2023-2024

SUU

Annual Financial Report

SOUTHERN UTAH UNIVERSITY

A Component Unit of the State of Utah

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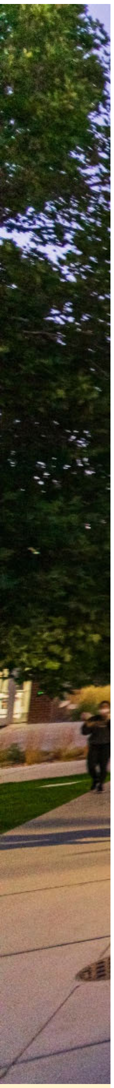
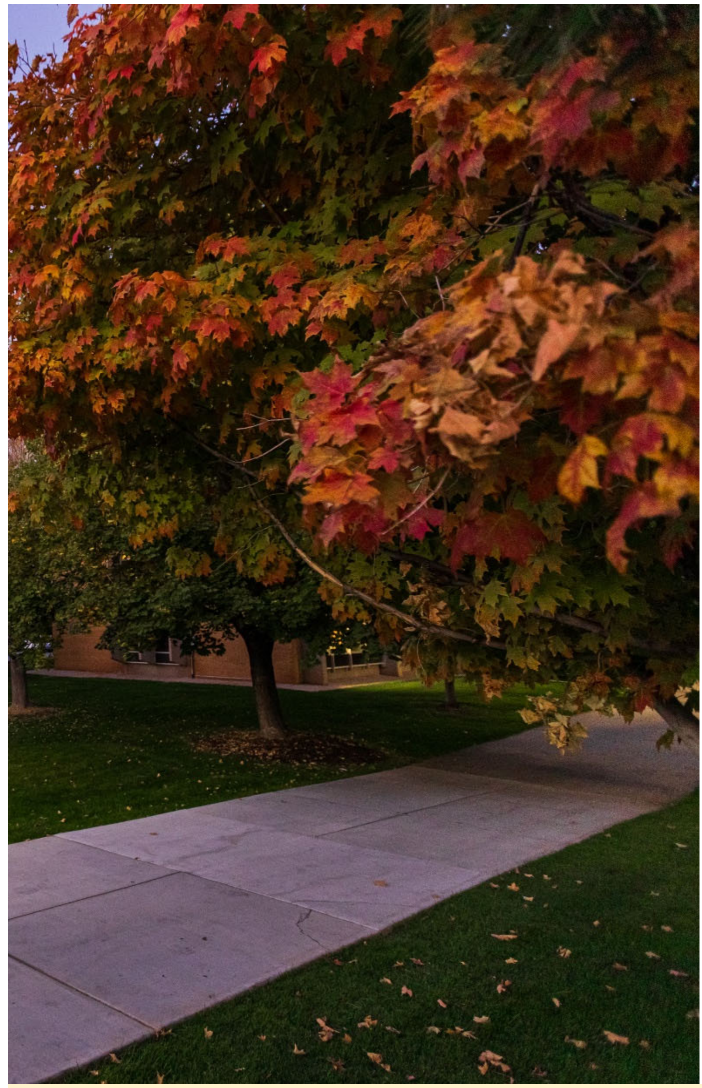
ANNUAL FINANCIAL REPORT





FISCAL YEAR ENDED JUNE 30, 2024

SUU SOUTHERN UTAH UNIVERSITY

Message from the President

The past year has been another remarkable chapter for Southern Utah University. With over 150 undergraduate programs, 32 graduate and certificate offerings, and a professional doctorate degree, we have not only established a reputation as a leading regional institution; we have also been recognized by Forbes as one of America's Best-In-State Employers in 2024. We continue to strategically build a supportive and dynamic university culture—for students AND employees—that cannot be matched. We are proud to celebrate our achievements and look forward to the future with optimism and determination.

We stepped into that future in big and exciting ways this year when we broke ground on two new learning spaces: the SUU Music Center and the Joe and Beverly Burgess Family Business Center. Spanning 44,000 square feet, the Music Center will include classrooms, piano and computer labs, dedicated recital and rehearsal spaces, a specialized percussion studio, recording and production labs, a commercial music suite, and a stunning 510-seat concert hall. The building will serve as a hub for musical education, performance, and innovation for our students and community. At 22,000 square feet, the business center will include a professional sales center, career services center, graduate program-specific spaces, and several gathering and event spaces to bring students together with industry standouts for work-based learning, networking and recruitment. Both additions will enhance opportunities for our students in important ways that reflect our commitment to state-of-the-art facilities that can support work-based learning experiences for every student.

We are particularly proud this year to have also been recognized as a Best Four-year Public University for Student Satisfaction in the Nation. EdSight's Student Voice Scoring system assesses universities based on academic experience, student life and community, engagement with faculty and staff, campus facilities and resources, and overall career preparations. I am extremely proud to report that SUU had the highest Student Voice Score among the public four-year universities. Our student respondents underscore the University's unwavering commitment to the student experience—inside the classroom and beyond.

With a three-percent enrollment increase, our population now exceeds 16,000 students participating both on campus, and online. Thanks to the help of our donors and legislators, we continue to expand opportunities and facilities to keep pace with our growing student body. Our Southern Utah legislators helped SUU secure a total of $6,062,100 from the 2023 legislative session for institutional priorities, including the aforementioned capital projects and employee compensation increases. Our generous donors contributed a total of $9,275,000 for campus improvements, programming and scholarships.

Every success and our many accolades are made possible because of dedicated faculty, staff, alumni, donors, and students. Thank you. May we all look forward to another successful year at SUU.

Sincerely,

Mindy Benson

Mindy Benson
President

OFFICE OF THE
STATE AUDITOR

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Southern Utah University (University) as of and for the year ended June 30, 2024, 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, 2024, and the respective changes in financial position and 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.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

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 Defined Benefit Pension 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 listing of the Governing Boards and Officers but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2024 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Office of the State Auditor

Office of the State Auditor
Salt Lake City, Utah
November 19, 2024

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, 2024. 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. The University 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 14,500 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, 2024 and 2023.

Condensed Statement of Net Position As of June 30	2024	2023*	Change	% Change
Assets				
Current Assets	$ 49,198,901	$ 31,765,334	$ 17,433,567	54.9%
Noncurrent Assets				
Net Capital Assets	234,182,256	233,176,448	1,005,808	0.4%
Other Noncurrent Assets	115,963,348	125,135,226	(9,171,878)	-7.3%
Total Assets	**399,344,505**	**390,077,008**	**9,267,497**	**2.4%**
Deferred Outflows of Resources	**6,754,820**	**6,052,336**	**702,484**	**11.6%**
Liabilities				
Current Liabilities	32,926,297	29,172,347	3,753,950	12.9%
Noncurrent Liabilities	46,606,783	45,895,718	711,065	1.5%
Total Liabilities	**79,533,080**	**75,068,065**	**4,465,015**	**5.9%**
Deferred Inflows of Resources	**620,358**	**793,766**	**(173,408)**	**-21.8%**
Net Position				
Net Investment in Capital Assets	194,962,701	193,329,541	1,633,160	0.8%
Restricted Nonexpendable	35,056,984	30,969,287	4,087,697	13.2%
Restricted Expendable	23,839,946	22,868,481	971,465	4.2%
Unrestricted	72,086,256	73,100,204	(1,013,948)	-1.4%
Total Net Position	**$ 325,945,887**	**$ 320,267,513**	**$ 5,678,374**	**1.8%**

*2023 as restated. See Note A to the *Financial Statements* for discussion of adjustments.

The increase in current assets ($17.4 million) is largely attributed to federal securities maturing within the upcoming year. As these securities reach their maturity dates, they convert from long-term to short-term investments. For this reason, there was a corresponding decrease in other noncurrent assets; however, the decrease to noncurrent assets was partially offset by investment growth and the acquisition of long-term federal securities.

Deferred outflows of resources increased $702K related to pensions. The increase was largely due to changes in actuarial assumptions. Deferred inflows of resources decreased $173K thousand as a result of a $156K decrease in inflows related to pensions and a $37K decrease related to leases receivable.

Current liabilities increased $3.8 million due primarily to an increase of $3.5 million in deferred revenue related to summer tuition, aviation labs fees, scholarships and grants and contracts, a decrease in the current portion of debt service by $1.2 million due to payment of debt service principal and early payoff of financing related to an aviation hangar and flight simulator, and a $661K increase in international enrollment deposits.

Noncurrent liabilities increased $711K. The increase is largely due to a decrease of $3.1 million due to debt service payments for FY25 became current, thus reducing noncurrent liabilities, an increase of $3.1 million for new financing related to aircraft and leases for the Head Start program, and an increase of $120K in the net pension liability. Additionally, compensated absences mainly increased $207K due to additional noncurrent vacation accrual of $54K, and five new employee early retirements for $150K.

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, 2024 and 2023.

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

For the Years Ended June 30

	2024	2023*	Change	% Change
Operating Revenues				
Tuition and Fees	$ 90,161,912	$ 86,126,508	$ 4,035,404	4.7%
Grants and Contracts	3,498,832	3,543,120	(44,288)	-1.2%
Sales and Services of Educational Activities	18,830,725	18,556,626	274,099	1.5%
Sales and Services of Auxiliary Enterprises	6,699,300	6,360,458	338,842	5.3%
Total Operating Revenues	**119,190,769**	**114,586,712**	**4,604,057**	**4.0%**
Operating Expenses				
Salaries & Benefits	151,963,798	134,465,860	17,497,938	13.0%
Other Operating Expenses	101,794,700	95,797,628	5,997,072	6.3%
Total Operating Expenses	**253,758,498**	**230,263,488**	**23,495,010**	**10.2%**
Operating Loss	**(134,567,729)**	**(115,676,776)**	**(18,890,953)**	**-16.3%**
Nonoperating Revenues (Expenses)				
State Appropriations	77,450,284	71,517,419	5,932,865	8.3%
Grants and Contracts	35,725,735	37,135,445	(1,409,710)	-3.8%
Private Gifts and Grants	6,855,750	5,666,505	1,189,245	21.0%
Investment Income	11,132,338	4,446,155	6,686,183	150.4%
Other Nonoperating Revenues (Expenses)	(997,593)	(1,654,827)	657,234	39.7%
Net Nonoperating Revenue (Expenses)	**130,166,514**	**117,110,697**	**13,055,817**	**11.1%**
Income (Loss) Before Other Revenue	**(4,401,215)**	**1,433,921**	**(5,835,136)**	**-406.9%**
Other Revenues	**10,079,588**	**45,786,253**	**(35,706,665)**	**-78.0%**
Change in Net Position	**5,678,373**	**47,220,174**	**(41,541,801)**	**-88.0%**
Net Position - Beginning of Year	320,267,513	273,047,339	47,220,174	17.3%
Net Position - End of Year	**$ 325,945,886**	**$ 320,267,513**	**$ 5,678,373**	**1.8%**

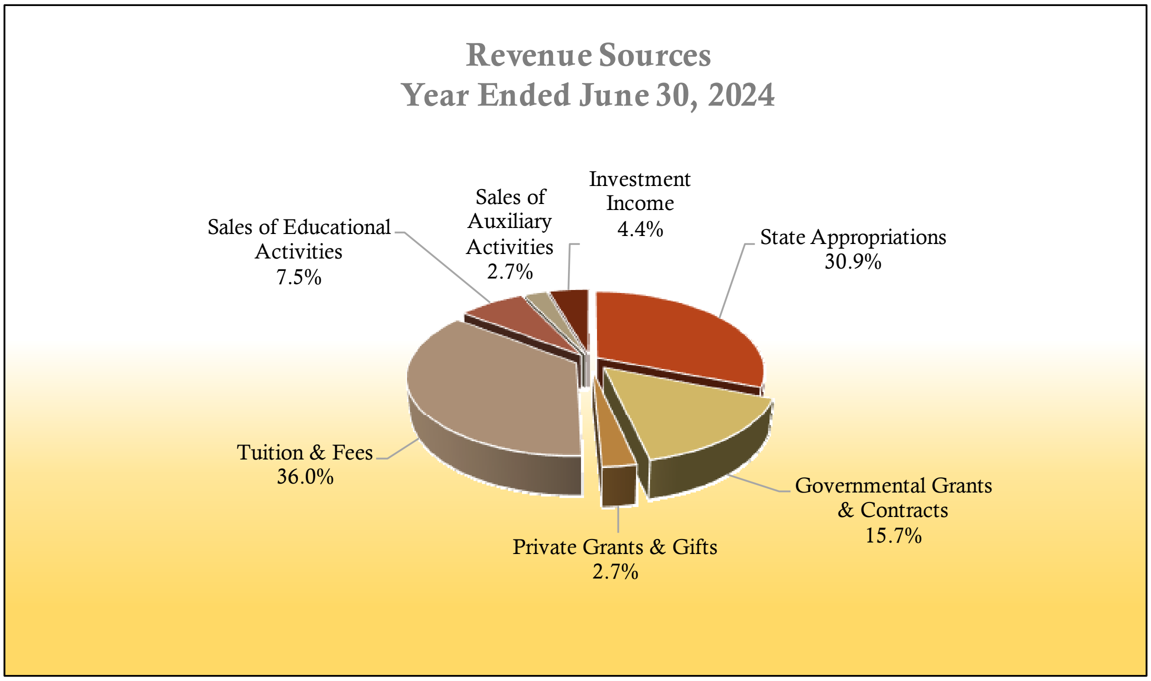
*2023 as restated. See Note A to the *Financial Statements* for discussion of adjustments.

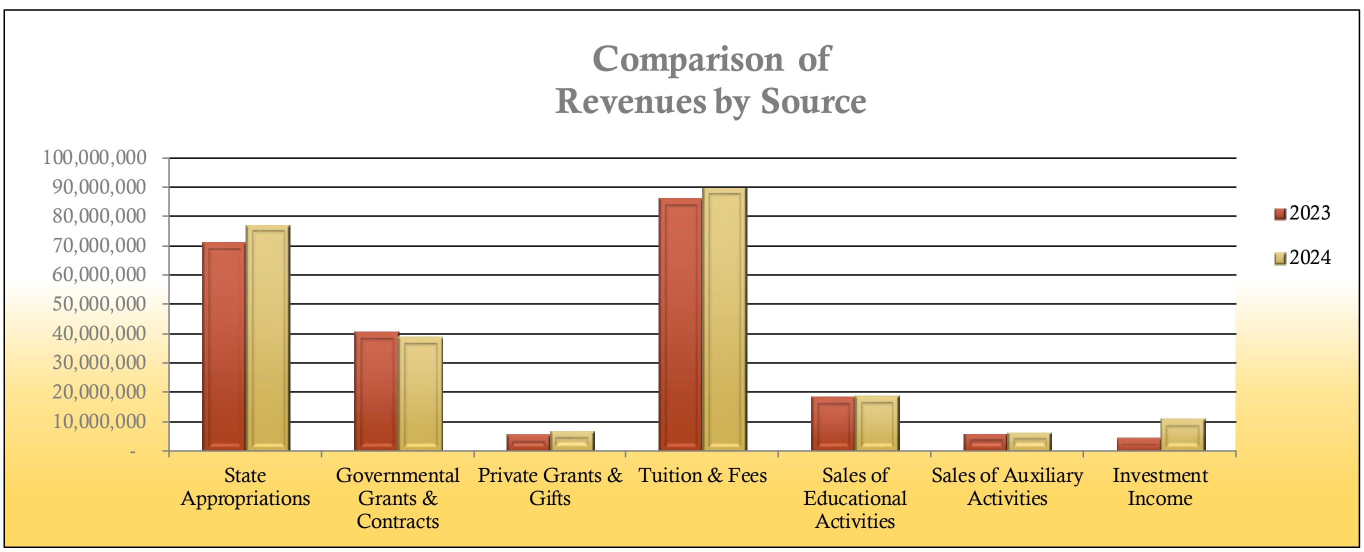
Fiscal year 2024 is the fifth consecutive year that the University has not increased tuition rates. However, overall tuition and fee revenues increased $4 million (4.7%) due to increasing enrollment and increases in course fees. A large portion of the growth related to online enrollment, which grew 19%, resulting in a $2.8 million increase in net tuition.

Salaries and benefits increased due to salary increases and cost of living adjustments at an average of a 10% increase. Hourly wages also increased as a response to competitive pressures in the labor market. The University added 29 full-time and 21 part-time employees since the prior year.

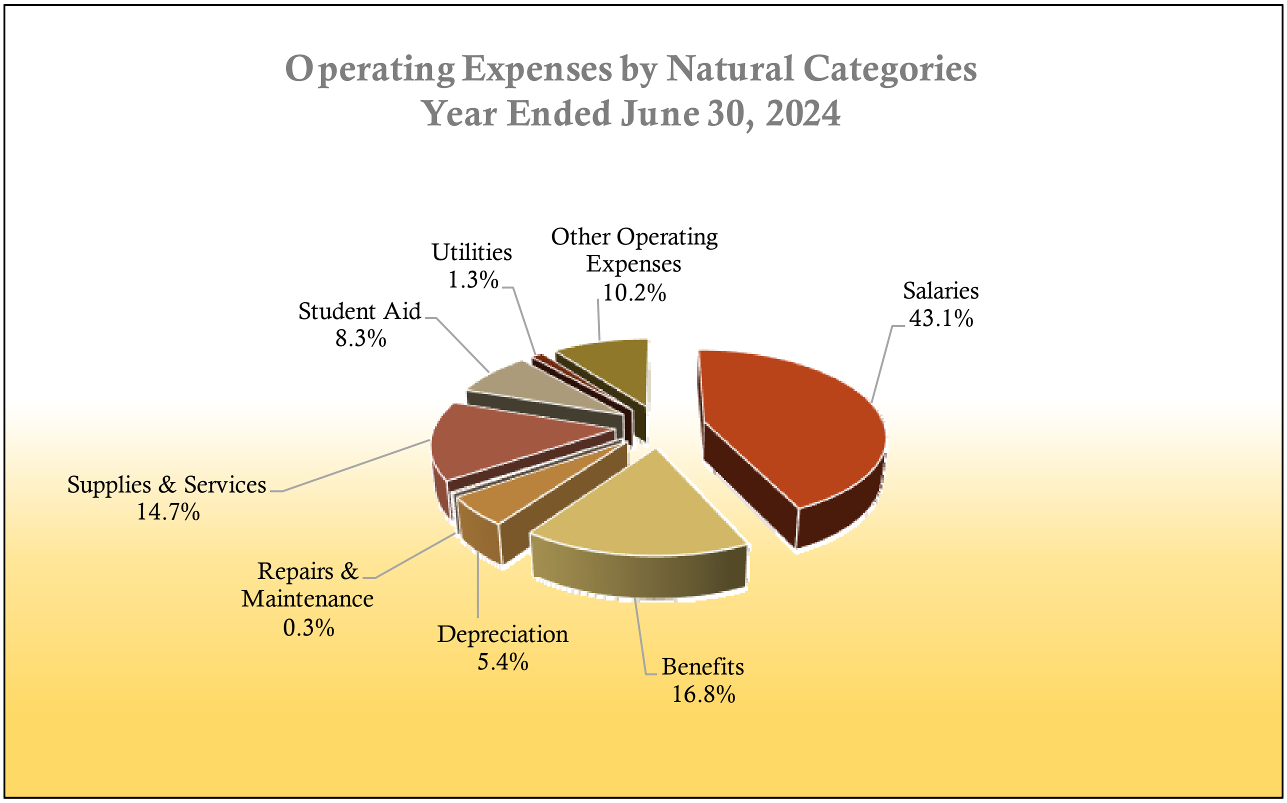
Nonoperating revenues increased $13.1 million due primarily to an increase in state appropriations of $5.9 million for compensation as well as operations and maintenance. Investment income increased $6.7 million due to market valuations of investments.

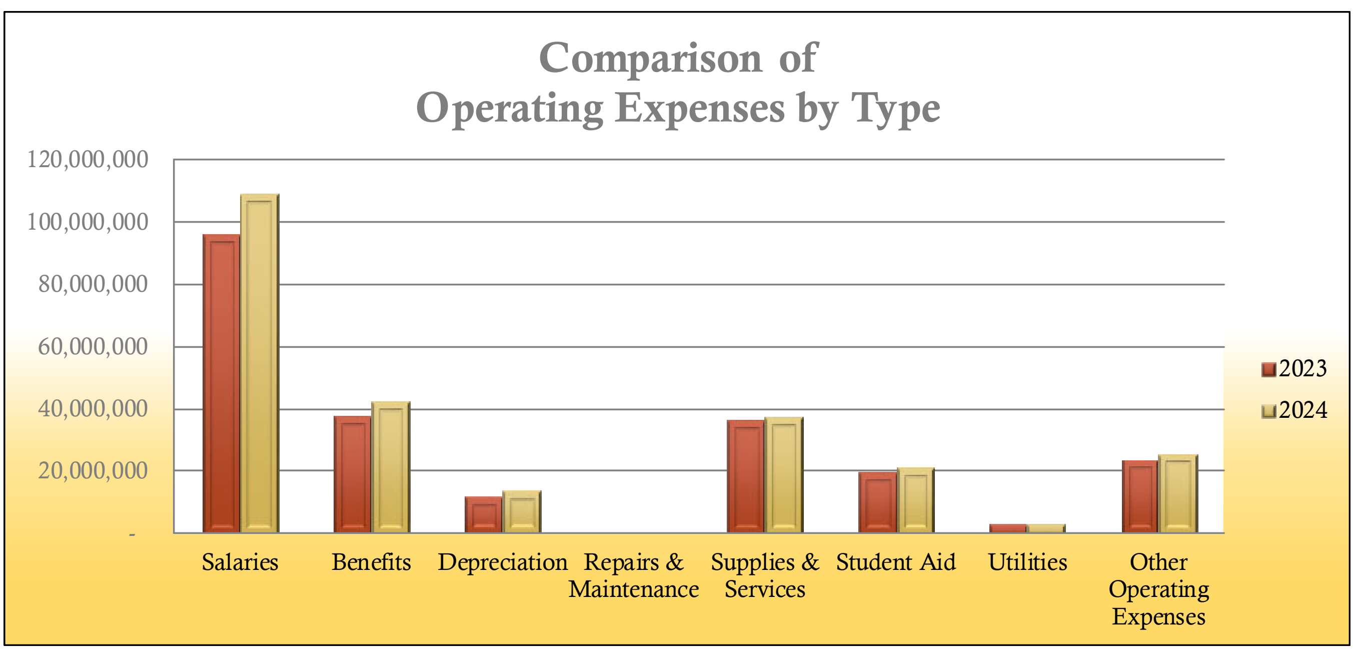
The following graphs illustrate all funding sources as a percentage of total revenues for the year ended June 30, 2024, with a comparison to the prior year:





The following graphs illustrate expenses of the University by natural classification as a percentage of total expense for the year ended June 30, 2024, 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, 2024 and 2023.

Condensed Statement of Cash Flows
For the Years Ended June 30

	2024	2023*	Change	% Change
Cash Provided (Used) by:				
Operating Activities	$ (114,866,632)	$ (99,790,523)	$ (15,076,109)	-15.1%
Noncapital Financing Activities	121,794,864	115,124,071	6,670,793	5.8%
Capital Financing Activities	(9,664,130)	(11,552,102)	1,887,972	16.3%
Investing Activities	(982,989)	(2,695,017)	1,712,028	63.5%
Net Increase (Decrease) in Cash	**(3,718,887)**	**1,086,429**	**(4,805,316)**	**-442.3%**
Cash - Beginning of Year	16,375,822	15,289,393	1,086,429	7.1%
Cash - End of Year	**$ 12,656,935**	**$ 16,375,822**	**$ (3,718,887)**	**-22.7%**

**As presented in 2023 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, 2024

ASSETS	
Current Assets:	
Cash and Cash Equivalents (Note B)	$ 12,316,267
Short-term Investments (Note B)	21,286,066
Receivables, Net of Allowance (Note C)	8,718,744
Due From Related Parties (Note D)	372,103
Loans Receivable, Net (Note E)	8,294
Inventories (Note F)	913,091
Prepaid Expenses (Note G)	5,584,336
Total Current Assets	**49,198,901**
Noncurrent Assets:	
Restricted Cash and Cash Equivalents (Note B)	340,668
Investments (Note B)	114,276,137
Pledges and Leases Receivable (Note C)	1,061,815
Capital Assets, Net of Accumulated Depreciation/Amortization (Note H)	234,182,256
Other Noncurrent Assets (Note I)	284,728
Total Noncurrent Assets	**350,145,604**
Total Assets	**399,344,505**
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions (Note O)	6,754,820
Total Deferred Outflows of Resources	**6,754,820**

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LIABILITIES	
Current Liabilities:	
Accounts and Interest Payable (Note J)	3,386,948
Due to Related Parties (Note D)	512,084
Refundable Government Grants (Note R)	1,057,170
Payroll and Withholding Taxes Payable (Note J)	992,956
Accrued Benefits & Deductions Payable (Note Q)	1,416,127
Deposits and Other Liabilities (Note K)	2,067,264
Unearned Revenues (Note G)	16,979,445
Compensated Absences and Termination Benefits (Note L)	3,134,963
Bonds, Notes, and Contracts Payable (Note M)	3,379,340
Total Current Liabilities	**32,926,297**
Noncurrent Liabilities:	
Compensated Absences and Termination Benefits (Note L)	1,362,417
Bonds, Notes, and Contracts Payable (Note M)	35,986,377
Net Pension Liability (Notes L & O)	9,257,989
Total Noncurrent Liabilities	**46,606,783**
Total Liabilities	**79,533,080**
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions (Note O)	107,022
Deferred Inflows Related to Irrevocable Split-Interest Agreements (Note A)	476,816
Deferred Inflows Related to Leases Receivable (Note A & C)	36,520
Total Deferred Inflows of Resources	**620,358**
NET POSITION	
Net Investment in Capital Assets	194,962,701
Restricted Nonexpendable:	
Scholarships	27,592,526
Other	7,464,458
Restricted Expendable:	
Scholarships	4,542,137
Capital Projects	5,422,118
Loans	4,510,927
Other	9,364,764
Unrestricted	72,086,256
Total Net Position	**$ 325,945,887**

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, 2024

Operating Revenues	
Student Tuition and Fees (net of scholarship discounts and allowances of $45,233,694)	$ 90,161,912
Governmental Grants and Contracts	3,498,832
Sales and Services of Educational Activities	18,830,725
Sales and Services of Auxiliary Enterprises (net of scholarship discounts and allowances of $1,704,319)	6,699,300
Total Operating Revenues	**119,190,769**
Operating Expenses	
Salaries	109,253,320
Benefits	42,710,478
Depreciation and Amortization	13,609,349
Repairs and Maintenance	705,477
Services and Supplies	37,330,045
Student Aid	21,041,537
Utilities	3,235,858
Other Operating Expenses	25,872,434
Total Operating Expenses	**253,758,498**
Operating Income (Loss)	**(134,567,729)**
Nonoperating Revenues (Expenses)	
Government Appropriations - State	77,450,284
Government Grants and Contracts	35,725,735
Private Grants & Gifts	6,855,750
Investment Income (Loss)	11,132,338
Other Nonoperating Revenue (Expense)	(4,847)
Interest on Indebtedness	(992,746)
Net Nonoperating Revenues (Expenses)	**130,166,514**
Income (Loss) Before Other Revenue	**(4,401,215)**
Other Revenue	
Capital Appropriations	7,660,157
Capital Grants & Gifts	1,299,081
Additions to Permanent Endowments	1,120,350
Total Other Revenue	**10,079,588**
Increase (Decrease) in Net Position	**5,678,373**
Net Position - Beginning of Year as Previously Reported	**281,451,548**
Prior Period Adjustment (Note A)	**38,815,965**
Net Position - Beginning of Year as Restated	**320,267,513**
Net Position - End of Year	**$ 325,945,886**

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

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees	$ 90,622,899
Receipts from Auxiliary and Educational Services	27,006,257
Receipts from Grants/Contracts	4,420,007
Payments for Student Financial Aid	(21,041,537)
Payments to Suppliers	(64,052,002)
Payments for Employee Services and Benefits	(151,822,256)
Net Cash Provided (Used) by Operating Activities	**(114,866,632)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Appropriations	77,450,284
Receipts from Grants/Contracts	35,737,658
Gifts/Grants for Other Than Capital Purposes	7,751,789
Custodial Account Receipts	3,462,748
Custodial Account Payments	(2,607,615)
Net Cash Provided (Used) by Noncapital Financing Activities	**121,794,864**
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Receipts from Capital Appropriations	3,707,675
Receipts from Capital Grants/Gifts	559,964
Proceeds from Sale of Capital Assets	66,426
Interest Paid on Capital Debt/Leases	(992,746)
Purchases of Capital Debt/Leases	(8,185,821)
Principal Paid on Capital Debt/Leases	(4,819,628)
Net Cash Provided (Used) by Capital Financing Activities	**(9,664,130)**
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sale/Maturity of Investments	12,356,369
Receipt of Interest/Dividends from Investments	4,824,651
Purchase of Investments	(18,164,009)
Net Cash Provided (Used) by Investing Activities	**(982,989)**
Net Increase (Decrease) in Cash	**(3,718,887)**
Cash & Cash Equivalents - Beginning of Year	**16,375,822**
Cash & Cash Equivalents - End of Year	**12,656,935**

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)	$ (134,567,729)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	13,609,349
Difference between Actuarial Calculated Pension Expense and Actual Contributions	(738,652)
Changes in Assets and Liabilities:	
Unearned Revenues	3,060,348
Accrued Liabilities	3,284,677
Compensated Absences	541,278
Student Loans Receivable	8,720
Receivables (Net)	(1,009,319)
Due from Related Parties	6,224
Prepaid Expenses	400,251
Leases Receivable	(16,878)
Accrued Payroll	(117,768)
Due to Related Parties	460,327
Accounts Payable	113,763
Inventories	98,777
Net Cash Used by Operating Activities	**$ (114,866,632)**

Noncash Investing, Capital, and Financing Activities	
Capital Projects paid by DFCM	$ 3,952,482
Change in Fair Value of Investments Recognized as Investment Income	5,510,447
Re-investment of Investment Dividends and Interest	566,986
Capital Assets acquired through note payable	4,428,989
Investment Securities donated	609,291
Total Noncash Investing, Capital, and Financing Activities	**$ 15,068,195**

Reconciliation of Cash and Cash Equivalents to the Statement of Net Position	
Cash and Cash Equivalents Classified as Current Assets	$ 12,316,267
Cash and Cash Equivalents Classified as Noncurrent Assets	340,668
Total Cash and Cash Equivalents	**$ 12,656,935**

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 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. A Management's Discussion and Analysis (considered RSI) is presented before the basis financial statements. The required basic financial statements described above are prepared using the economic resources measurement focus and the accrual basis of accounting.

The University implemented GASB Statement No. 96, Subscription-based Information Technology Arrangements (SBITA). A SBITA is a contract that conveys control of the right to use another entity's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. For fiscal year 2024 a right-to-use asset, net of amortization, of $685,072, and a corresponding subscription liability in the amount of $685,072 were recorded, along with an amortization expense of $154,948. An incremental borrowing rate of 2.46% was used and the implementation has no effect on prior period net position. See Note H for further details.

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 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, 2024, 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, 2024 was approximately $1,368,212. The net appreciation was a component of restricted, expendable net position.

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, Right to Use Leased Assets and Subscription-Based Information Technology Arrangements (SBITA)

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.

Leased assets and SBITA are recorded at the present value of payments expected to be made during the contract term. Leased assets and SBITA are amortized using the straight-line method over the shorter of the contract term or the useful life of the underlying asset.

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) including additions to and 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.

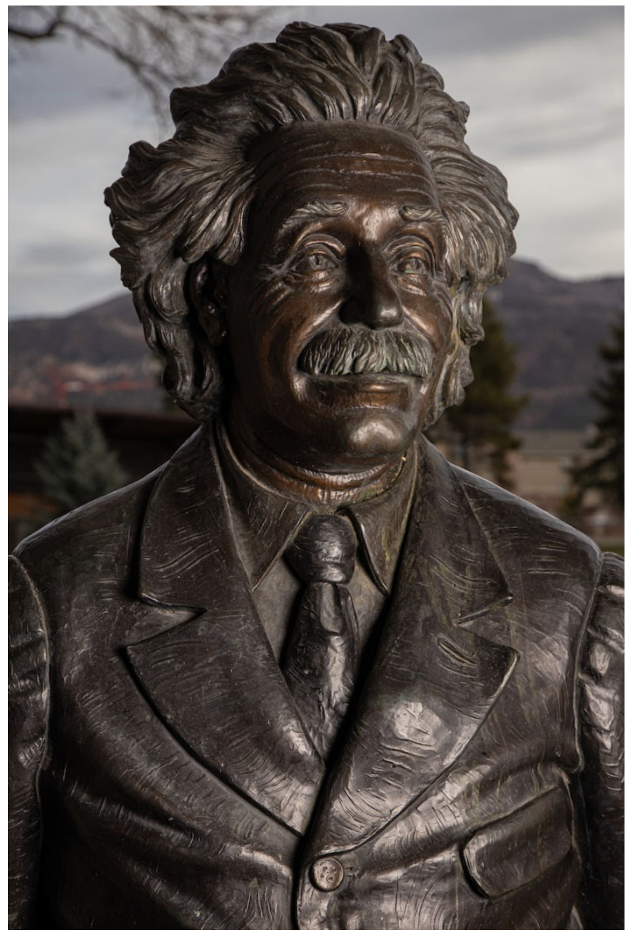
When both restricted and unrestricted resources are available for use, it is the University's policy to use restricted resources first, then unrestricted resources as they are needed.

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).

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

Correction of an Error in Previously Issued Financial Statements

During fiscal year 2024, the University determined that a classroom building constructed by the Utah Division of Facilities Construction and Management should have been transferred and capitalized by the University in the prior year. Therefore, capital assets, net of depreciation, were understated by $38.8 million for the fiscal year ended June 30, 2023. The effect of correcting that error is shown in Note H of the financial statements.

Note B. – Cash & Cash Equivalents and Investments

At June 30, 2024, cash and cash equivalents and investments consisted of:

Cash and Cash Equivalents	
Current	
Cash	$ 1,541,126
Utah PTIF	$ 10,775,141
Sub-total - Current	**$ 12,316,267**
Restricted	
Cash and Money Market	$ 321,935
Utah PTIF	$ 18,733
Sub-total - Restricted	**$ 340,668**
Total Cash and Cash Equivalents	**$ 12,656,935**

Investments	
Current	
Brokered Certificates of Deposit	$ 2,378,674
Securities	18,907,392
Sub-total - Current	**21,286,066**
Noncurrent	
Brokered Certificates of Deposit	2,452,269
Securities	72,311,843
Mutual Funds	16,012,830
Exchange Traded Products	16,145,632
Alternative Investments	5,051,044
Common Stocks	1,365,919
Property Held for Resale	936,600
Sub-total - Noncurrent	**114,276,137**
Total Investments	**$ 135,562,203**

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, 2024, the University's bank balances were $1,590,437, of which $1,340,437 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, 2024, the University had the following recurring fair value measurements:

		Fair Value Measurements Using		
	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Debt Securities				
Corporate Notes	$ 11,591,589	$ -	$ 11,591,589	$ -
U.S. Agencies	79,627,646	-	79,627,646	-
Utah Public Treasurers' Investment Fund	10,793,874	-	10,793,874	-
Total Debt Securities	**102,013,109**	**-**	**102,013,109**	**-**
Equity Securities				
Equity Mutual Funds	16,012,830	-	16,012,830	-
Exchange Traded Products	16,145,632	16,145,632	-	-
Alternative Investments	5,051,044	3,347,779	-	1,703,265
Brokered Certificates of Deposit	4,830,943	4,830,943		
Common Stocks	1,365,919	1,365,919	-	-
Total Equity Securities	**43,406,368**	**25,690,273**	**16,012,830**	**1,703,265**
Donated Property Held for Sale	936,600			**936,600**
Donated Property Held for Sale	**936,600**	**-**	**-**	**936,600**
Total Investments by Fair Value Level	**$ 146,356,077**	**$ 25,690,273**	**$ 118,025,939**	**$ 2,639,865**

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, 2024 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.

During the fiscal year ended June 30, 2024, the University changed the valuation methodology of certain Alternative Investments from being valued at Net Asset Value (NAV) to being valued as Level 3 Investments. The change was made to more accurately reflect the fair value of these investments. NAV utilizes the difference between total assets and total liabilities of the underlying company to determine an investment's value. Level 3 valuation is based on data from private sales transacted by the University which is more indicative of fair value than the previous methodology.

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, 2024, the University had the following investments with the following maturities:

		Investment Maturities (in Years)			
Investment Type:	Fair Value	Less than 1	1-5	6-10	More than 10
Corporate Notes	$ 11,591,589	$ -	$ 11,591,589	$ -	$ -
U. S. Agencies	79,627,646	18,907,392	60,720,254	-	-
Utah PTIF	10,793,874	10,793,874	-	-	-
Totals	**$ 102,013,109**	**$ 29,701,266**	**$ 72,311,843**	**$ -**	**$ -**

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, 2024, the University had the following investments with the following quality ratings:

		Quality Ratings			
Investment Type:	Fair Value	AA	A	BBB	Unrated
Corporate Notes	$ 11,591,589	$ -	$ 10,583,749	$ 1,007,840	$ -
U. S. Agencies	79,627,646	79,627,646	-	-	-
Utah PTIF	10,793,874	-	-	-	10,793,874
Totals	**$ 102,013,109**	**$ 79,627,646**	**$ 10,583,749**	**$ 1,007,840**	**$ 10,793,874**

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, 2024, the University had $91,219,235 in debt securities and $32,158,462 in equity securities that were held by the investment's counterparty.

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

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.

Receivables consisted of the following as of June 30, 2024:

	Total	Current Portion	Noncurrent Portion
Student Tuition and Fees	$ 3,804,533	$ 3,096,533	$ -
Federal, State, and Private Grants and Contracts	2,849,655	2,849,655	-
Auxiliary Service Charges	47,707	47,707	-
Continuing & Professional Studies Fees	116,512	116,512	-
Utah Shakespearean Festival Ticket Sales	386,610	386,610	-
Interest and Dividends Receivable	675,436	675,436	-
Other Operating	980,576	980,576	-
Leases Receivable	36,520	17,297	19,223
Allowance for Doubtful Accounts	(708,000)	-	-
Total Receivables, net of Allowance	**8,189,549**	**8,170,326**	**19,223**
Contributions and Gifts (Pledges)	1,591,010	548,418	1,042,592
Total	**$ 9,780,559**	**$ 8,718,744**	**$ 1,061,815**

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, 2024.

Related Party Receivables at June 30, 2024:	
DFCM	$ 371,776
Utah Vocational Rehabilitation	327
Total Related Party Receivables	**$ 372,103**

Related Party Payables at June 30, 20243:	
DFCM	$ 380,410
Other related parties	$ 131,674
Total Related Party Payables	**$ 512,084**

Note E. – Loans Receivable

Loans receivable consists of small student emergency loans and faculty and staff loans. As of June 30, 2024, the current loans receivable amount was $8,294.21.

Note F. – Inventories

Total inventories as of June 30, 2024 were $913,091, 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, 2024 were $5,584,336.

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, 2024, consisted of the following:

Unearned Revenues	
Tuition and Fees	$ 9,817,579
Utah Shakespeare Festival	2,018,777
Grants and Contracts	4,795,125
Miscellaneous	347,964
Total	**$ 16,979,445**

Note H. – Capital Assets, Right to Use Leased Assets and Subscription-Based Information Technology Arrangements

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, 2024:

	Balance June 30, 2023	Prior Period Adjustment	Balance June 30, 2023 as Restated	Additions	Retirements	Balance June 30, 2024
Capital Assets Not Being Depreciated/Amortized:						
Land	$ 10,765,515	$ -	$ 10,765,515	$ 300,565	$ -	$ 11,066,080
Construction-in-Progress	10,000	-	10,000	448,621	-	458,621
Total Nondepreciable Assets	**10,775,515**		**10,775,515**	**749,186**	**-**	**11,524,701**
Capital Assets Being Depreciated/Amortized:						
Land Improvements	13,288,455	-	13,288,455	-	-	13,288,455
Buildings	241,505,073	38,978,375	280,483,448	4,516,918	-	285,000,366
Leasehold Improvements	12,295,222	-	12,295,222	-	-	12,295,222
Leased Buildings	19,253,619	-	19,253,619	543,917	(223,719)	19,573,817
SBITA	-	-	-	685,072	-	685,072
Equipment	37,371,374	-	37,371,374	7,574,769	(692,064)	44,254,079
Vehicles	2,528,959	-	2,528,959	525,226	-	3,054,185
Intangibles	524,016	-	524,016	-	-	524,016
Artwork	4,095,089	-	4,095,089	13,500	-	4,108,589
Library Collections	7,120,381	-	7,120,381	11,416	-	7,131,797
Total Depreciable Assets	**337,982,188**	**38,978,375**	**376,960,563**	**13,870,818**	**(915,783)**	**389,915,598**
Total Capital Assets	**348,757,703**	**38,978,375**	**387,736,078**	**14,620,004**	**(915,783)**	**401,440,299**
Less: Accumulated Depreciation/Amortization						
Land Improvements	9,950,914	-	9,950,914	286,012	-	10,236,926
Buildings	111,220,817	162,410	111,383,227	7,481,857	-	118,865,084
Leased Buildings	2,066,548	-	2,066,548	1,089,304	(223,719)	2,932,133
SBITA	-	-	-	154,948	-	154,948
Equipment	22,441,596	-	22,441,596	4,082,494	(687,218)	25,836,872
Vehicles	1,678,759	-	1,678,759	231,967	-	1,910,726
Intangibles	524,016	-	524,016	-	-	524,016
Artwork	915,021	-	915,021	67,029	-	982,050
Library Collections	5,599,550	-	5,599,550	215,738	-	5,815,288
Total Depreciation	**154,397,221**	**162,410**	**154,559,631**	**13,609,349**	**(910,937)**	**167,258,043**
Capital Assets, net	**$ 194,360,482**	**$ 38,815,965**	**$ 233,176,447**	**$ 1,010,655**	**$ (4,846)**	**$ 234,182,256**

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, 2024.

Note I. – Other Noncurrent Assets

Total Other Noncurrent Assets as of June 30, 2024 were $284,728. They consisted of medical plan and dental plan reserve amounts held by third parties in the amount of $274,750 and $9,978, respectively.

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

Accounts and Interest Payable at June 30, 2024:	
Vendors	$ 2,815,327
Veterans Administration	121,297
Interest	106,297
Sales Tax	8,203
Other	335,824
Total Accounts & Interest Payable	**$ 3,386,948**

Payroll & Witholding Taxes Payable at June 30, 2024:	
Accrued Payroll	$ 946,678
FICA & Medicare	46,278
Total Payroll & Withholding Taxes	**$ 992,956**

Note K. – Deposits and Other Liabilities

Deposits & Other Liabilities at June 30, 2024:	
Business-Type & Fiduciary Activities	$ 567,808
International Student & Other Advanced Deposits	1,017,898
Gift Certificates	432,942
Utah Shakespeare Festival	48,616
Total Deposits & Other Liabilities	**$ 2,067,264**

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, 2024 was as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Current Portion	Noncurrent Portion
Compensated Absences	$ 3,088,074	$ 2,844,831	$ (2,551,431)	$ 3,381,474	$ 2,725,926	$ 655,548
Termination Benefits	868,028	587,440	(339,562)	1,115,906	409,037	706,869
Sub-total	**3,956,102**	**3,432,271**	**(2,890,993)**	**4,497,380**	**3,134,963**	**1,362,417**
Net Pension Liability	9,137,626	120,363	-	9,257,989	-	9,257,989
Total	**$ 13,093,728**	**$ 3,552,634**	**$ (2,890,993)**	**$ 13,755,369**	**$ 3,134,963**	**$ 10,620,406**

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, 2024 was $314,347. The number of participants for the year ended June 30, 2024 was 15.

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 4.44 and 4.65 percent, respectively. These increases are based on historical data. The net present value of the total projected costs is calculated using the estimated yield (5.43 percent) for short term investments. The net present value is the amount recognized on the financial statements as a liability for termination benefits.

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

Bonds, Finance Purchases, Leases, SBITA and Annuities Payable activity for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Current Portion	Noncurrent Portion
Bonds Payable	$ 16,740,000	$ -	$ (695,000)	$ 16,045,000	$ 725,000	$ 15,320,000
Unamortized Bond Premium	537,068	-	(60,100)	476,968	54,265	422,703
Financed Purchases	4,808,225	3,200,000	(2,993,586)	5,014,639	1,419,314	3,595,325
Leases Payable	17,524,901	543,917	(942,959)	17,125,859	959,904	16,165,955
SBITA Payable	-	685,072	(127,983)	557,089	173,023	384,066
Charitable Remainder Annuity Trust and Unitrust	193,050	-	(46,888)	146,162	47,834	98,328
Total Bonds, Contracts, Leases, and Annuities Payable	**$ 39,803,244**	**4,428,989**	**$ (4,866,516)**	**$ 39,365,717**	**$ 3,379,340**	**$ 35,986,377**

Bonds Payable

Revenue bonds payable consisted of the following as of June 30, 2024:

Bond Series	Date of Issue	Interest Rate	Original Amount of Issue	Retired or Paid Current Year	Retired or Paid Prior Years	Balance June 30, 2024
Auxiliary System, Series 2016	4/27/2016	2.000-3.000%	8,420,000	515,000	2,350,000	5,555,000
Auxiliary System, Series 2022	6/22/2022	4.000-5.000%	10,915,000	180,000	245,000	10,490,000
Total Bonds Payable			**$ 19,335,000**	**$ 695,000**	**$ 2,595,000**	**$ 16,045,000**

The scheduled maturities of the revenue bonds are as follows as of June 30, 2024:

Bond Scheduled Maturities			
Year	Principal	Interest	Total
2025	725,000	637,781	1,362,781
2026	765,000	601,531	1,366,531
2027	800,000	563,281	1,363,281
2028	825,000	540,982	1,365,982
2029	850,000	516,369	1,366,369
2029-2033	4,280,000	2,491,119	6,771,119
2034-2038	1,760,000	1,516,350	3,276,350
2039-2043	2,155,000	1,124,294	3,279,294
2044-2048	2,655,000	625,494	3,280,494
2049-2052	1,230,000	81,375	1,311,375
Total Bonds Payable (before unamortized premium/discount)	**$ 16,045,000**	**$ 8,698,576**	**$ 24,743,576**

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

Financed Purchases

The University has entered into multiple financed purchase agreements to acquire several aircraft and hangars. The duration of these financing arrangements ranges from seven to ten years.

Future minimum financed purchase commitments are as follows:

Financed Purchases			
Fiscal Year	Principal	Interest	Total Payments
2025	$ 1,419,314	$ 212,709	$ 1,632,023
2026	951,889	163,880	1,115,769
2027	463,741	135,498	599,239
2028	520,377	110,310	630,687
2029	488,032	78,964	566,996
2030-2031	1,039,215	60,830	1,100,045
Total	**4,882,568**	**762,191**	**5,644,759**

Leases

The University has entered into several leases of 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.

Net future minimum lease payments are as follows:

Net Future Minimum Lease Payments			
Fiscal Year	Principal	Interest	Total Payments
2025	$ 959,904	$ 355,962	$ 1,315,865
2026	964,705	334,004	1,298,709
2027	893,940	312,808	1,206,748
2028	997,100	306,609	1,303,709
2029	547,265	274,208	821,473
2030 - 2034	2,882,100	1,193,965	4,076,065
2035 - 2039	3,200,885	875,180	4,076,065
2040 - 2044	3,554,931	521,134	4,076,065
2045 - 2049	3,125,030	135,821	3,260,851
Total	**$ 17,125,859**	**$ 4,309,692**	**$ 21,435,551**

Subscription-Based Information Technology Arrangements (SBITA)

The University has entered into several subscription-based information technology arrangements (SBITA) agreements for the use of various software programs. The duration of these agreements varies from one to five years, with options to extend some of the subscription terms. The University's SBITA liability measurement includes extensions that are reasonably certain to be exercised.

Net future minimum subscription payments are as follows:

Net Future Minimum SBITA Payments			
Fiscal Year	Principal	Interest	Total Payments
2025	$ 173,023	$ 28,343	$ 201,366
2026	187,434	7,332	194,766
2027	154,827	3,049	157,876
2028	21,096	790	21,886
2029	20,708	266	20,974
Total	**$ 557,089**	**$ 39,781**	**$ 596,870**

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, 2024:

	Date Created	Interest Rate	Present Value	Current Portion
Charitable Remainder Annuity Trusts:				
K & H Englehart	11/10/2015	2.000%	$ 146,162	$ 47,834
Total Annuities Payable			**$ 146,162**	**$ 47,834**

The estimates of future annuities payable are as follows:			
Year	Principal	Interest	Payments
2025	47,834	12,102	59,936
2026	48,798	11,138	59,936
2027	49,781	10,155	59,936
2028	50,784	9,152	59,936
2029	51,807	8,129	59,936
2030 - 2034	275,123	24,557	299,680
2035 - 2036	98,851	1,926	100,777
Total	**$ 622,978**	**$ 77,159**	**$ 700,137**

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, 2024:

Pledged Receipts and Disbursements:	
Operating Revenues	$ 10,934,647
Operating & Maintenance Expenses	(7,797,650)
Total Pledged Net Receipts	**$ 3,136,997**
Debt Service Principal and Interest Payments	**$ 1,367,531**
Debt Service Ratio	**2.29**

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 Utah Retirement 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 direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 East 200 South, 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 Utah State Retirement 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, 2024 are as follows:

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

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

For the year ended June 30, 2024, the University and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	$ 2,152,124	N/A
Contributory System	-	$ -
Public Safety System	81,735	-
Tier 2 Public Employees System*	1,989,664	-
Tier 2 Public Safety and Firefighter System*	68,815	5,477
Total Contributions	**$ 4,292,338**	**$ 5,477**

**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, 2024, the University reported a net pension asset of $0 and a net pension liability of $9,257,989. The net pension asset and liability were measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2023, 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, 2023			December 31, 2022	
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share	Change
Noncontributory System	$ -	$ 8,331,103	0.4065964%	0.3973599%	0.0092365%
Contributory System	-	-	0.0000000%	0.2645466%	-0.2645466%
Public Safety System	-	198,330	0.1764532%	0.1775761%	-0.0011229%
Tier 2 Public Employees System*	-	708,585	0.3640525%	0.3471534%	0.0168991%
Tier 2 Public Safety and Firefighter System*	-	19,971	0.0530164%	0.0582422%	-0.0052258%
Total Net Pension Asset/Liability	**$ -**	**$ 9,257,989**			

For the year ended June 30, 2024, the University recognized pension expense of $3,758,228.

As of June 30, 2024, 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	$ 1,921,738	$ 12,967
Changes in assumptions	1,233,668	970
Net difference between projected and actual earnings on pension plan investments	1,171,832	-
Changes in proportion and differences between contributions and proportionate share of contributions	169,551	93,085
Contributions subsequent to the measurement date	2,258,031	-
Total	**$ 6,754,820**	**$ 107,022**

The $2,258,031 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, 2023. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended December 31	Net Deferred Outflows (Inflows) of Resources
2024	$ 971,180
2025	1,136,929
2026	2,272,265
2027	(406,181)
2028	74,987
Thereafter	340,588

Actuarial Assumptions

The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation – 2.50%;
- Salary increases 3.5 – 9.5%, average, including inflation;
- Investment rate of return – 6.85%, net of pension plan investment expense, including inflation.

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale 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, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

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 and is applied consistently to each defined benefit pension plan. 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:

	Expected Return Arithmetic Basis		
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long Term Expected Portfolio Real Rate of Return
Equity securities	35.00%	6.87%	2.40%
Debt securities	20.00%	1.54%	0.31%
Real assets	18.00%	5.43%	0.98%
Private equity	12.00%	9.80%	1.18%
Absolute return	15.00%	3.86%	0.58%
Cash and cash equivalents	0.00%	0.24%	0.00%
Totals	**100.00%**		**5.45%**
Inflation			2.50%
Expected arithmetic nominal return			**7.95%**

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

Discount Rate

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

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

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

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	$ 22,080,795	$ 8,331,103	$ (3,194,332)
Public Safety System	616,371	198,330	(145,617)
Tier 2 Public Employees System	2,434,597	708,585	(629,937)
Tier 2 Public Safety and Firefighter	64,347	19,971	(15,531)
Total Net Pension (Asset)/Liability	**$ 25,196,110**	**$ 9,257,989**	**$ (3,985,417)**

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, 2024, were as follows:

Defined Contribution Plans	University's Contributions	Employee's Contributions
401(k) Plan	$ 375,044	$ 367,031
457(b) Plan	-	14,801
Roth IRA Plan	N/A	88,583

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, 2024, the University's contribution to this multiple-employer defined contribution plan was 14.2% of the employees' annual salary or $9,444,152, and the fiscal year 2024 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, 2024 were $1,595,522.

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

Changes in Assumptions

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

Note P. – Funds Held in Trust by Others

Funds held in trust by others were neither in the possession of nor under the management of the University. These funds, which were not recorded on the University's financial records and which arose from contributions, were held and administered by external fiscal agents, selected by the donors, who distributed net income earned by such funds to the University, where it was recorded when received. Funds held in trust as of June 30, 2024 were $337,246 at cost and $300,374 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 Samera Health, respectively (both plans referred to as Health Care Plan). When claims paid by the Plan on behalf of a member during a plan year exceed a specific threshold (currently $200,000), the specific stop loss insurance will reimburse the Plan for eligible claims paid above the threshold level. GASB Statement No. 10 requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The University has recorded the investments of the Health Care Plan funds as of June 30, 2024 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:	**2024**	**2023**
Estimated Claims Liability - Beginning of Year	$ 1,398,063	$ 1,516,731
Net Current Year Claims and Administration Expenses	$ 22,860,056	$ 24,021,577
Cash Paid for Claims	$ (22,980,706)	$ (24,140,245)
Estimated Claims Liability - End of Year	**$ 1,277,413**	**$ 1,398,063**
Other Accrued Benefits & Deductions Payable		
Retirement Contributions Liability	-	512
Medical Plan Contributions Liability	138,714	3,698
Other Miscellaneous Deductions Liability	-	140
Total Accrued Benefits & Deductions Payable	**$ 1,416,127**	**$ 1,402,413**

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 2024, which leaves a liability of $1,057,170 for the University's balance of FCC.

Note S. – SUU Foundation – Blended Component Unit

The Southern Utah University Foundation (the Foundation) is a legally separate, tax-exempt component unit of the University. The Foundation acts primarily as a fund-raising organization to supplement resources that are available to the University in support of its programs. The majority of the resources or income the foundation holds and invests are restricted for the benefit of the University by the donors. The University appoints a controlling number of positions on the Board of Directors of the Foundation and the University has the ability to impose its will on the Foundation, significantly influencing the programs, projects and activities of the Foundation. Additionally, the Foundation provides services entirely or almost entirely to the University. For these reasons, the Foundation is considered a component unit of the University and is presented in the University financial statements as a blended component unit. Separate financial statements for the Foundation can be obtained from the University.
Elimination of internal balances and transactions between SUU and the Foundation and a presentation of eliminated balances and transactions in a separate column is required by GASB Statement 34. However, because there are no such internal balances and transactions, the following is a single-column, condensed version of the Foundation financial statements for the fiscal year ended June 30, 2024:

SUU FOUNDATION Condensed Statement of Net Position	
Assets	
Current Assets	
Cash & Receivables	$ 485,471
Noncurrent Assets	
Investments	885,200
Capital Assets, net of Accumulated Depreciation	1,154,791
Total Assets	**$ 2,525,462**
Net Position	
Net Investment in Capital Assets	$ 1,154,791
Restricted Expendable	885,200
Unrestricted	485,471
Total Net Position	**$ 2,525,462**

SUU FOUNDATION Statement of Revenues, Expenses,	
Total Operating Revenues	**$ -**
Operating Expenses	
Other Expenses	44,145
Total Operating Expenses	**44,145**
Operating Income (Loss)	**(44,145)**
Nonoperating Revenues (Expenses)	
Investment Income	505,000
Total Nonoperating Revenues (Expenses)	**505,000**
Decrease in Net Position	**460,855**
Net Position at Beginning of Year	2,064,607
Net Position at End of Year	**$ 2,525,462**

SUU FOUNDATION Statement of Cash Flows	
Net Cash Provided (Used) By:	
Operating Activities	$ (2,280)
Net Decrease in Cash	**(2,280)**
Cash & Cash Equivalents at Beginning of Year	487,751
Cash & Cash Equivalents at End of Year	**$ 485,471**

Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Net Operating Income (Loss)	$ (44,145)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation Expense	41,865
Net Cash Used by Operating Activities	**$ (2,280)**

Note T. – Subsequent Events

The University entered into an agreement to purchase an office building located at 2390 W Highway 56 in Cedar City, Utah to use as additional campus space. The purchase price of the property was $4,635,000 and the transaction closed on July 1, 2024 due to availability of dedicated funding in fiscal year 2025.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability As of December 31	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Noncontributory System										
Proportion of Systems net pension liability (asset)	0.4065964%	0.3973599%	0.4114600%	0.4236545%	0.4168153%	0.3814387%	0.3813235%	0.3639326%	0.3636182%	0.3579107%
Proportionate share of Systems net pension liability (asset)	$ 8,331,104	$ 8,580,093	$ (2,811,277)	$ 5,647,831	$ 9,260,393	$ 14,191,492	$ 9,324,741	$ 11,794,753	$ 11,422,289	$ 8,992,609
Covered payroll	$ 9,466,321	$ 9,130,143	$ 9,638,135	$ 9,919,562	$ 9,913,131	$ 9,867,938	$ 9,923,719	$ 9,953,525	$ 10,122,213	$ 9,923,414
Proportionate share of Systems net pension liability (asset) as a percentage of its covered payroll	88.01%	93.98%	-29.17%	56.94%	93.42%	143.81%	93.96%	118.50%	112.84%	90.62%
Plan fiduciary net position as a percentage of the total pension liability	92.5%	91.6%	102.7%	94.3%	90.1%	84.1%	89.2%	84.9%	84.5%	87.2%
Contributory System										
Proportion of Systems net pension liability (asset)	0.0000000%	0.2645466%	0.4044656%	0.3448931%	0.2952290%	0.1629085%	0.1345811%	0.1177917%	0.1022645%	0.0922137%
Proportionate share of Systems net pension liability (asset)	$ -	$ 34,573	$ (364,222)	$ (82,029)	$ 20,382	$ 115,666	$ 8,856	$ 64,545	$ 64,084	$ 10,111
Covered payroll	$ -	$ 17,370	$ 34,235	$ 33,263	$ 32,937	$ 31,616	$ 30,621	$ 31,576	$ 32,395	$ 33,177
Proportionate share of Systems net pension liability (asset) as a percentage of its covered payroll	0.00%	199.04%	-1063.90%	-246.61%	61.88%	365.85%	28.92%	204.41%	197.82%	30.48%
Plan fiduciary net position as a percentage of the total pension liability	0.0%	97.9%	114.1%	103.7%	98.9%	91.4%	99.2%	93.4%	92.4%	98.7%
Public Safety System										
Proportion of Systems net pension liability (asset)	0.1764532%	0.1775761%	0.1769853%	0.1604764%	0.1616796%	0.1767365%	0.1988919%	0.1857309%	0.2041688%	0.1980694%
Proportionate share of Systems net pension liability (asset)	$ 198,330	$ 140,088	$ (162,239)	$ 103,938	$ 238,757	$ 423,063	$ 345,846	$ 397,109	$ 439,548	$ 368,060
Covered payroll	$ 181,738	$ 162,591	$ 155,419	$ 142,157	$ 149,886	$ 200,394	$ 225,094	$ 222,402	$ 238,257	$ 227,905
Proportionate share of Systems net pension liability (asset) as a percentage of its covered payroll	109.13%	86.16%	-104.39%	73.11%	159.29%	211.12%	153.64%	178.55%	184.48%	161.50%
Plan fiduciary net position as a percentage of the total pension liability	93.8%	95.2%	105.7%	95.8%	90.0%	83.2%	87.4%	83.5%	82.3%	84.3%
Tier 2 Public Employees System										
Proportion of Systems net pension liability (asset)	0.3640525%	0.3471534%	0.3404632%	0.3581416%	0.3377578%	0.3210046%	0.3386836%	0.2468898%	0.1795573%	0.1861719%
Proportionate share of Systems net pension liability (asset)	$ 708,585	$ 378,013	$ (144,097)	$ 51,511	$ 75,964	$ 137,479	$ 29,861	$ 27,540	$ (392)	$ (5,642)
Covered payroll	$ 9,412,016	$ 7,569,798	$ 6,321,033	$ 5,726,663	$ 4,692,603	$ 3,751,521	$ 3,314,733	$ 2,024,701	$ 1,160,145	$ 913,709
Proportionate share of Systems net pension liability (asset) as a percentage of its covered payroll	7.53%	4.99%	-2.28%	0.90%	1.62%	3.66%	0.90%	1.36%	-0.03%	-0.62%
Plan fiduciary net position as a percentage of the total pension liability	89.6%	92.3%	103.8%	98.3%	96.5%	90.8%	97.4%	95.1%	100.2%	103.5%
Tier 2 Public Safety and Firefighter System										
Proportion of Systems net pension liability (asset)	0.0530164%	0.0582422%	0.0554652%	0.0582480%	0.0665695%	0.0278155%	0.0325679%	0.0156266%	0.0000000%	0.0000000%
Proportionate share of Systems net pension liability (asset)	$ 19,971	$ 4,859	$ (2,803)	$ 5,225	$ 6,262	$ 697	$ (377)	$ (136)	$ -	$ -
Covered payroll	$ 200,880	$ 179,198	$ 132,638	$ 116,153	$ 109,724	$ 37,254	$ 34,377	$ 12,911	$ -	$ -
Proportionate share of Systems net pension liability (asset) as a percentage of its covered payroll	9.94%	2.71%	-2.11%	4.50%	5.71%	1.87%	-1.10%	-1.05%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	89.1%	96.4%	102.8%	93.1%	89.6%	95.6%	103.0%	103.6%	0.0%	0.0%

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	2024	2023	2022	2021	2020
Noncontributory System					
Contractually Required	$ 2,152,124	$ 2,014,889	$ 2,051,228	$ 2,134,147	$ 2,221,964
Contributions in Relation to the Contractually Required	$ (2,152,124)	$ (2,014,889)	$ (2,051,228)	$ (2,134,147)	$ (2,221,964)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 9,753,814	$ 9,185,533	$ 9,269,099	$ 9,668,135	$ 10,152,681
Contributions as a Percentage of Covered Payroll	22.06%	21.94%	22.13%	22.07%	21.89%
Contributory System					
Contractually Required	$ -	$ -	$ 6,149	$ 5,929	$ 5,887
Contributions in Relation to the Contractually Required	$ -	$ -	$ (6,149)	$ (5,929)	$ (5,887)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ -	$ -	$ 34,740	$ 33,496	$ 33,263
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	17.70%	17.70%	17.70%
Public Safety System					
Contractually Required	$ 81,735	$ 70,130	$ 65,064	$ 59,220	$ 62,592
Contributions in Relation to the Contractually Required	$ (81,735)	$ (70,130)	$ (65,064)	$ (59,220)	$ (62,592)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 199,179	$ 169,600	$ 157,349	$ 143,217	$ 151,370
Contributions as a Percentage of Covered Payroll	41.04%	41.35%	41.35%	41.35%	41.35%
Tier 2 Public Employees System*					
Contractually Required	$ 1,989,664	$ 1,679,567	$ 1,328,911	$ 1,156,081	$ 1,042,621
Contributions in Relation to the Contractually Required	$ (1,989,664)	$ (1,679,567)	$ (1,328,911)	$ (1,156,081)	$ (1,042,621)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 10,028,540	$ 8,465,783	$ 6,847,604	$ 6,041,824	$ 5,488,530
Contributions as a Percentage of Covered Payroll	19.84%	19.84%	19.41%	19.13%	19.00%
Tier 2 Public Safety and Firefighter System*					
Contractually Required	$ 68,815	$ 64,862	$ 48,812	$ 42,720	$ 34,247
Contributions in Relation to the Contractually Required	$ (68,815)	$ (64,862)	$ (48,812)	$ (42,720)	$ (34,247)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 211,477	$ 199,331	$ 147,617	$ 122,722	$ 114,769
Contributions as a Percentage of Covered Payroll	32.54%	32.54%	33.07%	34.81%	29.84%

**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	2019	2018	2017	2016	2015
Noncontributory System					
Contractually Required	$ 2,146,318	$ 2,158,520	$ 2,161,713	$ 2,153,271	$ 2,319,809
Contributions in Relation to the Contractually Required	$ (2,146,318)	$ (2,158,520)	$ (2,161,713)	$ (2,153,271)	$ (2,319,809)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 9,821,482	$ 9,925,614	$ 9,999,130	$ 9,970,411	$ 10,143,115
Contributions as a Percentage of Covered Payroll	21.85%	21.75%	21.62%	21.60%	22.87%
Contributory System					
Contractually Required	$ 8,329	$ 5,420	$ 5,589	$ 5,734	$ 5,739
Contributions in Relation to the Contractually Required	$ (8,329)	$ (5,420)	$ (5,589)	$ (5,734)	$ (5,739)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 46,594	$ 30,621	$ 31,576	$ 32,395	$ 32,426
Contributions as a Percentage of Covered Payroll	17.88%	17.70%	17.70%	17.70%	17.70%
Public Safety System					
Contractually Required	$ 71,167	$ 91,615	$ 87,724	$ 98,109	$ 96,577
Contributions in Relation to the Contractually Required	$ (71,167)	$ (91,615)	$ (87,724)	$ (98,109)	$ (96,577)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 172,110	$ 221,560	$ 212,151	$ 237,266	$ 233,559
Contributions as a Percentage of Covered Payroll	41.35%	41.35%	41.35%	41.35%	41.35%
Tier 2 Public Employees System*					
Contractually Required	$ 767,375	$ 674,640	$ 516,860	$ 251,738	$ 85,958
Contributions in Relation to the Contractually Required	$ (767,375)	$ (674,640)	$ (516,860)	$ (251,738)	$ (85,958)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 4,065,417	$ 3,658,090	$ 2,833,666	$ 1,380,385	$ 1,315,692
Contributions as a Percentage of Covered Payroll	18.88%	18.44%	18.24%	18.24%	6.53%
Tier 2 Public Safety and Firefighter System*					
Contractually Required	$ 21,280	$ 10,750	$ 8,416	N/A	N/A
Contributions in Relation to the Contractually Required	$ (21,280)	$ (10,750)	$ (8,416)		
Contribution Deficiency (Excess)	$ -	$ -	$ -		
Covered Payroll	$ 71,410	$ 36,794	$ 28,891		
Contributions as a Percentage of Covered Payroll	29.80%	29.22%	29.13%		

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

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SOUTHERN UTAH UNIVERSITY

Annual Financial Report prepared by

SUU Accounting Services

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