

THE FOUNDING OF SOUTHERN U

2021-2022 Annual Financial Report



SOUTHERN UTAH UNIVERSITY
A COMPONENT UNIT OF THE STATE OF UTAH



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ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED JUNE 30, 2022



Message from the President



It was another formidable year of achievement, growth, and change for Southern Utah University. With more than 150 undergraduate programs, 32 graduate and certificate programs, and a professional doctorate degree, SUU has created its niche as an institution focused on innovation and personalized learning experiences. True to SUU's mission, faculty, staff, and administrators focus on engaging students in experiential education while encouraging them to contribute to a dynamic campus culture, grow personally, and succeed professionally.

This year marks Southern Utah University's 125th anniversary. It is a commemoration of the positive impact this institution has had on many generations of the past and a celebration of the present. This milestone is an opportunity to focus on the future as we cultivate tomorrow's leaders among current students and witness alumni leave lasting impressions on society.

The University's vision is to receive national recognition for its innovations in learning, student success, and providing the best educational experience in the intermountain west. The continued fulfillment of this vision was evident in the 2022 fiscal year. With the intent of helping students from all backgrounds, identities, and experiences find the best well-rounded education, *Colleges of Distinction* has once again honored Southern Utah University as the only higher education institution in Utah with the title. To be named as a College of Distinction, schools must demonstrate results across Four Distinctions: Engaged Students, Great Teaching, Vibrant Community, and Successful Outcomes. SUU is also recognized by *Exercise in Medicine* with a silver level designation for encouraging faculty, staff, and students to work together toward improving the health and well-being of the campus community.

Along with a growing reputation as a premier four-year regional university, SUU enjoys climbing enrollment rates with an 8.2% increase over the previous fall semester, outpacing other state universities. SUU's population now exceeds 13,000 students, the largest number in the University's history. The largest portion of growth stems from a 42% increase in the university's online degree program, with online students representing nearly 16% of all SUU students. I am proud that for the fourth consecutive year, SUU has not raised tuition. Providing students with affordable access to high-quality education is always important, especially in a time of economic distress.

SUU had an excellent 2022 General Legislative Session resulting in \$29,692,000 of new funding for the institution. This year, our capital priority was \$19.5 million for renovation and expansion of the Music Building, approved by the Legislature. Another request for the allocation of \$9.2 million to assist with the repair and flood mitigation efforts around the Eccles Coliseum was also funded in full. Additional support has been appropriated toward compensation increases, an on-campus health clinic, financial aid, mental health needs, and student retention.

Each of our successes and accolades are made possible by the support of our treasured employees, community, alumni, friends, and policy makers. Thank you for your continued devotion to our mission and our students.

Sincerely,

A handwritten signature in black ink that reads "Mindy Benson". The signature is written in a cursive, flowing style.

Mindy Benson
President

Independent Auditor's Report



OFFICE OF THE
STATE AUDITOR

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Southern Utah University (University) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the University, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As described in Note M, the University implemented Governmental Accounting Standards Board (GASB) Statement 87 *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board

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

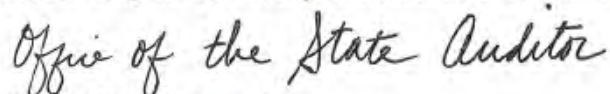
Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2022 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.



Office of the State Auditor
Salt Lake City, Utah
November 9, 2022



MANAGEMENT'S DISCUSSION & ANALYSIS

Management's Discussion and Analysis

Introduction

The following discussion and analysis provides an overview of the financial position and activities of Southern Utah University (University) for the year ended June 30, 2022. This discussion was prepared by management and should be read in conjunction with the audited financial statements and the notes thereto, which follow this section.

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

Financial

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

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

Statement of Net Position

The Statement of Net Position reports the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University at June 30. Net Position is categorized as "Net Investment in Capital Assets", "Restricted" (Expendable or Nonexpendable), or "Unrestricted." Net Investment in Capital Assets includes fixed assets of the University reduced by accompanying debt and accumulated depreciation. Restricted Nonexpendable assets include endowment and similar funds that are held in perpetuity. Restricted Expendable assets are subject to externally imposed restrictions governing their use. All other assets are listed as Unrestricted. Below is a Condensed Statement of Net Position as of June 30, 2022 and 2021.

Condensed Statement of Net Position				
As of June 30				
	2022	2021*	Change	% Change
Assets				
Current Assets	\$ 43,256,590	\$ 60,973,182	\$ (17,716,592)	-29.1%
Noncurrent Assets				
Net Capital Assets	201,350,842	162,699,096	38,651,746	23.8%
Other Noncurrent Assets	107,378,794	90,700,866	16,677,928	18.4%
Total Assets	351,986,226	314,373,144	37,613,082	12.0%
Deferred Outflows of Resources	5,010,465	3,307,645	1,702,820	51.5%
Liabilities				
Current Liabilities	29,610,847	28,663,214	947,633	3.3%
Noncurrent Liabilities	41,258,004	23,208,595	18,049,409	77.8%
Total Liabilities	70,868,851	51,871,809	18,997,042	36.6%
Deferred Inflows of Resources	13,080,501	6,656,185	6,424,316	96.5%
Net Position				
Net Investment in Capital Assets	155,767,470	142,784,448	12,983,022	9.1%
Restricted Nonexpendable	31,421,601	33,391,324	(1,969,723)	-5.9%
Restricted Expendable	24,873,110	33,864,841	(8,991,731)	-26.6%
Unrestricted	60,985,158	49,112,182	11,872,976	24.2%
Total Net Position	\$ 273,047,339	\$ 259,152,795	\$ 13,894,544	5.4%

*As presented in 2021 published financial statements

Current assets decreased by \$17.7 million primarily due to drawing down funds from the PTIF Investment Pool to invest in higher earning bond funds (\$21.7 million), offset by an increase in operating funds (\$2.3 million) and the change in long-term investments becoming current investments (\$2.1 million). Current net receivables decreased by \$1.4 million due to delayed payments from the VA for Summer 2021 that were received in FY 22 (\$386K), and a FY 21 receivable for HEERF funds that was received in FY 22 (\$1.8M), offset by increases in Summer 2022 VA funding receivable (\$266K), Summer aviation program fees and housing receivables (\$200K), as well as other miscellaneous receivables. Prepaid expenses increased (\$1.1 million) due to an increase in deferred charges for the Utah Shakespeare Festival after reopening the festival in full for the 2022 season after a pause during the COVID-19 pandemic.

Net capital assets increased \$38.7 million due to the acquisition of several buildings including the University Campus Services Building, Center for the Arts, The Cottages residential properties, and other historic homes and residence buildings (\$20.5 million). Also contributing to the increase was the implementation of GASB 87, resulting in recognition of net leased assets of \$18.2 million.

Other noncurrent assets increased by \$16.7 million primarily as a result of investment of PTIF funds which increased the noncurrent portion of bonds by \$29.5 million (net of premiums and discounts) and a strategic decision to invest more in alternative investments (\$1.8 million), offset by unrealized market value losses of total investments, resulting in total noncurrent investments increasing by \$24.3 million. Additionally, an increase in Net Pension Assets of \$3.4 million was the result of a net increase in benefit expense of \$5.8 million, offset by an increase in deferred inflows of resources related to pensions of \$12.4 million, and an increase in deferred outflows of resources related to pensions of \$3.2 million. These increases to other noncurrent assets were offset by the Center for the Arts loan forgiveness that took place in August 2021, largely contributing to a decrease in Loans and Notes Receivable of \$10.4 million.

Deferred Outflows Related to Pensions increased \$1.7 million due to a net decrease in benefit expense (\$32K), a decrease in net pension asset (\$3.2 million), offset by an increase in net pension liability (\$1.5 million).

Current liabilities only increased \$948K, but the change was due to an increase in accounts payable of \$702K from an investment amount payable (\$950K) to our broker that did not clear the bank by June 30, offset by a reduction in amounts payable to the Veteran's Administration (\$277K). There was also a \$2.8 million decrease in accrued benefits and deductions payable because in FY 21, both May and June payables had not been paid, while in FY 22, only June had not been paid by year-end. There was also an increase in international student deposits and gift certificates for Utah Shakespeare Festival (USF) (\$526K), a \$722K increase in unearned tuition and fees and unapplied payments for summer semester, and an increase in June health insurance claims payable at year-end (\$364K). Additionally, current bonds, leases and contracts payable increased \$1.4 million primarily due to new leases added as a result of the implementation of GASB 87 (\$876K), an increase to current bonds payable (\$554K), including a new issuance of 2022 bonds.

Noncurrent liabilities increased \$18.0 million due to an increase in bonds, contracts, leases, and annuities payable (\$24.2 million) because of the noncurrent portion of bond obligations (\$9.4 million) which includes the new 2022 bond issuance, a \$17.5 million increase due to the noncurrent portion of leases recorded under GASB 87, offset by a \$2.7 million reduction due to payment of financed purchase obligations made in FY 22. The increase due to debt obligations was offset by a decrease in net pension liability (\$5.8 million) that resulted from an increase in deferred inflows of resources related to pensions (\$6.0 million), an increase in deferred outflows of resources related to pensions (\$1.5 million), and a decrease in benefit expense recognition (\$10.3 million).

Deferred Inflows Related to Pensions increased \$6.4 million as a result of the aforementioned change in decrease in net pension liability (\$6.0 million), and the \$12.4 million increase in net pension asset.

The University's Net Position increased as a result of the following: Net Investment in Capital Assets increased primarily due to the acquisition of several buildings, offset by the effect of the 2022 bond issuance to acquire the buildings and the lease liabilities recorded as a result of the implementation of GASB 87. Restricted Nonexpendable Net Position decreased as a result of decreased market values of investments and a reduction in endowment and scholarship gifts, offset by the aforementioned increase in Net Pension Assets. Restricted Expendable Net Position decreased primarily from the debt incurred from the 2022 bond issuance and the additional lease liabilities incurred as a result of implementing GASB 87. Unrestricted Net Position increased primarily due to increases in tuition and fees, net of expenditures, and reductions in operating expenses as described below.

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, 2022 and 2021.

Condensed Statement of Revenues, Expenses, and Changes in Net Position				
For the Years Ended June 30				
	2022	2021*	Change	% Change
Operating Revenues				
Tuition and Fees	\$ 73,046,733	\$ 76,158,492	\$ (3,111,759)	-4.1%
Grants and Contracts	3,700,559	3,014,819	685,740	22.7%
Sales and Services of Educational Activities	16,761,822	6,415,670	10,346,152	161.3%
Sales and Services of Auxiliary Enterprises	5,142,032	4,269,559	872,473	20.4%
Other	30,368	31,110	(742)	-2.4%
Total Operating Revenues	98,681,514	89,889,650	8,791,864	9.8%
Operating Expenses				
Salaries	85,594,880	75,967,448	9,627,432	12.7%
Benefits	30,573,480	31,253,203	(679,723)	-2.2%
Other Operating Expenses	21,367,138	11,403,257	9,963,881	87.4%
Student Aid	17,096,920	20,252,211	(3,155,291)	-15.6%
Services and Supplies	33,398,206	26,310,990	7,087,216	26.9%
Depreciation	11,006,988	9,311,495	1,695,493	18.2%
Repairs and Maintenance	553,335	460,344	92,991	20.2%
Utilities	2,607,446	2,340,837	266,609	11.4%
Total Operating Expenses	202,198,393	177,299,785	24,898,608	14.0%
Operating Loss	(103,516,879)	(87,410,135)	(16,106,744)	-18.4%
Nonoperating Revenues (Expenses)				
State Appropriations	55,219,715	54,721,121	498,594	0.9%
Grants and Contracts	56,866,137	42,341,535	14,524,602	34.3%
Private Gifts and Grants	5,470,616	5,286,742	183,874	3.5%
Investment Income	(8,979,810)	9,715,325	(18,695,135)	-192.4%
Other Nonoperating Revenues (Expenses)	(7,653,311)	-	(7,653,311)	100.0%
Interest on Indebtedness	(622,913)	(257,065)	(365,848)	-142.3%
Net Nonoperating Revenue (Expenses)	100,300,434	111,807,658	(11,507,224)	-10.3%
Income (Loss) Before Other Revenue	(3,216,445)	24,397,523	(27,613,968)	-113.2%
Other Revenues	17,110,989	4,326,436	12,784,553	295.5%
Change in Net Position	13,894,544	28,723,959	(14,829,415)	-51.6%
Net Position - Beginning of Year	259,152,795	231,036,754	28,116,041	12.2%
Prior Period Adjustment	-	(607,918)	607,918	100.0%
Net Position - Beginning of Year (Restated)	259,152,795	230,428,836	28,723,959	12.5%
Net Position - End of Year	\$ 273,047,339	\$ 259,152,795	\$ 13,894,544	5.4%

*As presented in 2021 published financial statements

Fiscal year 2022 is the third consecutive year that the University has not increased tuition rates. However, overall tuition and fee revenues (before scholarship allowances) increased 7.1% due to increasing enrollment, with resident tuition revenue growth of 5.9% and nonresident tuition growth of 9.7% from FY 2021. Scholarship allowances also increase over FY 2021 by \$11.5 million (28%), which accounted for the net tuition and fees decrease of \$3.1 million. Student fees increased \$982K because of the reinstatement of student fee charges in FY 2022 after waiving student fees in FY 2021 due to COVID-19. Additionally, course fees increased \$587K primarily due to continued moderate growth in aviation course fees.

Operating Grants & Contracts increased due to additional funding of existing projects as well as additional new funding for a variety of federal & state operating grants.

Sales and Services of Educational Activities increased by \$5.7 million prior to elimination of inter-departmental revenues, etc. This increase was due in part to increased fee income from various programs and offerings such as the Child Care Center, Continuing Education & Professional Development, ESL courses, Study Abroad, Rural Health Scholars, Concerts, Athletic ticket admissions, NCAA distributions, and advertising revenue for athletics and the Utah Center for Rural Life (\$2.8 million). Athletic guarantees also increased (\$1.2 million) due to continuation of football and basketball contests previously canceled during the COVID-19 pandemic. USF admissions increased \$1.7 million due to full continuation of the festival showings after a COVID-19 pause. Additionally, the change in the amount of elimination of deferred revenues for the Shakespeare Festival (\$2.3 million) and lost revenues for HEERF grant purposes (\$2.3 million) resulted in a net increase in revenues related to educational activities of \$10.3 million. Sales and Services of Auxiliary Enterprises increased \$872K primarily from increased Bookstore sales (net of inter-departmental eliminations) of \$636K and Residential living (\$360K), offset by the elimination of scholarship allowances from auxiliaries (\$290K).

Total salaries increased by \$7.4 million primarily due to increases in Education & General (E&G) salaries (\$6.9 million) as a result of reallocation of eight non-E&G salary positions to E&G, the addition of 36 new faculty lines being funded in FY 22, as well as a 3% cost of living adjustment. Total wages increased \$2.2 million because of an increase in USF wages (\$863K) due to full production of the 2022 season, athletics staff re-hirings (\$100K) after reductions during COVID-19 pause, a variety of educational programs (\$430K), a variety of support staff wages (\$231K), and wages in support of a variety of federally funded grants (\$341K). A reduction in USF deferred wages (\$262K) also contributed to the total net increase in wages. Salary driven benefits (\$2.35 million) changed consistent with salary increases but were offset due to the change to GASB 68 pension benefit expense elimination (\$3.0 million) resulting in a net decrease of total benefits expense of \$680K.

Other operating expenses, net of inter-department billings and expense eliminations increased \$10.0 million dollars. This increase was due to a variety of increases including a \$3.0 million increase in travel expenses due to resumption of out-of-state and international travel after limited travel due to the COVID-19 pandemic, a \$1.1 million increase in cost of goods sold, primarily from bookstore sales, an increase in current expenses of \$5.6 million including for medical insurance claims (\$5.1 million) and HEERF funding awards (\$1.3 million), and an increase of \$491K in indirect cost allocations. These increases were offset by a reduction in gift-in-kind expenses of \$380K.

Student aid increased by \$8.6 million before scholarship allowances of \$11.8 million reduced the net decrease in student aid to \$3.2 million. The increase in student aid was primarily due to awarding of academic scholarships and waivers (\$3.2 million), activity and other scholarships (\$4.6 million), including an increase in HEERF scholarships of \$3.4 million.

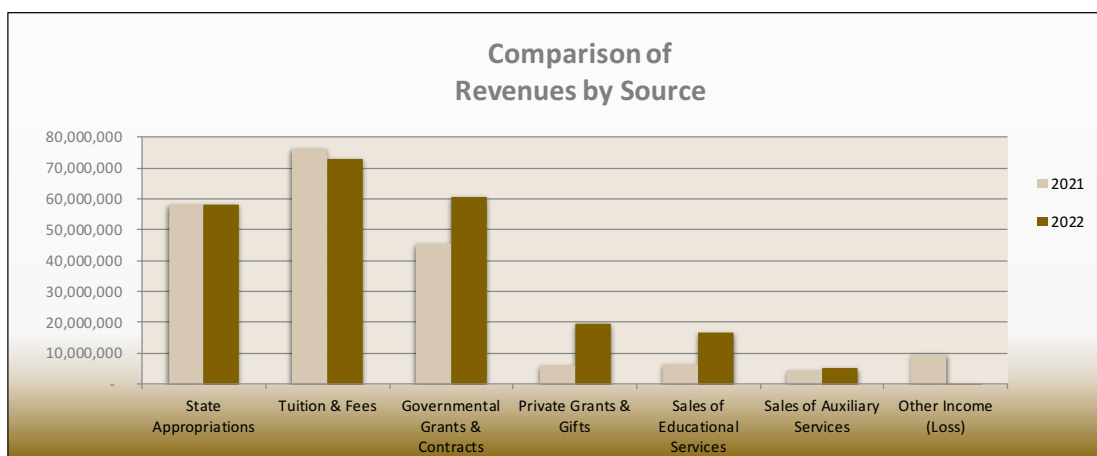
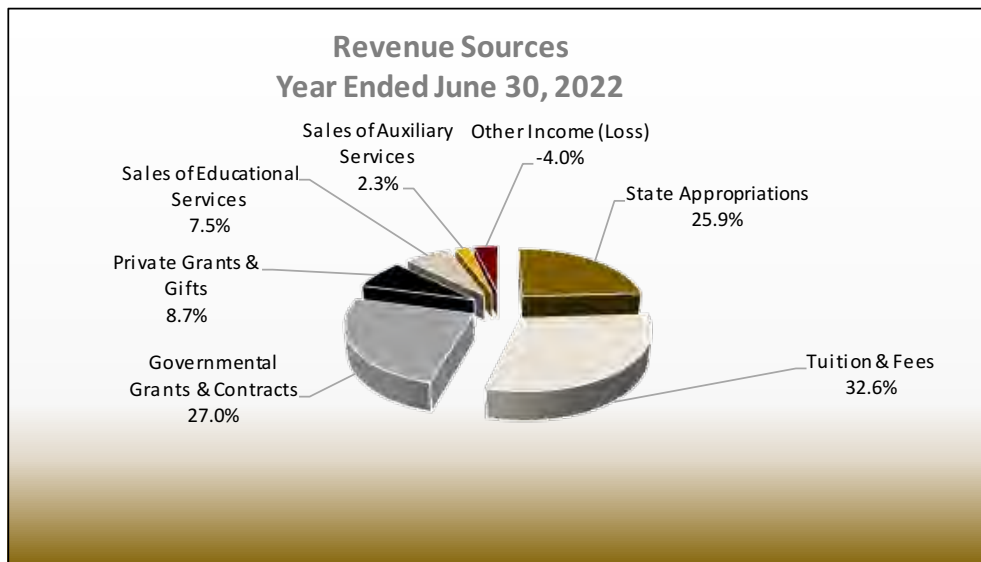
Services and supplies increased \$7.1 million, net of related party eliminations, as aviation parts expense and fuel costs increased (\$1.1 million) due to growth in the flight hours, an increase in supplies purchased using HEERF funding (\$139K), various campus initiatives (\$1.5 million), various campus remodels (\$871K), various operational services and supplies (\$888K), an increase in motor pool fuel (\$255K) due to increased usage post-COVID-19, planning for a helicopter landing pad (\$278K), replacement of the Eccles Coliseum turf (\$720K), USF operating services (\$733K) due to full 2022 season, and costs incurred for the 2022 Bond issuance (\$362K).

Depreciation expense increased \$1.7 million primarily due to the capitalization of additional buildings acquired during the year, as well as amortization of right to use leased assets as a result of the implementation of GASB 87.

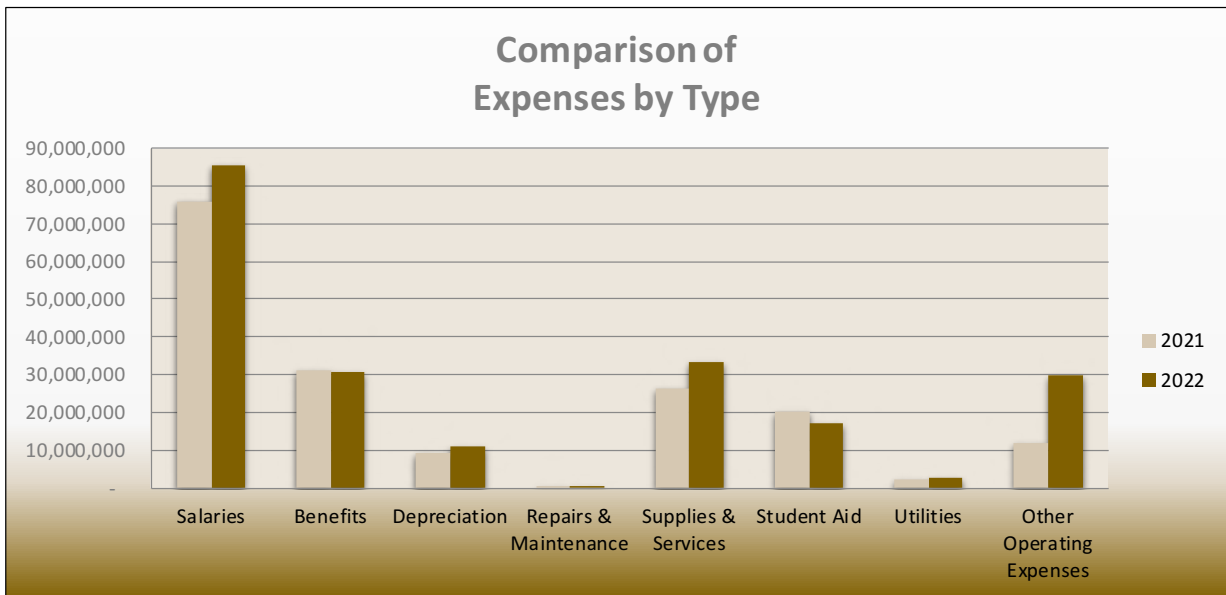
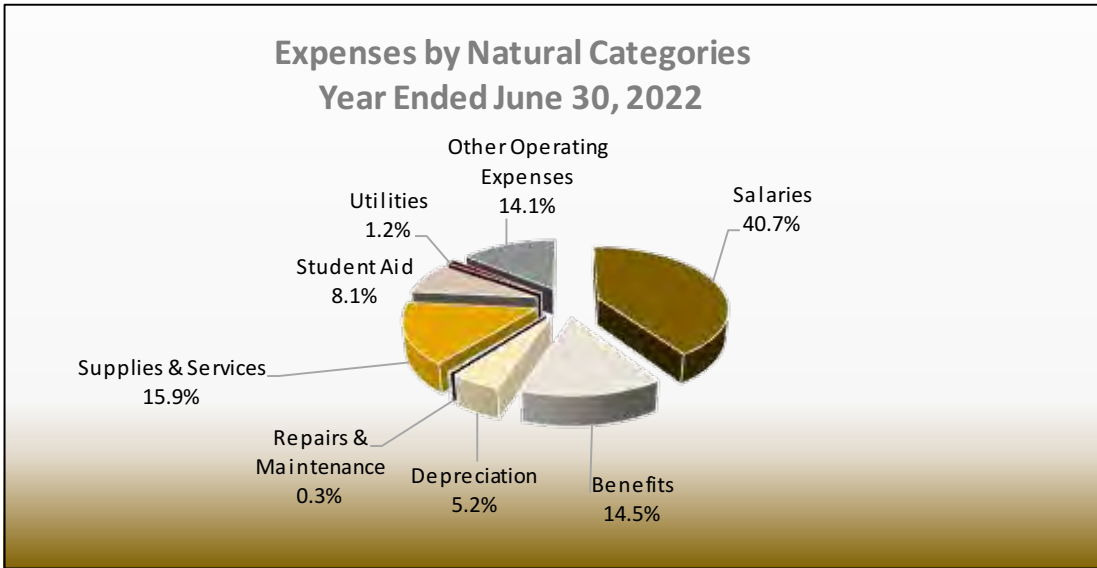
State appropriations increased only slightly (\$499K) to fund additional compensation as well as operations and maintenance. Non-operating Grants and Contracts increased \$14.5 million due to additional HEERF funding (\$11.4 million), additional Pell funding (\$700K), increases in Head Start (\$1.2 million) as well as ongoing funding of National Park Service, US Bureau of Land Management, and other federal agency awards. Additionally, \$1.2 million of state funding was received for Reengagement Scholarships and another \$626K for Learn & Work efforts. Private Gifts and Grants revenue increased only slightly (\$184K) as a result of tougher economic times following the COVID-19 pandemic. Investment income fell drastically (\$18.7 million) as a result of market valuations of our total investment portfolio decreasing substantially due to economic concerns. Other nonoperating expenses increased \$7.6 million as a result of loan forgiveness expense recognized (\$10.1 million), offset by net gains recognized on the sale/exchange of certain land and buildings (\$2.5 million). Interest on indebtedness increased primarily due to the interest cost attributed to the right to use leased assets as a result of the implementation of GASB 87.

Capital appropriations remained fairly constant with no significant changes in capital projects during FY 22. Capital Gifts and Grants increased \$12.1 million due to the addition of the Center for the Arts facilities transferred to the University. Additions to Permanent Endowments increased \$1.2 million primarily as a result of a \$1.0 million single donation to an endowment.

The following graphs illustrate all funding sources as a percentage of total revenues for the year ended June 30, 2022, with a comparison to the prior year:



The following graphs illustrate expenses of the University by natural classification as a percentage of total expense for the year ended June 30, 2022, with a comparison to the prior year:



Statement of Cash Flows

The Statement of Cash Flows provides an additional perspective on the University's financial results for the fiscal year. The statement identifies sources and uses of cash by broad categories of activity including Operations, Noncapital Financing Activities, Capital Financing Activities, and Investing Activities. Below is a Condensed Statement of Cash Flows for the fiscal years ended June 30, 2022 and 2021.

Condensed Statement of Cash Flows				
For the Years Ended June 30				
	2022	2021*	Change	% Change
Cash Provided (Used) by:				
Operating Activities	\$ (94,454,327)	\$ (77,539,655)	\$ (16,914,672)	-21.8%
Noncapital Financing Activities	121,508,712	100,870,456	20,638,256	20.5%
Capital Financing Activities	(10,912,280)	(5,961,049)	(4,951,231)	-83.1%
Investing Activities	(35,681,803)	2,653,644	(38,335,447)	-1444.6%
Net Increase (Decrease) in Cash	(19,539,698)	20,023,396	(39,563,094)	-197.6%
Cash - Beginning of Year	34,829,091	14,805,695	20,023,396	135.2%
Cash - End of Year	\$ 15,289,393	\$ 34,829,091	\$ (19,539,698)	-56.1%

*As presented in 2021 published financial statements

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

Economic Outlook

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



FINANCIAL STATEMENTS

Statement of Net Position

As of June 30, 2022

ASSETS	
Current Assets:	
Cash and Cash Equivalents (Note B)	\$ 13,782,857
Short-term Investments (Note B)	15,026,778
Receivables, Net of Allowance (Note C)	6,438,070
Due From Related Parties (Note D)	680,554
Loans and Notes Receivable, Net (Note E)	238,610
Inventories (Note F)	961,915
Prepaid Expenses (Note G)	6,127,806
Total Current Assets	43,256,590
Noncurrent Assets:	
Restricted Cash and Cash Equivalents (Note B)	1,506,536
Investments (Note B)	101,583,272
Pledges Receivable (Note C)	128,922
Loans and Notes Receivable, Net (Note E)	340,330
Capital Assets, Net of Accumulated Depreciation/Amortization (Note H)	201,350,842
Other Noncurrent Assets (Note I)	335,096
Net Pension Asset (Note O)	3,484,638
Total Noncurrent Assets	308,729,636
Total Assets	351,986,226
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions (Note O)	5,010,465
Total Deferred Outflows of Resources	5,010,465

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LIABILITIES	
Current Liabilities:	
Accounts and Interest Payable (Note J)	3,284,069
Due to Related Parties (Note D)	51,226
Refundable Government Grants (Note R)	1,130,020
Payroll and Withholding Taxes Payable (Note J)	1,084,877
Accrued Benefits & Deductions Payable (Note Q)	1,547,397
Deposits and Other Liabilities (Note K)	2,421,118
Unearned Revenues (Note G)	12,207,219
Compensated Absences and Termination Benefits (Note L)	2,489,560
Bonds, Notes, and Contracts Payable (Note M)	5,395,361
Total Current Liabilities	29,610,847
Noncurrent Liabilities:	
Compensated Absences and Termination Benefits (Note L)	903,437
Bonds, Notes, and Contracts Payable (Note M)	40,354,567
Total Noncurrent Liabilities	41,258,004
Total Liabilities	70,868,851
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions (Note O)	12,603,685
Deferred Inflows Related to Irrevocable Split-Interest Agreements (Note A)	476,816
Total Deferred Inflows of Resources	13,080,501
NET POSITION	
Net Investment in Capital Assets	155,767,470
Restricted Nonexpendable:	
Pensions	3,484,638
Scholarships	21,818,449
Other	6,118,514
Restricted Expendable:	
Scholarships	3,772,420
Capital Projects	3,352,399
Loans	8,271,148
Other	9,477,143
Unrestricted	60,985,158
Total Net Position	\$ 273,047,339

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

Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2022

Operating Revenues	
Student Tuition and Fees (net of scholarship discounts and allowances of \$52,439,498)	\$ 73,046,733
Governmental Grants and Contracts	3,700,559
Sales and Services of Educational Activities	16,761,822
Sales and Services of Auxiliary Enterprises (net of scholarship discounts and allowances of \$1,950,987)	5,142,032
Interest Income on Student Loans	30,368
Total Operating Revenues	98,681,514
Operating Expenses	
Salaries	85,594,880
Benefits	30,573,480
Depreciation	11,006,988
Repairs and Maintenance	553,335
Services and Supplies	33,398,206
Student Aid	17,096,920
Utilities	2,607,446
Other Operating Expenses	21,367,138
Total Operating Expenses	202,198,393
Operating Income (Loss)	(103,516,879)
Nonoperating Revenues (Expenses)	
Government Appropriations - State	55,219,715
Government Grants and Contracts	56,866,137
Private Grants & Gifts	5,470,616
Investment Income (Loss)	(8,979,810)
Other Nonoperating Revenue (Expense)	(7,653,311)
Interest on Indebtedness	(622,913)
Net Nonoperating Revenues (Expenses)	100,300,434
Income (Loss) Before Other Revenue	(3,216,445)
Other Revenue	
Capital Appropriations	3,001,580
Capital Grants & Gifts	12,199,566
Additions to Permanent Endowments	1,909,843
Total Other Revenue	17,110,989
Increase (Decrease) in Net Position	13,894,544
Net Position - Beginning of Year	259,152,795
Net Position - End of Year	\$ 273,047,339

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

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees	\$ 73,156,808
Receipts from Grants/Contracts	4,080,001
Receipts from Auxiliary and Educational Services	22,209,220
Collection of Loans to Students and Employees	114,718
Loans Issued to Students and Employees	(44,896)
Payments for Employee Services and Benefits	(117,027,313)
Payments to Suppliers	(59,845,945)
Payments for Student Financial Aid	(17,096,920)
Net Cash Provided (Used) by Operating Activities	(94,454,327)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Appropriations	55,219,715
Receipts from Grants/Contracts	58,532,360
Gifts/Grants for Other Than Capital Purposes	7,336,902
Custodial Account Receipts	3,334,582
Custodial Account Payments	(2,914,847)
Net Cash Provided (Used) by Noncapital Financing Activities	121,508,712
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Receipts from Capital Appropriations	3,954
Receipts from Capital Grants/Gifts	12,313,599
Proceeds from Sale of Capital Assets	2,551,344
Proceeds from Capital Debt	19,206,730
Purchases of Capital Debt/Leases	(39,502,878)
Principal Paid on Capital Debt/Leases	(4,862,116)
Interest Paid on Capital Debt/Leases	(622,913)
Net Cash Provided (Used) by Capital Financing Activities	(10,912,280)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sale/Maturity of Investments	25,554,981
Receipt of Interest/Dividends from Investments	1,067,263
Purchase of Investments	(62,304,047)
Net Cash Provided (Used) by Investing Activities	(35,681,803)
Net Increase (Decrease) in Cash	(19,539,698)
Cash & Cash Equivalents - Beginning of Year	34,829,091
Cash & Cash Equivalents - End of Year	15,289,393

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

Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Income (Loss)	\$ (103,516,879)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	11,006,988
Difference between Actuarial Calculated Pension Expense and Actual Contributions	(117,817)
Changes in Assets and Liabilities:	
Receivables (Net)	(168,549)
Due from Related Parties	(140,085)
Student Loans Receivable	365,663
Inventories	(95,203)
Prepaid Expenses	(1,064,465)
Accounts Payable	709,248
Due to Related Parties	(8,784)
Accrued Liabilities	(2,296,162)
Accrued Payroll	89,026
Unearned Revenues	721,741
Compensated Absences	60,951
Net Cash Used by Operating Activities	\$ (94,454,327)

Noncash Investing, Capital, and Financing Activities	
Capital Projects paid by DFCM	\$ 2,997,626
Change in Fair Value of Investments Recognized as Investment Income	(11,298,084)
Re-investment of Investment Dividends and Interest	870,055
Capital Assets acquired through note payable	11,251,652
Investment Securities donated	84,900
Loan Forgiveness	(10,149,500)
Total Noncash Investing, Capital, and Financing Activities	\$ (6,243,351)

Reconciliation of Cash and Cash Equivalents to the Statement of Net Position	
Cash and Cash Equivalents Classified as Current Assets	\$ 13,782,857
Cash and Cash Equivalents Classified as Noncurrent Assets	1,506,536
Total Cash and Cash Equivalents	\$ 15,289,393

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



NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements

Note A. – Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

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

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

Basis of Accounting

Under the provisions of the GASB standards, the University is permitted to report as a special-purpose government engaged in business-type activities (BTA). BTA reporting requires the University to present only the basic financial statements and required supplementary information (RSI) for an enterprise fund. The basic financial statements include a Management's Discussion and Analysis, a Statement of Net Position or Balance Sheet, a Statement of Revenues, Expenses and

Changes in Net Position, a Statement of Cash Flows, and notes to the financial statements. The required basic financial statements described above are prepared using the economic resources measurement focus and the accrual basis of accounting.

Cash and Cash Equivalents and Investments

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

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

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

The endowment income spending policy at June 30, 2022, was 4.00% of the 12-quarter moving average of the fair value of the endowment pool. The spending policy is reviewed periodically, and any necessary changes are made. The amount of net appreciation on investments of donor-restricted endowments available for authorization for expenditure at June 30, 2022 was approximately \$1,220,932. The net appreciation was a component of restricted, expendable net position.

Accounts Receivable

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, staff, and other private parties. Accounts

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

Inventories

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

Restricted Cash and Cash Equivalents and Investments

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

Capital Assets

The University has recorded right to use leased assets as a result of implementing GASB 87, effective July 1, 2021. For purposes of this statement, a right to use asset is a contract that conveys control of the right to use another entity's nonfinancial asset for a period of time in an exchange or exchange-like transaction. The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability, plus any lease payments made at or before the commencement of the lease term, less any lease incentives, plus any ancillary charges necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the terms of the related leases.

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation in the case of gifts. All land is capitalized and not depreciated. New buildings with a cost of \$100,000 or more are capitalized. Renovations to buildings, infrastructure, and land improvements that increase the value or extend the useful life of the structure with a cost of \$100,000 or more are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. For equipment and intangibles, the University's capitalization policy includes all items with a unit cost of \$5,000 or more (\$3,000 or more for fiscal years prior to 2015), and an estimated useful life of greater than one year. All library books are capitalized with a useful life of 20 years. Collections and works of art valued in

excess of \$2,000 are capitalized. Useful lives for collections and works of art shall be determined on a case-by-case basis, typically 20 years. Depreciation is computed for all capital assets using the straight-line method over the estimated useful lives of the assets, generally 30 to 40 years for buildings, 20 to 40 years for infrastructure, land improvements, library and other collections, 3 to 20 years for equipment, and 3 to 5 years for intangibles. Leasehold improvements are depreciated over the life of the lease.

Other Noncurrent Assets

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

Unearned Revenues

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

Compensated Absences

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

Pensions

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

Noncurrent Liabilities

Noncurrent liabilities include: (1) principal amounts of revenue bonds, notes, and contracts, leases (including right to use leased assets) payable with contractual maturities greater than one year; (2) estimated amounts for compensated absences and termination benefits and other liabilities that

will not be paid within the next fiscal year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as noncurrent assets.

Net Position

The University's Net Position is classified as follows:

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

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

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

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

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

Classification of Revenues and Expenses

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

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

cost of providing services, (6) administration expenses, and (7) depreciation of capital assets.

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

Scholarship Discounts and Allowances

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

Deferred Inflows

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

Note B. – Cash & Cash Equivalents and Investments

At June 30, 2022, cash and cash equivalents and investments consisted of:

Cash and Cash Equivalents	
Current	
Cash	\$ 3,053,293
Utah PTIF	\$ 10,729,564
Sub-total - Current	\$ 13,782,857
Restricted	
Cash and Money Market	\$ 441,214
Utah PTIF	\$ 1,065,322
Sub-total - Restricted	\$ 1,506,536
Total Cash and Cash Equivalents	\$ 15,289,393

Investments	
Current	
Brokered Certificates of Deposit	\$ 480,130
Securities	14,546,648
Sub-total - Current	15,026,778
Noncurrent	
Brokered Certificates of Deposit	5,196,775
Securities	65,106,589
Mutual Funds	13,384,007
Exchange Traded Products	14,171,737
Alternative Investments	3,292,564
Property Held for Resale	431,600
Sub-total - Noncurrent	101,583,272
Total Investments	\$ 116,610,050

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, 2022, the University’s bank balances were \$4,431,410, of which \$4,181,410 was uninsured and uncollateralized.

Investments

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

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

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

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

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

The Utah State Treasurer’s Office operates the Public Treasurers’ Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the Securities and Exchange Commission (SEC) as an investment company. The PTIF is authorized and regulated by the Act. The Act established the Money Management Council which oversees the activities of

the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

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

hedged), private capital (including venture capital and private equity), natural resources, and private real estate assets or absolute return and long/short hedge funds.

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

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

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

Level 3: Unobservable inputs.

As of June 30, 2022, the University had the following recurring fair value measurements:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level				
Debt Securities				
Corporate Notes	\$ 19,752,485	\$ -	\$ 19,752,485	\$ -
U.S. Agencies	59,900,752	-	59,900,752	-
Utah Public Treasurers' Investment Fund	11,794,886	-	11,794,886	-
Total Debt Securities	91,448,123	-	91,448,123	-
Equity Securities				
Equity Mutual Funds	13,384,007	-	13,384,007	-
Exchange Traded Products	14,171,737	14,171,737	-	-
Alternative Investments	2,181,739	2,181,739	-	-
Brokered Certificates of Deposit	5,676,905	5,676,905	-	-
Total Equity Securities	35,414,388	22,030,381	13,384,007	-
Donated Property Held for Sale	431,600	-	-	431,600
Donated Property Held for Sale	431,600	-	-	431,600
Total Investments by Fair Value Level	\$ 127,294,111	\$ 22,030,381	\$ 104,832,130	\$ 431,600
Investments Measured at Net Asset Value (NAV)				
Private Equity Partnerships	1,110,825	-	-	-
Total Investments Measured at NAV	1,110,825	-	-	-
Total Investments	\$ 128,404,936	-	-	-

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

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

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

Utah Public Treasurers' Investment Fund (PTIF):

application of the June 30, 2022 fair value factor, as calculated by the Utah State Treasurer, to the University's June 30 balance in the Fund.

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

Investments valued using the net asset value (NAV) per share (or its equivalent) are considered “alternative investments” and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The University values these investments based on the partnerships’ audited financial statements. Where June 30 valuations are not available, the value is

progressed from the most recently available valuation taking into account subsequent calls and distributions. The following table presents the unfunded commitments, redemption frequency, and the redemption notice period for the University’s alternative investment measured at NAV:

Investments Measured at Net Asset Value (NAV)	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity Partnerships	\$ 1,110,825	\$ -	Quarterly	45-60 days
Total Investments Measured at NAV	\$ 1,110,825	\$ -		

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University’s policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Act or the UPMIFA and Rule 541, as applicable. For non-endowment funds, Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers’ acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all

investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 10 years for institutions of higher education. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years. For endowment funds, Rule 541 is more general, requiring only that investments be made as a prudent investor would, by considering the purposes, terms, distribution requirements and other circumstances of the endowments and by exercising reasonable care, skill, and caution.

As of June 30, 2022, 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
Corporate Notes	\$ 19,752,485	\$ 14,591,020	\$ 5,161,465	\$ -	\$ -
U. S. Agencies	59,900,752	-	59,900,752	-	-
Utah PTIF	11,794,886	11,794,886	-	-	-
Totals	\$ 91,448,123	\$ 26,385,906	\$ 65,062,217	\$ -	\$ -

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

As of June 30, 2022, the University had the following investments with the following quality ratings:

Investment Type:	Fair Value	Quality Ratings			
		AA	A	BBB	Unrated
Corporate Notes	\$ 19,752,485	\$ -	\$ 17,090,535	\$ 2,497,840	\$ 164,110
U. S. Agencies	59,900,752	59,421,374	-	-	479,378
Utah PTIF	11,794,886	-	-	-	11,794,886
Totals	\$ 91,448,123	\$ 59,421,374	\$ 17,090,535	\$ 2,497,840	\$ 12,438,374

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The University’s policy for reducing this risk of loss is to comply with the Rules of the Money Management Council or the UPMIFA and Rule 541, as applicable. Rule 17 of the Money Management Council limits non-endowment fund investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio at the time of acquisition. For endowment funds, Rule 541 requires that a minimum of 25% of the overall endowment portfolio be invested in fixed income or cash equivalents. Also, the overall endowment portfolio cannot consist of more than 75% equity investments. Rule 541 also limits investments in alternative investment funds to between 0% and 30% based on the size of the University’s endowment fund.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The University does not have a formal policy for custodial credit risk. As of June 30, 2022, the University had \$79,653,237 in debt securities and \$27,555,774 in equity securities that were held by the investment’s counterparty.

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

In addition to the components of receivables discussed in Footnote A, SUU also recognized revenue and federal grants receivable from federal pandemic relief awards.

Receivables consisted of the following as of June 30, 2022:

	Total	Current Portion	Noncurrent Portion
Student Tuition and Fees	\$ 3,244,833	\$ 2,476,833	\$ -
Federal, State, and Private Grants and Contracts	1,979,821	1,979,821	-
Auxiliary Service Charges	43,184	43,184	-
Continuing & Professional Studies Fees	124,557	124,557	-
Utah Shakespearean Festival Ticket Sales	347,827	347,827	-
Interest and Dividends Receivable	285,834	285,834	-
Other Operating	1,037,693	1,037,693	-
Allowance for Doubtful Accounts	(768,000)	-	-
Total Receivables, net of Allowance	6,295,749	6,295,749	-
Contributions and Gifts (Pledges)	271,243	142,321	128,922
Total	\$ 6,566,992	\$ 6,438,070	\$ 128,922

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, 2022.

Related Party Receivables at June 30, 2022:	
DFCM	\$ 436,726
Utah Vocational Rehabilitation	243,828
Total Related Party Receivables	\$ 680,554

Related Party Payables at June 30, 2022:	
Other related parties	\$ 51,226
Total Related Party Payables	\$ 51,226

Note E. – Loans Receivable

Student loans made through the Federal Perkins Loan Program (the Program) comprised a significant portion of loans receivable as of June 30, 2022. 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.

As of June 30, 2022, the current and long-term loans receivable amounts net of allowance were \$238,610 and \$340,330, respectively. The allowance for uncollectible loans was \$30,000.

Note F. – Inventories

Total inventories as of June 30, 2022 were \$961,915, consisting solely of Bookstore inventory.

Note G. – Prepaid Expenses and Unearned Revenues

Prepaid expenses are those disbursements for goods or services applicable to the subsequent fiscal year when they will be recorded as expenses. Prepaid Expenses as of June 30, 2022 were \$6,127,806.

Unearned revenues are receipts of funds that are applicable to the subsequent fiscal year when they become earned and recorded as revenues. Unearned Revenues as of June 30, 2022, consisted of the following:

Unearned Revenues	
Tuition and Fees	\$ 8,516,256
Utah Shakespeare Festival	2,460,641
Unapplied Student Credits	31,241
Grants and Contracts	728,545
Miscellaneous	470,536
Total	\$ 12,207,219



Note H. – Capital Assets

Capital Assets

Capital assets are stated at historical cost or at acquisition value at the date of donation (in the case of gifts) and consisted of the following as of June 30, 2022:

	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022
Capital Assets Not Being Depreciated/Amortized:				
Land	\$ 10,048,814	\$ 1,207,003	\$ (489,488)	\$ 10,766,329
Construction-in-Progress	-	10,000	-	10,000
Total Nondepreciable Assets	10,048,814	1,217,003	(489,488)	10,776,329
Capital Assets Being Depreciated/Amortized:				
Land Improvements	13,389,322	-	-	13,389,322
Buildings	215,904,850	26,429,215	(777,320)	241,556,745
Leasehold Improvements	12,295,222	-	-	12,295,222
Leased Buildings	-	19,206,730	-	19,206,730
Equipment	32,823,670	3,252,369	(847,559)	35,228,480
Vehicles	1,990,064	112,168	(26,930)	2,075,302
Intangibles	578,634	-	(40,000)	538,634
Artwork	3,614,640	358,450	-	3,973,090
Library Collections	7,201,931	48,996	(141,996)	7,108,931
Total Depreciable Assets	287,798,333	49,407,928	(1,833,805)	335,372,456
Total Capital Assets	297,847,147	50,624,931	(2,323,293)	346,148,785
Less: Accumulated Depreciation/Amortization				
Land Improvements	9,955,667	254,408	-	10,210,075
Buildings	98,959,961	6,164,420	(328,496)	104,795,885
Leased Buildings	-	1,009,241	-	1,009,241
Equipment	18,194,609	3,133,323	(819,674)	20,508,258
Vehicles	1,392,067	148,606	(26,930)	1,513,743
Intangibles	578,634	-	(40,000)	538,634
Artwork	797,001	54,447	-	851,448
Library Collections	5,270,111	242,544	(141,996)	5,370,659
Total Depreciation	135,148,050	11,006,989	(1,357,096)	144,797,943
Capital Assets, net	\$ 162,699,097	\$ 39,617,942	\$ (966,197)	\$ 201,350,842

The Division of Facilities Construction and Management (DFCM) administers most of the construction of facilities for State institutions, maintains records, and furnishes cost information for recording capital assets on the books of the University. Construction projects are recorded on the books of the University as funds are expensed or when projects are substantially completed if funded through State Appropriations administered through DFCM. The University is committed to the completion of all projects that are added to construction in progress. No remaining (unpaid) costs were contractually committed to DFCM as of June 30, 2022.

Note I. – Other Noncurrent Assets

Total Other Noncurrent Assets as of June 30, 2022 were \$335,096. They consisted of medical plan and dental plan reserve amounts held by third parties in the amount of \$274,750 and \$60,346, respectively.

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

Accounts and Interest Payable at June 30, 2022:	
Vendors	\$ 2,043,458
Veterans Administration	37,751
Interest	43,597
Sales Tax	7,287
Other	1,151,976
Total Accounts & Interest Payable	\$ 3,284,069

Payroll & Withholding Taxes Payable at June 30, 2022:	
Accrued Payroll	\$ 1,044,404
FICA & Medicare	40,473
Total Payroll & Withholding Taxes	\$ 1,084,877

Note K. – Deposits and Other Liabilities

Deposits & Other Liabilities at June 30, 2022:	
Business-Type & Fiduciary Activities	\$ 1,704,694
International Student & Other Advanced Deposits	330,720
Gift Certificates	345,318
Utah Shakespeare Festival	40,386
Total Deposits & Other Liabilities	\$ 2,421,118

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

Compensated absences, termination benefits, and net pension liability activity for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Current Portion	Noncurrent Portion
Compensated Absences	\$ 2,794,422	\$ 2,018,929	\$ (2,124,602)	\$ 2,688,749	\$ 2,179,013	\$ 509,736
Termination Benefits	537,624	395,402	(228,778)	704,248	310,547	393,701
Sub-total	3,332,046	2,414,331	(2,353,380)	3,392,997	2,489,560	903,437
Net Pension Liability	5,808,504	-	(5,808,504)	-	-	-
Total	\$ 9,140,550	\$ 2,414,331	\$ (8,161,884)	\$ 3,392,997	\$ 2,489,560	\$ 903,437

Compensated Absences

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

accumulated by the end of the sick leave year may be converted at the option of the employee to vacation days, up to a maximum of four (4) days. A liability is recognized in the Statement of Net Position for vacation payable to the employees at the statement date.

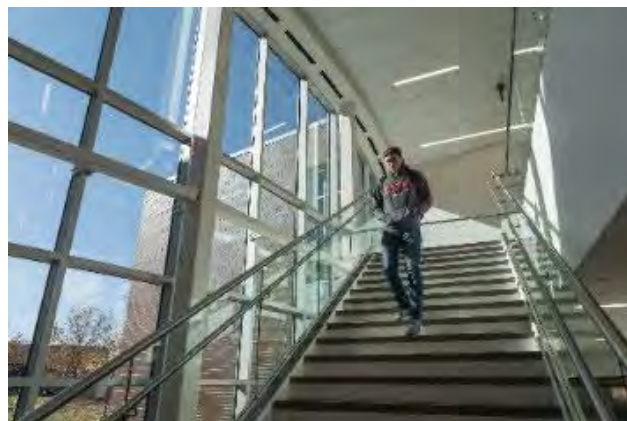
Termination Benefits

The University, as authorized by its Board of Trustees, offers an early retirement incentive option to eligible employees that includes a stipend of an amount equal to the lesser of 20 percent of the employee's annual base salary at the time of early retirement or the employee's estimated Social Security benefit at full retirement age, along with the continuation of

certain health care insurance premiums for a period of the lesser of 5 years or until the employee reaches Social Security full retirement age. Full-time University employees whose accumulated age plus years of service equal at least 75 and are at least 57 are eligible to apply. The cost of early retiree benefits is funded on a pay-as-you-go basis. The total early retiree stipend and benefits payments for the year ended June 30, 2022 was \$199,378. The number of participants for the year ended June 30, 2022 was eight.

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

term investments. The net present value is the amount recognized on the financial statements as a liability for termination benefits.



Note M. – Bonds, Contracts, Leases, and Annuities Payable

Bonds, Contracts, Leases, and Annuities Payable activity for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Current Portion	Noncurrent Portion
Bonds Payable	\$ 9,050,000	\$ 10,915,000	\$ (1,465,000)	\$ 18,500,000	\$ 1,760,000	\$ 16,740,000
Unamortized Bond Premium	359,077	336,652	(80,114)	615,615	78,547	537,068
Contracts Payable	10,505,572	-	(2,485,506)	8,020,066	2,634,887	5,385,179
Leases Payable	-	19,206,730	(831,496)	18,375,234	875,964	17,499,270
Charitable Remainder Annuity Trust and Unitrust	284,068	-	(45,055)	239,013	45,963	193,050
Total Bonds, Contracts, Leases, and Annuities Payable	\$ 20,198,717	30,458,382	\$ (4,907,171)	\$ 45,749,928	\$ 5,395,361	\$ 40,354,567

Bonds Payable

Revenue bonds payable consisted of the following as of June 30, 2022:

Bond Series	Date of Issue	Interest Rate	Original Amount of Issue	Retired or Paid		Balance June 30, 2022
				Current Year	Prior Years	
Auxiliary System, Series 2011	8/11/2011	2.000-4.000%	\$ 8,285,000	\$ 985,000	\$ 6,275,000	\$ 1,025,000
Auxiliary System, Series 2016	4/27/2016	2.000-3.000%	8,420,000	480,000	1,380,000	6,560,000
Auxiliary System, Series 2022	6/22/2022	4.000-5.000%	10,915,000	-	-	10,915,000
Total Bonds Payable			\$ 27,620,000	\$ 1,465,000	\$ 7,655,000	\$ 18,500,000

The scheduled maturities of the revenue bonds are as follows as of June 30, 2022:

Year	Principal	Interest	Total
2023	1,760,000	670,189	2,430,189
2024	695,000	672,531	1,367,531
2025	725,000	637,781	1,362,781
2026	765,000	601,531	1,366,531
2027	800,000	563,281	1,363,281
2028-2032	4,390,000	2,439,820	6,829,820
2033-2037	2,230,000	1,758,300	3,988,300
2038-2042	1,905,000	1,369,006	3,274,006
2043-2047	2,340,000	938,825	3,278,825
2048-2052	2,890,000	390,031	3,280,031
Total Bonds Payable (before unamortized premium/discount)	\$ 18,500,000	\$ 10,041,295	\$ 28,541,295

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

The University is required to maintain certain debt service reserves aggregating \$1,066,000. As of June 30, 2022, the balance in the debt service reserve funds met or exceeded this requirement.

Contracts Payable

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

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

- 7) Flight simulators (2) for \$775,000 funded through a seven-year interest-bearing note, with interest at 2.75% and maturing in November 2023.

Future minimum contracts payable commitments are as follows:

Fiscal Year	Future Minimum Payments
2023	2,862,404
2024	2,747,005
2025	1,385,082
2026	1,002,546
2027	322,111
2028-2030	127,358
Total future commitments	8,446,506
Amount representing interest	(558,511)
Present value of future commitments	\$ 7,887,995

Leases Payable

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

- 1) Head Start – 1830 N Main, Cedar City – This lease was effective April 1, 2017 for a lease term of 119 months with monthly payments of \$8,197. The lease liability is

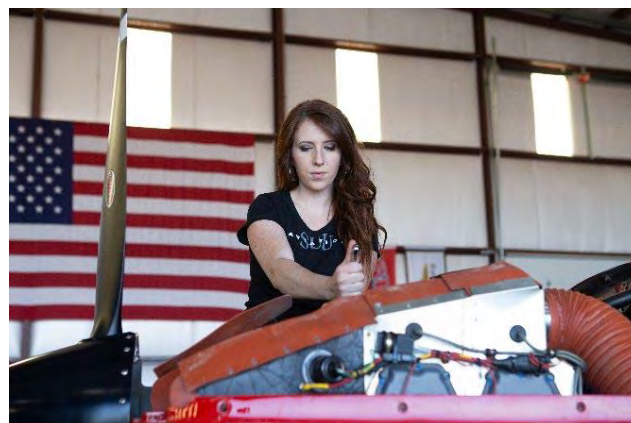
measured at a discount rate of 2.46%. The University has recorded a right to use asset with a lease liability of \$440,599 as of June 30, 2022.

- 2) Head Start – 1469 W Sunset Blvd, St George – This lease was effective March 1, 2018 for a lease term of 112 months with monthly payments of \$11,333. The lease liability is measured at a discount rate of 2.46%. The University has recorded a right to use asset with a lease liability of \$639,272 as of June 30, 2022.
- 3) Head Start – 2390 W Hwy 56 #1, Cedar City – This lease was effective August 1, 2021 for a lease term of 119 months with monthly payments of \$8,612. The lease liability is measured at a discount rate of 2.46%. The University has recorded a right to use asset with a lease liability of \$833,713 as of June 30, 2022.
- 4) Head Start – 2390 W Hwy 56 #3, Cedar City – This lease was effective June 1, 2021 for a lease term of 36 months with monthly payments of \$800. The lease liability is measured at a discount rate of 2.46%. The University has recorded a right to use asset with a lease liability of \$17,956 as of June 30, 2022.
- 5) Head Start – 2390 W Hwy 56 #7 & #8, Cedar City – This lease was effective September 1, 2017 for a lease term of 36 months with monthly payments of \$1,082. The lease liability is measured at a discount rate of 2.46%. The University has recorded a right to use asset with a lease liability of \$14,918 as of June 30, 2022.
- 6) Head Start – 705 N 195 W, La Verkin – This lease was effective August 1, 2018 for a lease term of 60 months with monthly payments of \$4,507. The lease liability is measured at a discount rate of 2.46%. The University has recorded a right to use asset with a lease liability of \$57,763 as of June 30, 2022.
- 7) Aviation Maintenance Building – 597 N 1500 W, Cedar City – This lease was effective April 1, 2022 for a lease term of 24 months with monthly payments of \$2,043. The lease liability is measured at a discount rate of 2.46%. The University has recorded a right to use asset with a lease liability of \$41,952 as of June 30, 2022.
- 8) SWTECH Business Resource Center – This lease was effective September 1, 2021 for a lease term of 24 months with monthly payments of \$500. The lease liability is measured at a discount rate of 2.46%. The University has recorded a right to use asset with a lease liability of \$6,894 as of June 30, 2022.
- 9) Founders Hall – This lease was effective July 1, 2018 for a lease term of 360 months with monthly payments of

\$67,934. The lease liability is measured at a discount rate of 2.10%. The University has recorded a right to use asset with a lease liability of \$16,322,167 as of June 30, 2022.

Future minimum payments of leases payable are as follows:

Fiscal Year	Future Minimum Lease Payments		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 875,964	\$ 384,144	\$ 1,260,108
2024	822,989	364,790	1,187,780
2025	806,257	346,664	1,152,921
2026	824,475	328,447	1,152,921
2027	818,464	309,865	1,128,329
2028 - 2032	3,156,997	1,332,444	4,489,441
2033 - 2037	3,069,344	1,006,721	4,076,065
2038 - 2042	3,408,841	667,224	4,076,065
2043 - 2047	3,785,888	290,177	4,076,065
2048 - 2052	806,015	9,198	815,213
Total future commitments	\$ 18,375,234	\$ 5,039,674	\$ 23,414,908
Amount representing interest			(5,039,674)
Present value of commitments			\$ 18,375,234



Remainder Annuity Trusts Payable

Remainder Annuity Trusts payable are due in quarterly installments for the lifetime of the donors or through the end of the agreement. Annuities payable consisted of the following as of June 30, 2022:

	Date Created	Interest Rate	Present Value	Current Portion
Charitable Remainder Annuity Trusts:				
K & H Englehart	11/10/2015	6.000%	\$ 239,013	\$ 45,963
Total Annuities Payable			\$ 239,013	\$ 45,963

The estimates of future annuities payable are as follows:			
Year	Principal	Interest	Payments
2023	45,963	13,973	59,936
2024	46,889	13,047	59,936
2025	47,834	12,102	59,936
2026	48,798	11,138	59,936
2027	49,781	10,155	59,936
2028 - 2032	264,362	35,319	299,681
2033 - 2036	212,204	8,445	220,649
Total	\$ 715,831	\$ 104,179	\$ 820,010

Note N. – Auxiliary System Bond Revenue Fund

The following schedule reflects the pledged receipts and disbursements of the Bond Revenue Fund of the Auxiliary System for the year ended June 30, 2022:

Pledged Receipts and Disbursements:	
Operating Revenues	\$ 9,231,510
Operating & Maintenance Expenses	(6,444,679)
Total Pledged Net Receipts	\$ 2,786,831
Debt Service Principal and Interest Payments	\$ 1,775,581
Debt Service Ratio	1.57

Note O. – Retirement Plans

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

Defined Benefit Plan

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

- Public Employees Noncontributory Retirement System (Noncontributory System);

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

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

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems defined benefit plans are amended

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



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

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

*Actuarial reductions are applied.

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

Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Systems' Board. Contributions are actuarially

determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Required contribution rates as of June 30, 2022 are as follows:

System	Employee Paid	Paid by Employer	Employer Contribution Rates
Noncontributory System	N/A	N/A	22.19%
Contributory System	N/A	6.00%	17.70%
Public Safety System	N/A	N/A	41.35%
Tier 2 Public Employees System*	N/A	N/A	19.40%
Tier 2 Public Safety and Firefighter System*	N/A	N/A	32.54%

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

For the year ended June 30, 2022, the University and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 2,051,228	N/A
Contributory System	6,149	\$ -
Public Safety System	65,064	-
Tier 2 Public Employees System*	1,328,611	-
Tier 2 Public Safety and Firefighter System*	48,812	N/A
Total Contributions	\$ 3,499,864	\$ -

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

For the year ended June 30, 2022, the University reported a net pension asset of \$3,484,638 and a net pension liability of \$0. The net pension asset and liability were measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2020 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the University's actual contributions to the Systems during the plan year over the total of all University contributions to the Systems during the plan year.

	December 31, 2021			December 31, 2020	
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share	Change
Noncontributory System	\$ 2,811,277	\$ -	0.4114600%	0.4236545%	-0.0121945%
Contributory System	364,222	-	0.4044656%	0.3448931%	0.0595725%
Public Safety System	162,239	-	0.1769853%	0.1604764%	0.0165089%
Tier 2 Public Employees System*	144,097	-	0.3404632%	0.3581416%	-0.0176784%
Tier 2 Public Safety and Firefighter System*	2,803	-	0.0554652%	0.0582480%	-0.0027828%
Total Net Pension Asset/Liability	\$ 3,484,638	\$ -			

For the year ended June 30, 2022, the University recognized pension expense of (\$865,258).

As of June 30, 2022, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,764,101	\$ 19,027
Changes in assumptions	1,252,172	1,860
Net difference between projected and actual earnings on pension plan investments	-	12,372,816
Changes in proportion and differences between contributions and proportionate share of contributions	178,592	209,982
Contributions subsequent to the measurement date	1,815,600	-
Total	\$ 5,010,465	\$ 12,603,685

The \$1,815,600 reported as deferred outflows of resources related to pensions results from contributions made by the University prior to its fiscal year end, but subsequent to the measurement date of December 31, 2021. 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:

- Investment rate of return – 6.95%, net of pension plan investment expense, including inflation.

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

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2019.

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:

Years Ended December 31	Net Deferred Outflows (Inflows) of Resources
2022	\$ (1,547,917)
2023	(3,153,463)
2024	(2,841,547)
2025	(2,029,417)
2026	28,814
Thereafter	134,710

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation – 2.50%;
- Salary increases 3.25 – 9.75%, average, including inflation;

Expected Return Arithmetic Basis			
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long Term Expected Portfolio Real Rate of Return
Equity securities	37.00%	6.30%	2.33%
Debt securities	20.00%	0.00%	0.00%
Real assets	15.00%	6.19%	0.93%
Private equity	12.00%	9.50%	1.14%
Absolute return	16.00%	2.75%	0.44%
Cash and cash equivalent	0.00%	0.00%	0.00%
Totals	100.00%		4.84%
Inflation			2.50%
Expected arithmetic nominal return			7.34%

The 6.95% assumed rate of return is comprised of an inflation rate of 2.50%, and a real return of 4.45% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 6.95%. 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 discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95%.

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

The following presents the proportionate share of the net pension asset and liability calculated using the discount rate of 6.95%, as well as what the proportionate share of the net pension asset and liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 10,096,266	\$ (2,811,277)	\$ (13,602,075)
Contributory System	(128,405)	(364,222)	(566,687)
Public Safety System	214,837	(162,239)	(472,003)
Tier 2 Public Employees System	858,560	(144,097)	(913,929)
Tier 2 Public Safety and Firefighter	22,490	(2,803)	(22,883)
Total Net Pension (Asset)/Liability	\$ 11,063,748	\$ (3,484,638)	\$ (15,577,577)

Defined Contribution Savings Plans

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

Detailed information regarding plan provisions is available in the separately issued URS financial report.

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

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

Employee and University contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30, 2022, were as follows:

Defined Contribution Plans	University's Contributions	Employee's Contributions
401(k) Plan	\$ 320,008	\$ 263,158
457(b) Plan	-	9,553
Roth IRA Plan	N/A	52,455

TIAA and/or Fidelity provide individual defined contribution retirement fund contracts with each participating employee. Employees may allocate contributions by the University to any or all of the providers and the contracts become vested at the time the contribution is made. Employees are eligible to participate from the date of employment and are not required to contribute to the fund. Benefits provided to retired employees are based on the value of individual contracts and the estimated life expectancy of the employee at retirement. For the year ended June 30, 2022, the University's contribution to this multiple-employer defined contribution plan was 14.2% of the employees' annual salary or \$7,425,680, and the fiscal year 2022 contributions are included in pension expense. The University has no further liability once annual contributions are made. Employee contributions for the year ended June 30, 2022 were \$1,311,347.

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

Changes in Assumptions

The investment return assumption was decreased by 0.10% to 6.85% for use in the January 1, 2021 actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Systems' Board. The demographic assumptions were reviewed and updated in the January 1, 2020 actuarial valuation and are currently scheduled to be reviewed in the year 2023.

Note P. – Funds Held in Trust by Others

Funds held in trust by others were neither in the possession of nor under the management of the University. These funds, which were not recorded on the University's financial records and which arose from contributions, were held and administered by external fiscal agents, selected by the donors, who distributed net income earned by such funds to the University, where it was recorded when received. Funds held in trust as of June 30, 2022 were \$320,861 at cost and \$324,898 at fair value.

Note Q. – Insurance Coverage

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

All University employees are covered by worker's compensation insurance, including employer's liability coverage, by the Worker's Compensation Fund of Utah. The University has established a self-insurance fund for employee medical and dental care plans that are administered through UMR and Educators Mutual Insurance Company, respectively (both plans referred to as Health Care Plan). When claims paid by the Plans on behalf of a member during a plan year exceed a specific threshold (currently \$200,000), the specific stop loss insurance will reimburse the Plan for eligible claims paid above the threshold level. GASB Statement No. 10 requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the

amount of the loss can be reasonably estimated. The University has recorded the investments of the Health Care Plan funds as of June 30, 2022 and the estimated liability for self-insurance claims at that date in the Statement of Net Position. The income and expenses related to the

administration of the self-insurance and estimated provision for the claims liabilities for the year then ended are recorded in the Statement of Revenues, Expenses, and Changes in Net Position.

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

Medical & Dental Claims Payable:	2022	2021
Estimated Claims Liability - Beginning of Year	\$ 4,301,887	\$ 2,170,175
Net Current Year Claims and Administration Expenses	26,997,533	17,197,233
Cash Paid for Claims	(29,782,687)	(15,065,521)
Estimated Claims Liability - End of Year	1,516,733	4,301,887
Other Accrued Benefits & Deductions Payable		
Retirement Contributions Liability	-	-
Medical Plan Contributions Liability	4,198	3,413
Other Miscellaneous Deductions Liability	26,467	72,564
Total Accrued Benefits & Deductions Payable	\$ 1,547,397	\$ 4,377,864

Note R. – Refundable Government Grants

Congress did not renew the Federal Perkins Loan Program after September 30, 2017. No new Perkins loans could be disbursed after June 30, 2018. The lack of renewal also means that the federal capital contribution (FCC) and the portion of any loan repayments must be returned to the Department of Education, (DoEd). There was no amount of the FCC required to be returned to the DoEd in fiscal year 2022, which leaves a liability of \$1,130,020 for the University's balance of FCC.

Note S. – SUU Foundation – Blended Component Unit

The Southern Utah University Foundation (the Foundation) is a legally separate, tax-exempt component unit of the University. The Foundation acts primarily as a fund-raising organization to supplement resources that are available to the University in support of its programs. The majority of the resources or

income the foundation holds and invests are restricted for the benefit of the University by the donors. The University appoints a controlling number of positions on the Board of Directors of the Foundation and the University has the ability to impose its will on the Foundation, significantly influencing the programs, projects and activities of the Foundation. Additionally, the Foundation provides services entirely or almost entirely to the University. For these reasons, the Foundation is considered a component unit of the University and is presented in the University financial statements as a blended component unit. Separate financial statements for the Foundation can be obtained from the University. Elimination of internal balances and transactions between SUU and the Foundation and a presentation of eliminated balances and transactions in a separate column is required by GASB Statement 34. However, because there are no such internal balances and transactions, the following is a single-column, condensed version of the Foundation financial statements for the fiscal year ended June 30, 2022:

SUU FOUNDATION	
Condensed Statement of Net Position	
Assets	
Current Assets	
Cash & Receivables	\$ 489,609
Noncurrent Assets	
Investments	380,200
Capital Assets, net of	
Accumulated Depreciation	1,238,521
Total Assets	\$ 2,108,330
Net Position	
Net Investment in Capital Assets	\$ 1,238,521
Restricted	380,200
Unrestricted	489,609
Total Net Position	\$ 2,108,330

SUU FOUNDATION	
Statement of Revenues, Expenses, and Changes in Net Position	
Total Operating Revenues	\$ -
Operating Expenses	
Other Expenses	45,848
Total Operating Expenses	45,848
Operating Income (Loss)	(45,848)
Nonoperating Revenues (Expenses)	
Private Gifts	-
Total Nonoperating Revenues (Expenses)	(236,714)
Decrease in Net Position	(282,562)
Net Position at Beginning of Year	2,390,892
Net Position at End of Year	\$ 2,108,330

SUU FOUNDATION	
Statement of Cash Flows	
Net Cash Provided (Used) By:	
Operating Activities	\$ (3,983)
Noncapital Financing Activities	-
Net Decrease in Cash	(3,983)
Cash & Cash Equivalents at Beginning of Year	493,592
Cash & Cash Equivalents at End of Year	\$ 489,609

Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Net Operating Income (Loss)	\$ (45,848)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation Expense	41,865
Net Cash Used by Operating Activities	\$ (3,983)



REQUIRED SUPPLEMENTARY
INFORMATION

Required Supplementary Information

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

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

Schedule of Contributions					
For Fiscal Years Ending June 30	2022	2021	2020	2019	2018
Noncontributory System					
Contractually Required	\$ 2,051,228	\$ 2,134,147	\$ 2,221,964	\$ 2,146,318	\$ 2,158,520
Contributions in Relation to the Contractually Required	\$ (2,051,228)	\$ (2,134,147)	\$ (2,221,964)	\$ (2,146,318)	\$ (2,158,520)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 9,269,099	\$ 9,668,135	\$ 10,152,681	\$ 9,821,482	\$ 9,925,614
Contributions as a Percentage of Covered Payroll	22.13%	22.07%	21.89%	21.85%	21.75%
Contributory System					
Contractually Required	\$ 6,149	\$ 5,929	\$ 5,887	\$ 8,329	\$ 5,420
Contributions in Relation to the Contractually Required	\$ (6,149)	\$ (5,929)	\$ (5,887)	\$ (8,329)	\$ (5,420)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 34,740	\$ 33,496	\$ 33,263	\$ 46,594	\$ 30,621
Contributions as a Percentage of Covered Payroll	17.70%	17.70%	17.70%	17.88%	17.70%
Public Safety System					
Contractually Required	\$ 65,064	\$ 59,220	\$ 62,592	\$ 71,167	\$ 91,615
Contributions in Relation to the Contractually Required	\$ (65,064)	\$ (59,220)	\$ (62,592)	\$ (71,167)	\$ (91,615)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 157,349	\$ 143,217	\$ 151,370	\$ 172,110	\$ 221,560
Contributions as a Percentage of Covered Payroll	41.35%	41.35%	41.35%	41.35%	41.35%
Tier 2 Public Employees System*					
Contractually Required	\$ 1,328,911	\$ 1,156,081	\$ 1,042,621	\$ 767,375	\$ 674,640
Contributions in Relation to the Contractually Required	\$ (1,328,911)	\$ (1,156,081)	\$ (1,042,621)	\$ (767,375)	\$ (674,640)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 6,847,604	\$ 6,041,824	\$ 5,488,530	\$ 4,065,417	\$ 3,658,090
Contributions as a Percentage of Covered Payroll	19.41%	19.13%	19.00%	18.88%	18.44%
Tier 2 Public Safety and Firefighter System*					
Contractually Required	\$ 48,812	\$ 42,720	\$ 34,247	\$ 21,280	\$ 10,750
Contributions in Relation to the Contractually Required	\$ (48,812)	\$ (42,720)	\$ (34,247)	\$ (21,280)	\$ (10,750)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 147,617	\$ 122,722	\$ 114,769	\$ 71,410	\$ 36,794
Contributions as a Percentage of Covered Payroll	33.07%	34.81%	29.84%	29.80%	29.22%

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

Schedule of Contributions (continued)					
For Fiscal Years Ending June 30	2017	2016	2015	2014	2013
Noncontributory System					
Contractually Required	\$ 2,161,713	\$ 2,153,271	\$ 2,319,809	\$ 2,027,040	\$ 1,946,347
Contributions in Relation to the Contractually Required	\$ (2,161,713)	\$ (2,153,271)	\$ (2,319,809)	\$ (2,027,040)	\$ (1,946,347)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 9,999,130	\$ 9,970,411	\$ 10,143,115	\$ 9,817,043	\$ 10,307,651
Contributions as a Percentage of Covered Payroll	21.62%	21.60%	22.87%	20.65%	18.88%
Contributory System					
Contractually Required	\$ 5,589	\$ 5,734	\$ 5,739	\$ 5,117	\$ 4,399
Contributions in Relation to the Contractually Required	\$ (5,589)	\$ (5,734)	\$ (5,739)	\$ (5,117)	\$ (4,399)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 31,576	\$ 32,395	\$ 32,426	\$ 32,041	\$ 30,828
Contributions as a Percentage of Covered Payroll	17.70%	17.70%	17.70%	15.97%	14.27%
Public Safety System					
Contractually Required	\$ 87,724	\$ 98,109	\$ 96,577	\$ 92,803	\$ 80,840
Contributions in Relation to the Contractually Required	\$ (87,724)	\$ (98,109)	\$ (96,577)	\$ (92,803)	\$ (80,840)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 212,151	\$ 237,266	\$ 233,559	\$ 236,079	\$ 216,787
Contributions as a Percentage of Covered Payroll	41.35%	41.35%	41.35%	39.31%	37.29%
Tier 2 Public Employees System*					
Contractually Required	\$ 516,860	\$ 251,738	\$ 85,958	\$ 66,156	\$ 49,068
Contributions in Relation to the Contractually Required	\$ (516,860)	\$ (251,738)	\$ (85,958)	\$ (66,156)	\$ (49,068)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 2,833,666	\$ 1,380,385	\$ 1,315,692	\$ 967,391	\$ 632,088
Contributions as a Percentage of Covered Payroll	18.24%	18.24%	6.53%	6.84%	7.76%
Tier 2 Public Safety and Firefighter System*					
Contractually Required	\$ 8,416	N/A	N/A	N/A	N/A
Contributions in Relation to the Contractually Required	\$ (8,416)				
Contribution Deficiency (Excess)	\$ -				
Covered Payroll	\$ 28,891				
Contributions as a Percentage of Covered Payroll	29.13%				

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

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SUU

**SOUTHERN UTAH
UNIVERSITY**

**Annual Financial Report prepared by
SUU Accounting Services**

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