
Utilities	2,171,855	3,831	2,175,686
Other Operating Expenses	10,329,538	14,267	10,343,805
<b>Total Operating Expenses</b>	<b>139,478,234</b>	<b>22,045</b>	<b>139,500,279</b>
Operating Income (Loss)	(53,988,832)	(3,520)	(53,992,352)
<b>Nonoperating Revenues (Expenses)</b>			
Government Appropriations - State	33,290,083		33,290,083
Government Grants and Contracts	21,460,934		21,460,934
Private Gifts and Grants	3,546,827	683,791	4,230,618
Investment Income	925,267	36,744	962,011
Other Nonoperating Revenue (Expense)	(703,693)		(703,693)
Interest on Indebtedness	(654,751)	(152,004)	(806,755)
<b>Net Nonoperating Revenue</b>	<b>57,864,667</b>	<b>568,531</b>	<b>58,433,198</b>
Income (Loss) Before Other Revenue	3,875,835	565,011	4,440,846
<b>Other Revenue</b>			
Capital Appropriations	1,155,726		1,155,726
Capital Grants & Gifts	6,551,978		6,551,978
Nonreciprocal Transfers In (Out)	5,820,000	(5,820,000)	-
Additions to Permanent Endowments	977,040		977,040
<b>Total Other Revenue</b>	<b>14,504,744</b>	<b>(5,820,000)</b>	<b>8,684,744</b>
Increase (Decrease) in Net Position	18,380,579	(5,254,989)	13,125,590
Net Position - Beginning of Year	194,282,817	8,971,365	203,254,182
Prior Period Adjustment	(9,680,979)		(9,680,979)
Net Position - Beginning of Year (Restated)	184,601,838	8,971,365	193,573,203
<b>Net Position - End of Year</b>	<b>\$ 202,982,417</b>	<b>\$ 3,716,376</b>	<b>\$ 206,698,793</b>

# SOUTHERN UTAH UNIVERSITY

STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 2015

	University	Southern Utah University Foundation	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Tuition and Fees	\$ 66,555,975	\$ -	\$ 66,555,975
Receipts from Grants/Contracts	718,380		718,380
Receipts from Auxiliary and Educational Services	20,560,381	199,094	20,759,475
Collection of Loans to Students and Employees	427,117		427,117
Loans Issued to Students and Employees	(408,073)		(408,073)
Payments for Employee Services and Benefits	(73,159,957)		(73,159,957)
Payments to Suppliers	(54,598,984)	(21,902)	(54,620,886)
Payments for Student Financial Aid	(5,208,623)		(5,208,623)
Net Cash Provided (Used) by Operating Activities	(45,113,784)	177,192	(44,936,592)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Appropriations	33,290,083		33,290,083
Receipts from Grants/Contracts	21,117,900		21,117,900
Gifts/Grants for Other Than Capital Purposes	4,585,818	3,852,626	8,438,444
Receipts for Permanent Endowments	(242,140)		(242,140)
Agency Account Receipts	1,532,863		1,532,863
Agency Account Payments	(1,451,291)		(1,451,291)
Net Cash Provided (Used) by Noncapital Financing Activities	58,833,233	3,852,626	62,685,859
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
Receipts from Capital Appropriations	580,198		580,198
Receipts from Capital Grants/Gifts	4,155,427		4,155,427
Proceeds from Sale of Capital Assets	192,000		192,000
Issuance of Note Receivable	(10,149,500)		(10,149,500)
Proceeds from Capital Debt	-	5,820,000	5,820,000
Nonreciprocal Transfer of Debt	5,820,000	(5,820,000)	-
Purchases of Capital Assets	(3,737,726)		(3,737,726)
Principal Paid on Capital Debt/Leases	(1,630,511)	(2,469,611)	(4,100,122)
Interest Paid on Capital Debt/Leases	(654,751)	(152,004)	(806,755)
Net Cash Provided (Used) by Capital Financing Activities	(5,424,863)	(2,621,615)	(8,046,478)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale/Maturity of Investments	48,548,297		48,548,297
Receipt of Interest/Dividends from Investments	753,464	36,744	790,208
Purchase of Investments	(71,798,240)	(3,603)	(71,801,843)
Net Cash Provided (Used) by Investing Activities	(22,496,479)	33,141	(22,463,338)
Net Increase (Decrease) in Cash	(14,201,893)	1,441,344	(12,760,549)
Cash & Cash Equivalents - Beginning of Year	51,268,508	62,532	51,331,040
Cash & Cash Equivalents - End of Year	<u>\$ 37,066,615</u>	<u>\$ 1,503,876</u>	<u>\$ 38,570,491</u>



# SOUTHERN UTAH UNIVERSITY

STATEMENT OF CASH FLOWS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2015

	University	Southern Utah University Foundation	Total
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>			
Operating Income (Loss)	\$ (53,988,832)	\$ (3,520)	\$ (53,992,352)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	6,248,767		6,248,767
Operations and Maintenance Expense paid by Division of Facility Construction and Management	806,588		806,588
Difference between Actuarial Calculated Pension Expense and Actual Contributions	(849,447)		(849,447)
Changes in Assets and Liabilities:			
Receivables (Net)	1,096,405	180,569	1,276,974
Due from Related Parties	26,038		26,038
Student Loans Receivable	111,045		111,045
Inventories	(64,865)		(64,865)
Prepaid Expenses	(376,495)		(376,495)
Accounts Payable	(199,847)	143	(199,704)
Due to Related Parties	(131,734)		(131,734)
Accrued Liabilities	740,197		740,197
Accrued Payroll	118,405		118,405
Unearned Revenues	1,411,726		1,411,726
Compensated Absences	(61,735)		(61,735)
Net Cash Provided (Used) by Operating Activities	\$ (45,113,784)	\$ 177,192	\$ (44,936,592)
<b>Noncash Noncapital Financing, Capital Financing, and Investing Transactions</b>			
Repairs and Maintenance paid by Division of Facility Construction and Management (DFCM)	\$ 806,588	\$ -	\$ 806,588
Capital Projects paid by DFCM	575,528		575,528
Loss on Retirement of Capital Assets	(703,693)		(703,693)
Investment Securities donated	505,573		505,573
Change in Fair Value of Investments Recognized as Investment Income	(324,428)		(324,428)
Re-investment of Investment Dividends and Interest	481,871		481,871
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</b>			
Cash and Cash Equivalents Classified as Current Assets	\$ 14,854,728	\$ 1,503,876	\$ 16,358,604
Cash and Cash Equivalents Classified as Noncurrent Assets	22,211,887		22,211,887
Total Cash and Cash Equivalents	\$ 37,066,615	\$ 1,503,876	\$ 38,570,491

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





# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

## **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 Comprehensive Annual 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 is included in the University's financial statements as a blended component unit because the University appoints a controlling number of positions on the Board of Directors of the Foundation and the University has the ability to impose their 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.

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 at the University. 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. Separate unaudited financial statements of the Foundation can be obtained from the University.

### **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, notes to the financial statements, and RSI. The required basic financial statements described above are prepared using the economic resources measurement focus and the accrual basis of accounting.

### **Cash Equivalents**

The University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the Utah Public Treasurers' Investment Fund (PTIF) are also considered cash equivalents. The Utah State Treasurer's Office operates the PTIF which is invested in accordance with the State Money Management Act. The State Money Management Council provides regulatory oversight for the PTIF.

### **Investments**

The University accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 52, *Land and Other Real Estate Held as Investment by Endowments*. Changes in unrealized gains (losses) on the carrying value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position. The valuation of real estate investments at June 30, 2015 is based on an analysis of changes in the local market applied to the most recent appraisals for all material real estate investments.

### **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.

# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

## 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

Capital assets are recorded at cost at the date of acquisition, or fair market 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 \$20,000 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.

## 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, notes, and contracts (leases) 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 consist 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

# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

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.

### Adjustment to Beginning Net Position

Effective July 1 2014, the University implemented GASB Statement No. 68, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. These new standards impact the University's recognition and timing of assets and liabilities in the financial statements. The requirements of these statements require restating the beginning net position of the University. As a result, beginning net position was reduced by \$9,680,979. This reduction reflects the University's \$10,778,790 share of the beginning net position liability and the University's \$1,097,811 share of contributions made between January 1 and June 30, 2014. See Note N for further information on the impacts of these new standards.



# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

**NOTE B. Cash and Cash Equivalents, Short-term Investments, and Investments**

Cash and cash equivalents (instruments purchased with an original maturity of 3 months or less), short-term

investments, and noncurrent investments (instruments having an original maturity greater than 3 months and equity type investments) are recorded at fair value. At June 30, 2015, cash and cash equivalents and short-term investments consisted of:

	University	Foundation	Total
Cash and Cash Equivalents - Current:			
Cash	\$ 2,070,422	\$ 56,947	\$ 2,127,369
Utah PTIF	12,784,306	1,446,929	14,231,235
Total (fair value)	\$ 14,854,728	\$ 1,503,876	\$ 16,358,604
Cash and Cash Equivalents - Restricted:			
Cash and Money Market	\$ 14,615,334	\$ -	\$ 14,615,334
Utah PTIF	7,596,553		7,596,553
Total (fair value)	\$ 22,211,887	\$ -	\$ 22,211,887
Short-term Investments:			
Certificates of Deposit	\$ 1,010,053	\$ -	\$ 1,010,053
Securities	16,950,197		16,950,197
Other Equity Investments		257,000	257,000
Total (fair value)	\$ 17,960,250	\$ 257,000	\$ 18,217,250

The State of Utah Money Management Council has the responsibility to advise the 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 that relate to the deposit and investment of public funds.

Except for endowment funds, the University follows the requirements of the Utah Money Management Act (Utah Code, Section 51, Chapter 7) 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 R541, Management and Reporting of Institutional Investments (R541).

According to the Uniform Prudent Management of Institutional Funds Act, Section 13-29 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, 2015, was 2.5% 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, 2015 was approximately \$5,200,000. The net appreciation was a component of restricted, expendable net position.



# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

## 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, 2015, the University’s bank balances were \$16,718,571, of which \$15,709,877 was uninsured and uncollateralized.

## Investments

The Utah Money Management 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.

These 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 Treasurer’s Investment Fund.

The UPMIFA and R541 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.

The Utah State Treasurer’s Office operates the Public Treasurer’s Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, Utah Code Annotated, 1953, as amended. 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 PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participant’s average daily balance. The fair value of the PTIF investment pool was approximately equal to the value of the pool shares.

At June 30, 2015, the investment portfolio composition was as follows:

Noncurrent Investments	
Mutual Funds	\$ 12,246,981
Common Stocks	693,008
Securities	30,170,590
Alternative Equity Investments	393,750
Total (fair value)	<u>\$ 43,504,329</u>

*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 Utah Money Management Act or UPMIFA and R541, 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

# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

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, R541 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, 2015, the University had the following investments with the following maturities:

Investment Type:	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
State of Utah PTIF	\$ 21,827,788	\$ 21,827,788	\$ -	\$ -	\$ -
Corporate Securities	21,844,359	15,923,410	5,382,062	538,887	
U. S. Agencies	25,276,428	1,026,785	23,259,351	990,292	
	\$ 68,948,575	\$ 38,777,983	\$ 28,641,413	\$ 1,529,179	\$ -
Other Investments/ Endowment Funds:					
Equity Mutual Funds	12,246,981				
Equity Investments	1,086,758				
Total Investments	\$ 82,282,314				

*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 Utah Money Management Act, UPMIFA, and R541 as previously discussed.

equivalents. Also, the overall endowment portfolio cannot consist of more than 75% equity investments.

*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 R541, 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. For endowment funds, R541 requires that a minimum of 25% of the overall endowment portfolio be invested in fixed income or cash

R541 also limits investments in alternative investment funds based on the size of the University’s endowment fund. SUU’s endowment fund size limits these alternative investment funds to between 0% and 10%.

*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, 2015, the University had \$46,892,758 in debt securities and \$693,008 in equity securities which were held by Wells Fargo Bank, N.A. and \$228,029 in debt securities which were held by Zions Bank but not in the University’s name.

# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

At June 30, 2015, the University had the following investments with the following quality ratings:

Investment Type:	Fair Value	Quality Ratings			
		AA	A	BBB	Unrated
State of Utah PTIF	\$ 21,827,788	\$ -	\$ -	\$ -	\$ 21,827,788
Corporate Notes	21,844,359	116,266	10,043,474	11,684,619	
U. S. Agencies	25,276,428	25,276,428			
Total	<u>\$ 68,948,575</u>	<u>\$ 25,392,694</u>	<u>\$ 10,043,474</u>	<u>\$ 11,684,619</u>	<u>\$ 21,827,788</u>

**NOTE C. Receivables, Net of Allowance for Doubtful Accounts**

Receivables consisted of the following at June 30, 2015:

	University	Foundation	Total	Current Portion
Student Tuition and Fees	\$ 3,294,700	\$ -	\$ 3,294,700	\$ 2,916,700
Federal, State, and Private Grants and Contracts	545,440		545,440	545,440
Auxiliary Service Charges	283,995		283,995	283,995
Continuing & Professional Studies Fees	495,200		495,200	495,200
Utah Shakespearean Festival Ticket Sales	328,020		328,020	328,020
Interest and Dividends Receivable	283,150		283,150	283,150
Contributions and Gifts (Pledges)	6,597,925	4,289,925	10,887,850	4,841,801
Other Operating	158,023		158,023	158,023
Allowance for Doubtful Accounts	(378,000)		(378,000)	
Total	<u>\$ 11,608,453</u>	<u>\$ 4,289,925</u>	<u>\$ 15,898,378</u>	<u>\$ 9,852,329</u>





# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

**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, 2015.

Related Party Receivables consisted of the following at June 30, 2015:

	Balance
DFCM	\$ 306,752
State of Utah	154,990
Utah Department of Health	83,499
Utah Vocational Rehabilitation	27,601
Salt Lake Community College	25,559
Utah State University	24,623
University of Utah	21,199
Utah Department of Workforce Services	17,681
Utah Department of Natural Resources	7,546
Governor's Office of Economic Development	7,058
Utah Division of State History	6,054
Utah Humanities Council	2,931
Other	567
Total	\$ 686,060

Related Party Payables consisted of the following at June 30, 2015:

	Balance
DFCM	\$ 1,128,401
Other related parties	10,263
Total	\$ 1,138,664



**NOTE E. Loans Receivable**

Student loans made through the Federal Perkins Loan Program (the Program) comprised a significant portion of the loans receivable at June 30, 2015. The Program provided for cancellations of loans at rates of 10% to 30% per year up to a maximum of 100% if the participant complied with certain provisions. In the past, the Federal Government has reimbursed the University for amounts cancelled under these provisions; however, for the past few years there have been no reimbursements. As the University determines that loans are uncollectible and not eligible for reimbursement by the Federal Government, the loans are written off and assigned to the U.S. Department of Education. The University has provided an allowance for uncollectible loans, which in management's opinion, is sufficient to absorb loans that will ultimately be written off.

In August 2014, the University entered into a loan agreement with a third party borrower in the amount of \$10,149,500 to partially finance the construction of the Center for the Arts. The note has a 40-year term with interest at 1.39%. Interest-only payments are required for the first seven years of the note. Thereafter, principal and interest payments sufficient to pay off the note will be required. The note is secured by an interest in the building and an associated ground lease.

At June 30, 2015, the current and long-term loans receivable amounts net of allowance were \$440,853 and \$11,379,280, respectively. The allowance for uncollectible loans was \$80,100.

# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

**NOTE F. Inventories**

Total inventories at June 30, 2015 were \$837,390. They consisted of a gifted collection of *Westward America*, Deluxe and Collector Editions held for resale in the amount of \$12,830, as well as Bookstore inventory in the amount of \$824,560.

	Prepaid Expenses	Unearned Revenues
Utah Shakespeare Festival	\$ 3,229,090	\$ 2,388,254
Tuition & Fees		1,961,342
Grants and Contracts		61,179
Miscellaneous	1,569,354	5,349,818
Total	\$ 4,798,444	\$ 9,760,593

**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. Unearned revenues are receipts of funds that are applicable to the subsequent fiscal year when they become earned and recorded as revenues.

Prepaid Expenses and Unearned Revenues at June 30, 2015, consisted of the following:

**NOTE H. Capital Assets and Real Estate Held for Sale**

Land held for sale is stated at the lower of cost at the date of acquisition (donation) or market. As of June 30, 2015, the University held real estate for sale recorded at \$51,400 along with \$1,238,084 held in the SUU Foundation. All of the property is donated property. Capital assets are stated at cost at the date of acquisition or fair value at the date of donation in the case of gifts and consisted of the following at June 30, 2015:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015
Land	\$ 8,659,821	\$ -	\$ (356,731)	\$ 8,303,090
Land Imp/Infrastructure	10,199,503			10,199,503
Buildings	171,809,669	1,069,774	(910,121)	171,969,322
Equipment	12,329,755	501,383	(307,933)	12,523,205
Vehicles	1,531,316	213,411	(131,314)	1,613,413
Intangibles	571,934			571,934
Art Work/Collections	2,813,210		(35,000)	2,778,210
Library Collections	6,993,114	194,797	(168,426)	7,019,485
Construction-in-Progress	581,498	2,493,987	(10,895)	3,064,590
Total	215,489,820	4,473,352	(1,920,420)	218,042,752
Less: Accumulated Depreciation				
Land Imp/Infrastructure	6,838,894	669,853		7,508,747
Buildings	66,400,142	3,999,785	(431,578)	69,968,349
Equipment	10,148,158	1,115,023	(282,513)	10,980,668
Vehicles	1,275,248	101,667	(131,315)	1,245,600
Intangibles	545,606	26,327		571,933
Art Work/Collections	601,631	18,828		620,459
Library Collections	3,509,260	317,284	(168,426)	3,658,118
Total	89,318,939	6,248,767	(1,013,832)	94,553,874
Capital Assets, net	\$ 126,170,881	\$ (1,775,415)	\$ (906,588)	\$ 123,488,878

# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

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. Total estimated costs to complete these projects as of June 30, 2015, was \$36,363,947. Remaining (unpaid) costs of \$22,573,033 were contractually committed to DFCM as of June 30,

2015. A remaining commitment of \$16,675,234 exists for the Engelstead Shakespeare Theatre project, of which \$14,281,945 is the University's portion, and \$2,393,289 is the portion owned by the Utah Shakespeare Festival Foundation (a separate legal, non-profit entity).

Construction commitments at June 30, 2015 represent the University's estimated cost related to the construction of the following projects funded by state grants and private gifts, less construction in progress, as well as the University's guarantee of the portion of the Theatre project being funded by the Utah Shakespeare Festival Foundation:

Project	Estimated Costs	Amounts Billed to DFCM	Remaining Commitment	Amounts Paid by SUU	Construction In Progress
Southern Utah Museum of Arts Theatre	\$ 8,613,165	\$ 2,715,366	\$ 5,897,799	\$ 12,178	\$ 2,727,544
	14,618,991	337,046	14,281,945		337,046
SUU Total	<u>23,232,156</u>	<u>3,052,412</u>	<u>20,179,744</u>	<u>12,178</u>	<u>3,064,590</u>
Portion owned by Utah Shakespeare Festival Foundation (a separate legal, non-profit entity)					
Theatre	13,131,791	10,738,502	2,393,289	176,297	10,914,799
Total Projects	<u>\$ 36,363,947</u>	<u>\$ 13,790,914</u>	<u>\$ 22,573,033</u>	<u>\$ 188,475</u>	<u>\$ 13,979,389</u>

**NOTE I. Accounts, Interest, and Payroll Related Payables**

Accounts and Interest payable consisted of the following at June 30, 2015:

	University	Foundation	Total
Vendors	\$3,808,395	\$ 398	\$3,808,793
Veterans Administration	601,874		601,874
Interest	122,307		122,307
Sales Tax	12,138		12,138
Other	63,182		63,182
Total	<u>\$4,607,896</u>	<u>\$ 398</u>	<u>\$4,608,294</u>

Payroll and Withholding Taxes payable consisted of the following at June 30, 2015:

Payroll & Withholding Taxes Payable:	Balance
Accrued Payroll	\$ 809,757
FICA & Medicare	48,744
Total Payroll & Withholding Taxes	<u>\$ 858,501</u>





# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

**NOTE J. Deposits and Other Liabilities**

Deposits and Other Liabilities consisted of the following at June 30, 2015:

	Balance
Agency Funds	\$ 274,438
Enrollment	48,900
Housing	2,065
Gift Certificates	87,170
Other	42,375
Total	\$ 454,948

**NOTE K. Compensated Absences, Termination Benefits, and Net Pension Liability**

Compensated absences, termination benefits, and net pension liability activity for the year ended June 30, 2015 was as follows:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Current Portion	Noncurrent Portion
Compensated Absences	\$ 1,634,850	\$ 1,559,883	\$ (1,530,758)	\$ 1,663,975	\$ 1,617,360	\$ 46,615
Termination Benefits	1,897,264	398,979	(489,839)	1,806,404	588,592	1,217,812
Sub-total	3,532,114	1,958,862	(2,020,597)	3,470,379	2,205,952	1,264,427
Net Pension Liability	9,680,979		(310,199)	9,370,780		9,370,780
Total	\$ 13,213,093	\$ 1,958,862	\$ (2,330,796)	\$ 12,841,159	\$ 2,205,952	\$ 10,635,207



# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

**NOTE L. Bonds, Notes, and Contracts Payables**

Bonds, Notes, and Contracts liability activity for the year ended June 30, 2015 was as follows:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Current Portion	Noncurrent Portion
Bonds Payable	\$ 18,325,000	\$ -	\$(1,135,000)	\$ 17,190,000	\$ 1,165,000	\$ 16,025,000
Unamortized Bond Premium	623,091		(113,298)	509,793	104,379	405,414
Unamortized Bond Discount	(32,498)		2,787	(29,711)	(2,702)	(27,009)
Notes Payable	385,000		(385,000)	-	-	-
Unitrust	60,121		(8,197)	51,924	8,957	42,967
Sub-total SUU Portion	19,360,714	-	(1,638,708)	17,722,006	1,275,634	16,446,372
Line of Credit	-	5,820,000	(2,469,611)	3,350,389	3,350,389	-
Charitable Remainder Annuity Trust - SUU Foundation	246,444		(24,721)	221,723	26,255	195,468
Sub-total SUU Foundation Portion	246,444	5,820,000	(2,494,332)	3,572,112	3,376,644	195,468
Total	\$ 19,607,158	\$ 5,820,000	\$(4,133,040)	\$ 21,294,118	\$ 4,652,278	\$ 16,641,840

Revenue bonds payable consisted of the following at June 30, 2015:

	Date of Issue	Interest Rate	Original Amount of Issue	Retired or Paid 2014-15	Balance June 30, 2015
Bonds Payable					
Auxiliary System, Series 2008	7/22/2008	3.500-5.250%	12,025,000	365,000	10,030,000
Auxiliary System, Series 2011	8/11/2011	2.000-4.000%	8,285,000	770,000	7,160,000
Total Bonds Payable			\$ 20,310,000	\$ 1,135,000	\$ 17,190,000

The scheduled maturities of the revenue bonds are as follows at June 30, 2015:

	Year	Principal	Interest	Total
	2016	1,165,000	733,844	1,898,844
	2017	1,205,000	695,144	1,900,144
	2018	1,250,000	655,094	1,905,094
	2019	1,300,000	605,094	1,905,094
	2020	1,340,000	552,563	1,892,563
	2021-2025	5,470,000	1,912,680	7,382,680
	2026-2030	3,165,000	1,035,525	4,200,525
	2031-2033	2,295,000	226,300	2,521,300
Total Bonds payable before unamortized premium/discount		\$ 17,190,000	\$ 6,416,244	\$ 23,606,244

# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

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 M).

Foundation, the proceeds of which are designated by the Foundation as a commitment to future construction projects.

The University is required to maintain certain debt service reserves aggregating \$1,909,456. As of June 30, 2015, the balance in the debt service reserve funds met or exceeded this requirement.

On August 13, 2014 the Foundation entered into a temporary line of credit with a financial institution in the amount of \$7,500,000. The initial interest rate on the line of credit is 3.250% and is subject to change based on changes in an index which is the floating rate equal to the Prime Rate set by the lender and is due September 5, 2016. As of June 30, 2015, the balance due on the line of credit is \$3,350,389 and the balance of unused credit is \$4,149,611. The availability of advances under this line of credit terminates as of September 5, 2015. The line of credit is secured by a pledge of Gifts Receivable from the



**Remainder Annuity and Unitrusts Payable**

Remainder Annuity and Unitrust payable are due in monthly or annual installments for the lifetime of the donors or through the end of the agreement. Annuities payable consisted of the following at June 30, 2015:

	<u>Date Created</u>	<u>Interest Rate</u>	<u>Present Value</u>	<u>Current Portion</u>
Charitable Remainder Annuity Trusts:				
J & C Wadsworth	9/25/2001	6.200%	\$ 221,723	\$ 26,255
Unitrust:				
Rodney A Brown	7/12/2000	7.500%	51,924	8,957
Total Annuities Payable			<u>\$ 273,647</u>	<u>\$ 35,212</u>

The estimates of future annuities payable are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Payments</u>
2016	\$ 35,213	\$ 17,589	\$ 52,802
2017	37,527	15,306	52,833
2018	39,996	12,869	52,865
2019	42,629	10,270	52,899
2020	43,669	7,335	51,004
2021-2022	74,613	6,891	81,504
Total	<u>\$ 273,647</u>	<u>\$ 70,260</u>	<u>\$ 343,907</u>

# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

## Operating Lease

The University has entered into operating leases to rent both additional office space and classroom space. The terms of the leases vary depending on the lease and the lessor. While one of the leases includes annual escalations to the amount due based on the Consumer Price Index (CPI), the remainder of the leases do not include any escalation clauses with respect to the annual charges. For the fiscal year ended June 30, 2015, payments of \$439,699 were paid on these leases and are included in Other Operating Expenses on the Statement of Revenues, Expenses, and changes in Net Position.

Future minimum payments of the operating leases, adjusted for an average CPI of 1.42% where applicable, are as follows:

Year	Payments
2016	439,699
2017	162,307
2018	88,065
2019	52,011
2020	26,006
Total	\$ 768,088

## NOTE M. 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, 2015:

<b>Pledged Receipts:</b>	
Operating Revenues	\$ 8,145,448
Operating & Maintenance Expenses	(5,366,054)
Total Pledged Net Receipts	\$ 2,779,394
Transfers to:	
Debt Service	\$ 1,897,811
Trustee and Other Fees	5,000
Renewal & Replacement Reserves	664,823
Other Lawful Purposes	211,760
Total Transfers of Pledged Receipts	\$ 2,779,394
Debt Service Reconciliation:	
Debt Service Principal and Interest payments	\$ 1,906,544
Bond Reserve Interest applied to Debt Service	(8,733)
Total Transfer to Debt Service	\$ 1,897,811

## NOTE N. 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-College Retirement Equities Fund (TIAA-CREF) or Fidelity Investments (Fidelity).

## Defined Benefit Plan

Eligible plan participants are provided with pensions through the following 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);

# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

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](http://www.urs.org).

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 on the 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 all years	Up to 2.5%

*\*with actuarial reductions*

*\*\* All post-retirement 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.



# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

Contribution rates are as follows:

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates
<b>Noncontributory System</b>			
16 - State and School Division Tier 1	N/A	N/A	22.190%
<b>Contributory System</b>			
12 - State and School Division Tier 1	N/A	6.000%	17.700%
112 - State and School Division Tier 2	N/A	N/A	18.270%
<b>Public Safety Retirement System</b>			
42 - Other Division A Noncontributory Tier 1	N/A	N/A	41.350%
122 - Other Division A Contributory Tier 2	N/A	N/A	29.260%

At December 31, 2014 we reported a net pension asset of \$5,642 and a net pension liability of \$9,370,780.

	Proportionate Share of Systems	Net Pension Asset	Net Pension Liability
Noncontributory System	0.3579107%	\$ -	\$ 8,992,609
Contributory System	0.0922137%	-	10,111
Public Safety System	0.1980694%	-	368,060
Tier 2 Public Employees System	0.1861719%	5,642	-
<b>Total Net Pension Asset/Liability</b>		<b>\$ 5,642</b>	<b>\$ 9,370,780</b>

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The

proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.





# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

For the year ended December 31, 2014, we recognized pension expense of \$1,678,133. At December 31, 2014, we 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	\$ -	\$ 562,266
Changes in assumptions	-	327,251
Net difference between projected and actual earnings on pension plan investments	162,354	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	1,260,769	-
<b>Total</b>	<b>\$ 1,423,123</b>	<b>\$ 889,517</b>

Contributions made between January 1, 2015 and June 30, 2015 of \$1,260,769 are reported as deferred outflows of resources related to pensions. 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:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2015	\$ (191,088)
2016	(191,088)
2017	(191,088)
2018	(147,731)
2019	(987)
Thereafter	(5,181)

### Actuarial Assumptions

The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: Inflation – 2.75%, Salary increases 3.50 – 10.75%, average, including inflation, Investment rate of return – 7.50%, net of pension plan investment expense, including inflation.

Active member mortality rates are a function of the member’s gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the following table:

Class of Member
<b>Educators</b>
Men EDUM (90%)
Women EDUF (100%)
<b>Public Safety and Firefighters</b>
Men RP 2000mWC (100%)
Women EDUF (120%)
<b>Local Government, Public Employees</b>
Men RP 2000mWC (100%)
Women EDUF (120%)

*EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage*

*EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage*

*RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage*

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five year period of January 1, 2008 – December 31, 2013.

# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

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
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
<b>Totals</b>	<b>100%</b>		<b>5.23%</b>
Inflation			2.75%
Expected arithmetic nominal return			7.98%

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

### Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contributions 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 following table presents the proportionate share of the net pension (asset)/liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50 percent) or 1 percentage point higher (8.50 percent) than the current rate:

	<b>1% Decrease (6.50%)</b>	<b>Discount Rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
<b>Proportionate Share of Net Pension (asset)/liability</b>			
Noncontributory System	\$ 17,916,290	\$ 8,992,609	\$ 1,519,011
Contributory System	84,829	10,111	(53,088)
Public Safety System	681,179	368,060	110,071
Tier 2 Public Employees System	41,492	(5,642)	(41,182)
<b>Total Net Pension (asset)/liability</b>	<b>\$ 18,723,790</b>	<b>\$ 9,365,138</b>	<b>\$ 1,534,812</b>

# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

Detailed information about the pension plan's fiduciary net position is available in the separately issued the Systems' financial report.

## Defined Contribution Plans

TIAA-CREF 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 years ended June 30, 2015, 2014, and 2013, the University's contribution to this multiple employer defined contribution plan was 14.2 percent of the employees' annual salary or \$4,274,624, \$3,967,138; and \$3,986,257 respectively. The University has no further liability once annual contributions are made. Employee contributions for the same years were \$806,719, \$755,535, and \$669,072 respectively.

In addition, employees of the University may also contribute to 401(k), 403(b) and 457(b) defined contribution plans. These plans are available as supplemental plans to the basic retirement benefits of the Systems and as a primary retirement plan for some Tier 2 Public Employee System participants. Employer contributions may be made into the plans at rates determined by the employers and according to Utah Title 49. The Defined Contribution Plans account balances are fully vested to the participants at the time of deposit except for Tier 2 required employer contributions and associated earnings during the first four years of employment.

For employees participating in defined benefit plans, the University is also required to contribute 1.5% - 1.78% of the employee's salary into a 401(k)/457(b) plan. For employees who choose to participate in the Tier 2 Public Employee - defined contribution plan, the University is required to contribute 20.05% of the employees' salary of which 10% is paid into a 401(k)/457(b) plan while the remainder is contributed to the Tier 1 Contributory Public Employee System, as required by law. For the years ended June 30, 2015, 2014, and 2013, the University's contribution to this hybrid plan was \$346,692, \$315,952, and \$194,108 respectively. Employee contributions for the same years were \$763, \$14,799, and \$12,688 respectively.

## Other Post-Employment Benefits

In addition to providing pension benefits, the University, as authorized by its Board of Trustees, provided certain health care benefits for retired employees age 65 or older that retired before June 30, 1990. Substantially all regular University employees were eligible for those benefits at full retirement age 65. These health care benefits for retiree's age 65 or older are not available to employees retiring after June 30, 1990. The cost of retiree health care benefits is funded on a pay-as-you go basis. The total full retiree health care benefits payments for the year ended June 30, 2015 was \$63,996. The number of participants for the year ended June 30, 2015 was 10.

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, 2015 was \$425,843. The number of participants for the year ended June 30, 2015 was 25.

The projected future cost of the full retiree health care benefits, 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 6.78, 0.80, and 2.58 percent, respectively. These increases are based on historical data. The net present value of the total projected costs is calculated using the estimated yield (0.55 percent) for short term investments. The net present value is the amount recognized on the financial statements as a liability for termination benefits.

## NOTE O. 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

# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

the donors, who distributed net income earned by such funds to the University, where it was recorded when received. Funds held in trust at June 30, 2015 were \$333,714 at cost and \$377,388 at fair value.

**NOTE P. Functional Classification**

At June 30, 2015, the University's operating expenses by functional classification were as follows:

Instruction	\$	59,255,659
Research		151,176
Public Service		15,634,547
Academic Support		10,422,176
Student Services		13,725,590
Institutional Support		15,879,642
Operation and Maintenance of Plant		7,894,590
Student Aid		5,076,338
Auxiliary Enterprises		5,211,794
Depreciation		6,248,767
Total		\$ 139,500,279

**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 which limits applicable claim settlements to \$703,000 for one person in any one occurrence or \$2,407,700 for two or more persons in any one occurrence and \$281,300 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 Educators Mutual Insurance Company (both plans referred to as Health Care Plan). 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 at June 30, 2015 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 estimated self-insurance claims liability are as follows:

	2014	2015
Medical & Dental Claims Payable:		
Estimated Claims Liability - Beginning of Year	\$ 2,169,711	\$ 1,158,804
Net Current Year Claims and Administration Expenses	9,624,818	10,238,773
Cash Paid for Claims	(10,635,725)	(9,402,562)
Estimated Claims Liability - End of Year	\$ 1,158,804	\$ 1,995,015



# SOUTHERN UTAH UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

---

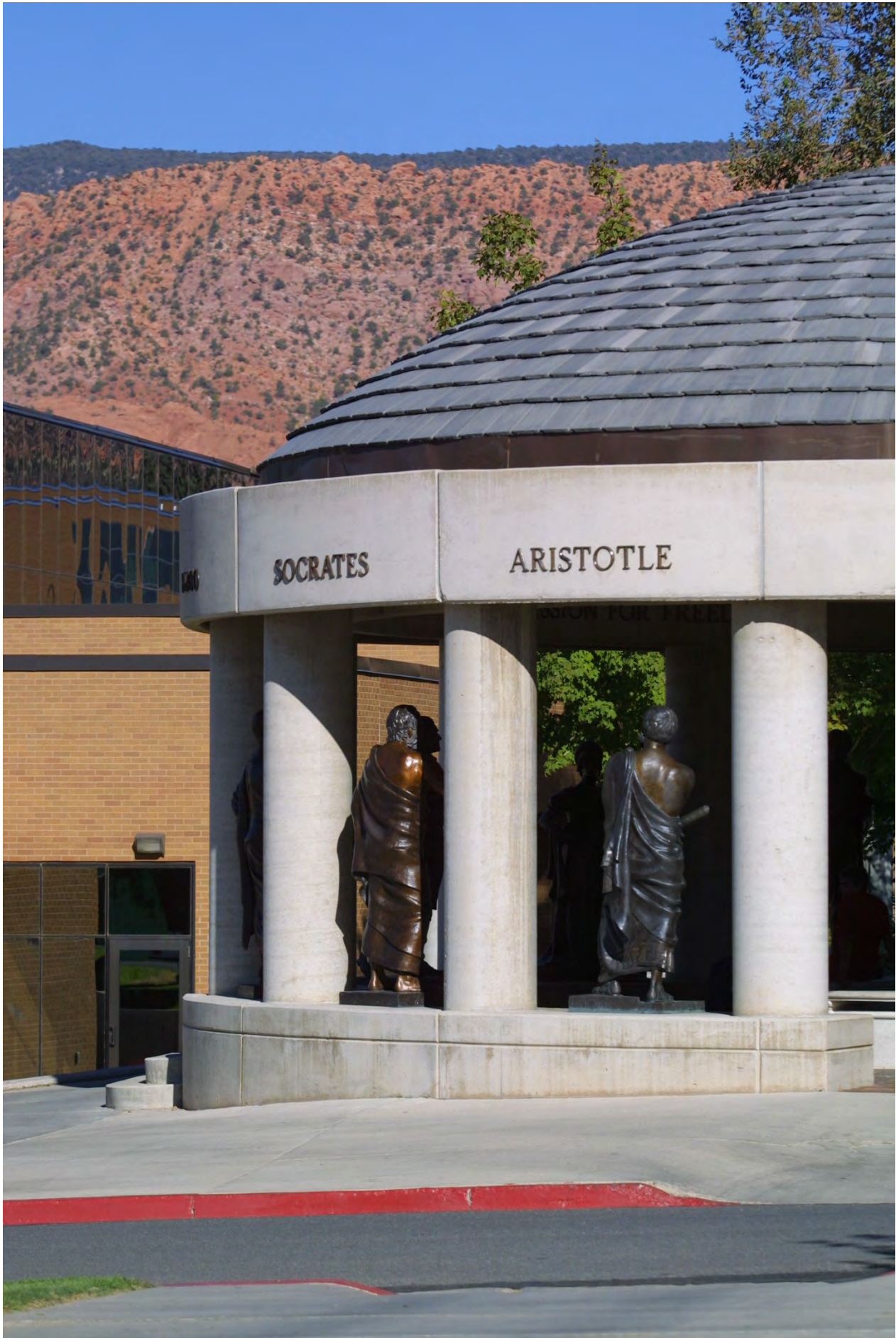
**NOTE R. Festival City Development Foundation Transactions**

The University receives from the Festival City Development Foundation an in-kind contribution of a portion of the housing needs for actors and technicians participating in the Shakespearean Festival. The value of the donated housing is estimated to be \$244,000. The University (Shakespeare Festival) in turn pays for utilities and maintenance on the buildings owned by the Festival City Development Foundation. The University has not reported the value of the donated housing as gift revenue and (or) operating expenses in the financial statements.

**NOTE S. Subsequent Events**

Effective July 1, 2015, the University entered into an amendment to the agreement with our third-party food services provider to extend the agreement for one ten-year term, until June 30, 2025. As part of this amendment, the food service provider is required to fund certain capital improvements in the University's dining service program in the amount of \$740,000. These amounts are to be amortized on a straight-line basis beginning when the capital project starts generating revenue until June 2025. Additionally, the agreement also specifies that a certain "2008 Investment" of \$650,000, of which \$191,176 is unamortized as of July 1, 2015 and a certain "2009 Investment" of \$50,000, of which \$16,303 is unamortized as of July 1, 2015 are to be amortized on a straight-line basis (together with any interest at 6% per annum) over the ten-year period of the agreement. As of July 1, 2015, there is a total of \$947,479 in unamortized investments by the food service provider.

If for any reason the agreement expires or is terminated prior to the full amortization of the investments, the University is liable for and must pay the unamortized portion of the investment to the provider. The University considers the possibility of the agreement terminating early to be reasonably possible, but not probable.



# SOUTHERN UTAH UNIVERSITY

REQUIRED SUPPLEMENTARY INFORMATION

FISCAL YEAR ENDED JUNE 30, 2015

## Schedule of Proportionate Share of the Net Pension Liability

	December 31, 2014			
	Noncontributory System	Contributory Retirement System	Public Safety System	Tier 2 Public Employees System
Proportion of Systems net pension liability (asset)	0.3579107%	0.0922137%	0.1980694%	0.1861719%
Proportionate share of Systems net pension liability (asset)	\$ 8,992,609	\$ 10,111	\$ 368,060	\$ (5,642)
Covered employee payroll	\$ 9,923,414	\$ 33,177	\$ 227,905	\$ 913,709
Proportionate share of Systems net pension liability (asset) as a percentage of its covered-employee payroll	90.6%	30.5%	161.5%	-0.6%
Plan fiduciary net position as a percentage of the total pension liability	87.2%	98.7%	84.3%	103.5%

Note: Southern Utah 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

# SOUTHERN UTAH UNIVERSITY

## REQUIRED SUPPLEMENTARY INFORMATION

FISCAL YEAR ENDED JUNE 30, 2015

**Schedule of Contributions  
Noncontributory System**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 2,319,809	\$ 2,027,040	\$ 1,946,347	\$ 1,748,575	\$ 1,806,858	\$ 1,248,622	\$ 1,276,825	\$ 1,216,323	\$ 1,217,725	\$ 1,096,668
Contributions in Relation to the Contractually Required Contribution	(2,319,809)	(2,027,040)	(1,946,347)	(1,748,575)	(1,806,858)	(1,248,622)	(1,276,825)	(1,216,323)	(1,217,725)	(1,096,668)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 10,143,115	\$ 9,817,043	\$ 10,307,651	\$ 10,528,325	\$ 10,162,265	\$ 8,698,149	\$ 8,911,382	\$ 8,553,593	\$ 7,882,884	\$ 7,324,513
Contributions as a Percentage of Covered-Employee Payroll	22.87%	20.65%	18.88%	16.61%	17.78%	14.36%	14.33%	14.22%	15.45%	14.97%

**Contributory System**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 5,739	\$ 5,117	\$ 4,399	\$ 6,661	\$ 9,125	\$ 8,255	\$ 14,885	\$ 13,775	\$ 12,407	\$ 10,916
Contributions in Relation to the Contractually Required Contribution	(5,739)	(5,117)	(4,399)	(6,661)	(9,125)	(8,255)	(14,885)	(13,775)	(12,407)	(10,916)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 32,426	\$ 32,041	\$ 30,828	\$ 53,848	\$ 51,180	\$ 52,477	\$ 94,627	\$ 87,574	\$ 78,875	\$ 73,310
Contributions as a Percentage of Covered-Employee Payroll	17.70%	15.97%	14.27%	12.37%	17.83%	15.73%	15.73%	15.73%	15.73%	14.89%

**Public Safety System**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 96,577	\$ 92,803	\$ 80,840	\$ 67,093	\$ 64,377	\$ 50,086	\$ 35,320	\$ 30,879	\$ 26,492	\$ 18,212
Contributions in Relation to the Contractually Required Contribution	(96,577)	(92,803)	(80,840)	(67,093)	(64,377)	(50,086)	(35,320)	(30,879)	(26,492)	(18,212)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 233,559	\$ 236,079	\$ 216,787	\$ 243,744	\$ 196,571	\$ 181,145	\$ 132,038	\$ 115,437	\$ 99,036	\$ 76,869
Contributions as a Percentage of Covered-Employee Payroll	41.35%	39.31%	37.29%	27.53%	32.75%	27.65%	26.75%	26.75%	26.75%	23.69%

**Tier 2 Public Employees System**

	2015	2014	2013	2012	2011*	2010*	2009*	2008*	2007*	2006*
Contractually Required Contribution	\$ 85,958	\$ 66,156	\$ 49,068	\$ 14,621	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in Relation to the Contractually Required Contribution	(85,958)	(66,156)	(49,068)	(14,621)						
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -						
Covered Employee Payroll	\$ 1,315,692	\$ 967,391	\$ 632,088	\$ 192,641						
Contributions as a Percentage of Covered-Employee Payroll	6.53%	6.84%	7.76%	7.59%						

\*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.



# SOUTHERN UTAH UNIVERSITY

## UTAH STATE BOARD OF REGENTS

Daniel W. Campbell, Chair .....	Provo
France A. Davis, Vice-Chair .....	Salt Lake City
Jesslie B. Anderson .....	Salt Lake City
Nina Barnes .....	Cedar City
Bailey Bowthorpe .....	Holladay
Leslie Castle .....	Salt Lake City
Wilford Clyde .....	Springville
James T. Evans .....	Orem
Marlin K. Jensen .....	Huntsville
Patricia Jones .....	Salt Lake City
Robert S. Marquardt .....	Salt Lake City
Jefferson Moss .....	Saratoga Springs
Robert W. Prince .....	St. George
Harris H. Simmons .....	Salt Lake City
Mark Stoddard .....	Nephi
Teresa L. Theurer .....	Logan
Joyce Valdez .....	Salt Lake City
John H. Zenger .....	Midway
David L. Buhler, Commissioner of Higher Education .....	Salt Lake City

## SOUTHERN UTAH UNIVERSITY BOARD OF TRUSTEES

Eric O. Leavitt, Chair .....	Cedar City
Sherrie Hansen, Vice-Chair .....	Cedar City
Ann Marie Allen .....	Cedar City
Matt Cannon .....	Salt Lake City
Shannon Dulaney .....	Cedar City
Marshall Erb .....	Draper
Brandon Day, Student Association President .....	Roy
David Nakken .....	Cedar City
Elyce Schmutz .....	New Harmony
Sandra Lord Thomas .....	Bullhead City, AZ
Jennifer Oberhelman, Secretary to the Board .....	Cedar City

## ADMINISTRATIVE OFFICERS

Scott L Wyatt .....	President
Bradley J. Cook .....	Provost
Marvin L. Dodge, Finance and Administration .....	Vice President
Jared Tippetts, Student Affairs .....	Vice President
Stuart C. Jones, Advancement & Enrollment Management .....	Vice President
Mindy Benson, Alumni & Community Relations .....	Vice President





*Annual Financial Report prepared by*  
**Southern Utah University Controller's Office**  
**351 W. University Blvd., Cedar City, UT 84720**  
**435.586.7724**