

STATE OF UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT

2020



pandemic



Photo: Tyler Reese

fire



wind



earthquake

FOR THE FISCAL YEAR
ENDED JUNE 30, 2020

State of Utah COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended June 30, 2020

CONSTITUTIONAL OFFICERS OF THE STATE OF UTAH

Gary R. Herbert.....Governor
Spencer J. Cox.....Lt. Governor
John Dougall.....State Auditor
David C. Damschen, CTP.....State Treasurer
Sean D. Reyes.....Attorney General
J. Stuart Adams.....President of the Senate
Brad R. Wilson.....Speaker of the House
Matthew B. Durrant.....Chief Justice, Supreme Court

OTHER STATE OFFICIALS

Tani Pack Downing.....Executive Director, Department of Administrative Services
Marilee P. Richins.....Interim Director, Division of Finance
Phil V. Dean.....Interim Executive Director, Governor's Office of Management and Budget
Jonathan C. Ball.....Director, Office of the Legislative Fiscal Analyst
Kade R. Minchey, CIA, CFE.....Auditor General, Office of the Legislative Auditor General
John Q. Cannon.....Director, Office of Legislative Research and General Counsel

ACKNOWLEDGMENTS

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Special appreciation is given to all of the budget and accounting officers throughout the State whose extra time and effort has made this report possible. Thank you also to Clark Kidman at Design Type Service for providing images and captions displaying Utah's major events occurring in 2020.



Division of Finance Accounting Standards
and Financial Reporting Section

State of Utah
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020

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State of Utah

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State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Department of Administrative Services

Tani Pack Downing
Executive Director

Division of Finance

Marilee Richins
Interim Director

December 18, 2020

To the Citizens, Governor,
and Members of the Legislature
of the State of Utah:

It is our pleasure to present the 2020 Comprehensive Annual Financial Report of the State of Utah in accordance with Section 63A-3-204 of the *Utah Code*. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the State's management. To the best of our knowledge and belief, the enclosed data accurately presents the State's financial position and results of operations in all material respects in accordance with generally accepted accounting principles (GAAP). We believe that all disclosures necessary to enable the reader to gain an understanding of the State's financial activities are included.

Internal Control – The State's systems of internal control over assets recorded in the accounting system have been designed to provide reasonable, but not absolute, assurance of safeguarding assets against loss from unauthorized use or disposition and to ensure the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management.

Independent Auditors – In compliance with state statute, an annual financial audit of the "State Reporting Entity" is completed each year by the Office of the State Auditor in conjunction with other independent audit firms. Their audits were conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The State Auditor's report and the opinion on the fair presentation of the Basic Financial Statements are included in the Financial Section of this report.

Single Audit – Federal regulations also require the State to undergo an annual "Single Audit" in conformance with the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to the Single Audit, including the Schedule of Expenditures of Federal Awards, Schedule of Findings and Questioned Costs, Summary Schedule of Prior Audit Findings, and the State Auditor's report, is issued in a separate report.

Management's Discussion and Analysis (MD&A) – The discussion and analysis provides an overview and analysis of the State's Basic Financial Statements. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Structure – As shown in the [Organizational Chart](#), state government is divided into three separate branches: legislative, executive, and judicial. The duties of each branch are outlined in the *Utah Constitution*, which can be amended only by vote of the Legislature and a majority vote of the State's citizens, and in the *Utah Code*, which can be amended by the Legislature or by citizen initiatives. State government provides various services to over 3,250,000 citizens. Services include building and maintaining roads; providing public safety, health, and environmental protection services to protect the general welfare of the State's citizens; helping adults, children, and families through difficult times such as abuse, divorce, illness, death, and unemployment; fostering an attractive business climate to encourage economic growth; and protecting public lands and natural

resources for conservation and recreational activities. The State also provides significant financial support to its higher education institutions, local governments, and school districts to help those entities meet the specific needs of their constituents.

The State Reporting Entity – The State Reporting Entity includes the *primary government* and its *discretely presented component units*. The *primary government* of the State of Utah includes all funds, departments, boards, and commissions that make up its legal entity. In addition to these *primary government* activities, this report includes information related to discretely presented component units for which the primary government is financially accountable. Although such information is provided in this report, the [MD&A](#) and [Basic Financial Statements](#) focus on the primary government and its activities. Separately issued financial statements are available from the significant discretely presented component units and should be read to obtain a better understanding of their financial conditions. Additional information on all discretely presented component units can be found in [Note 1. A](#), to the financial statements.

Budgetary Process and Control – The *Utah Constitution* requires that budgeted expenditures not exceed estimated revenues and other sources of funding, including beginning fund balances. Annually, the Governor is required to submit a balanced budget for the governmental funds with an annual appropriated budget (General, Education, Transportation, Transportation Investment, and Debt Service Funds), by function (e.g., health), and activity (e.g., medical assistance) to the Legislature. The Legislature authorizes expenditures by line item in the annual *Appropriations Acts*. Line item is the legal level of budgetary control. The Acts also identify the sources of funding for budgeted expenditures. In the event actual revenues are insufficient to cover budgeted expenditures, the Governor must order budget reductions or call a special session of the Legislature to address budget issues. Adjustments to the budget may also be made throughout the year for changes in departmental or fund revenues so that line items and funds will not end the fiscal year in a deficit position. For additional information on the budgetary process and control, see the [Required Supplementary Information](#) and related notes.

INFORMATION USEFUL IN ASSESSING A GOVERNMENT'S ECONOMIC CONDITION

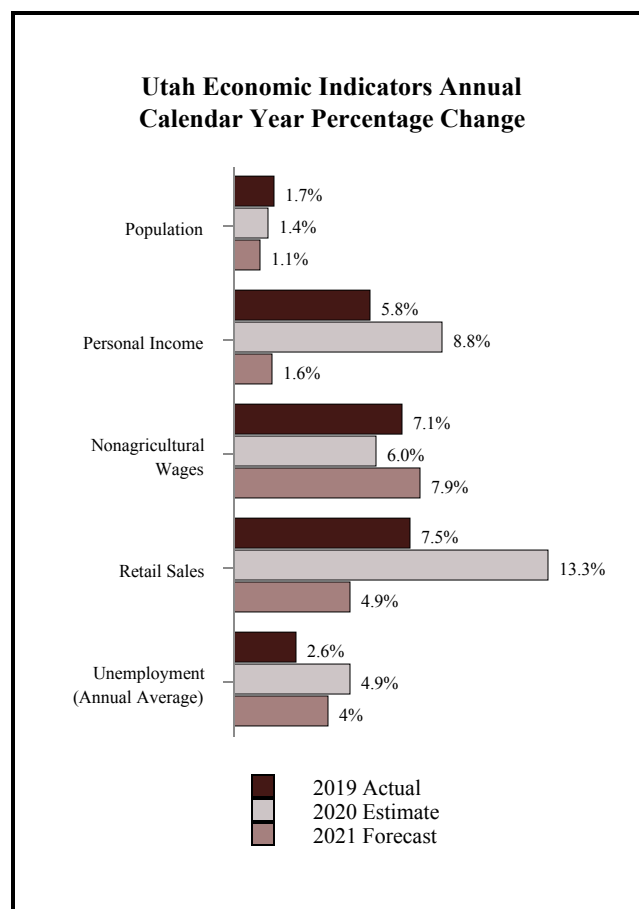
Local Economy – As the nation faces unprecedented challenges posed by the COVID-19 pandemic that began in the spring of 2020, multiple economic indicators show Utah is solidly in the recovery phase. Utah's economy is expected to continue to grow, but certain sectors impacted by the pandemic, such as leisure and hospitality, are expected to be constrained through 2021.

Utah's unemployment rate averaged 2.6 percent in calendar year 2019, and is expected to increase to an average of 4.9 percent in 2020, and 4 percent in 2021. In 2019, personal income increased by 5.8 percent and nonagricultural wages increased by 7.1 percent. In 2020, personal income is expected to increase by 8.8 percent and nonagricultural wages are expected to increase by 6.0 percent. Taxable retail sales increased by 7.5 percent in 2019 and are expected to increase by 13.3 percent in 2020.

Total construction value was \$9.8 billion in 2019, a 15.3 percent increase from the prior year. In 2020, total construction value is expected to increase to \$10.3 billion, a 5.1 percent increase due to continued strength in residential construction. Residential construction was \$5.8 billion in 2019, an 11.5 percent increase from the prior year due to an increase in multifamily units. Residential permit value is expected to increase 8.6 percent to \$6.3 billion in 2020. Nonresidential construction was \$2.6 billion in 2019, an 18.2 percent increase from the prior year, and second year of record activity. Nonresidential construction is expected to decrease 11.5 percent to \$2.3 billion in 2020, which is still above average and more reflective of the record activity in the two prior years.

In 2020, Utah's population is estimated at 3,250,000, which is an increase of 1.4 percent over the prior year.

Utah had positive net migration of approximately 20,200 people in 2019 and is expected to grow by 16,600 in 2020. Utah has had positive net migration for the past 30 years and this trend is expected to continue in the coming years.



Source: State of Utah Revenue Assumptions Working Group, Moody's Economy.com, and IHS Markit.

Industries – At the end of fiscal year 2020, job losses caused by the COVID-19 pandemic stabilized and jobs began to return across many sectors of the economy. Utah’s unemployment rate continues to be among the lowest in the nation. Utah’s nonagricultural employment opportunities are expected to decrease by 1.4 percent in 2020 due to the impact of the COVID-19 pandemic. In 2021, nonagricultural employment opportunities are expected to increase by 3.8 percent, which exceeds the Utah average yearly rate of 3.1 percent (1950 through June 2020). Four industrial sectors added jobs to Utah’s employment base. Construction added 7,500 jobs, with construction of buildings adding the most. Trade, Transportation, and Utilities added 6,900 jobs, with retail trade contributing most of the gains. Local and federal government added 3,500 jobs. Other services added 3,300 jobs. Financial Activities added 2,900 jobs, primarily in finance and insurance. The results for September 2019 to September 2020 are presented in the following table:

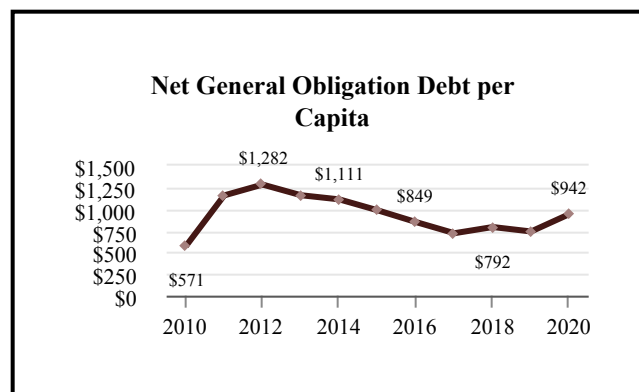
Jobs by Industry of Utah’s Labor Force (expressed in thousands)					Components of Labor Force
	Number of Jobs				
	September (p) 2020	September (r) 2019	Numerical Change	Percentage Change	September (p) 2020
Trade, Transportation, and Utilities.....	297.30	290.40	6.90	2.38 %	19.07 %
Professional and Business.....	222.40	226.90	(4.50)	(1.98) %	14.26 %
Education and Health Services.....	206.40	211.60	(5.20)	(2.46) %	13.23 %
Government (Local/Federal).....	173.90	170.40	3.50	2.05 %	11.15 %
Leisure and Hospitality.....	130.70	155.00	(24.30)	(15.68) %	8.38 %
Manufacturing.....	135.80	137.50	(1.70)	(1.24) %	8.71 %
Construction.....	120.30	112.80	7.50	6.65 %	7.71 %
Financial Activities.....	93.60	90.70	2.90	3.20 %	6.00 %
Government (State/Higher Ed.).....	85.80	87.00	(1.20)	(1.38) %	5.50 %
Other Services.....	45.70	42.40	3.30	7.78 %	2.93 %
Information.....	39.30	40.20	(0.90)	(2.24) %	2.52 %
Natural Resources and Mining.....	8.40	9.50	(1.10)	(11.58) %	0.54 %
Total.....	1,559.60	1,574.40	(14.80)	(0.94) %	100.00 %

Source: Utah Department of Workforce Services and the U.S. Bureau of Labor Statistics, September 2020.
(p) = preliminary (r) = revised

Outlook – The economic outlook for the national economy will likely depend on the path of the COVID-19 pandemic. If the pandemic is contained, the economic recovery is likely to accelerate. If it is not contained, the recovery will likely stagnate. As in prior downturns, Utah's economy is recovering faster than the nation's. Utah’s prudent fiscal management, diverse mix of industries, young, educated workforce, business-friendly policies, and low tax rates will provide strong support for continued economic recovery. In addition, it is possible that a future round of federal fiscal stimulus could boost Utah's economic prospects. Although Utah has fared much better than the nation from the impacts of the COVID-19 pandemic, downside risks remain. These risks include sluggish growth, higher-than-optimal unemployment, depressed consumer sentiment, and a second wave of lock-downs. Overall, economic growth in Utah is expected to continue, but growth in certain sectors, such as leisure and hospitality, is expected to be constrained through 2020 and 2021.

FINANCIAL PLANNING AND POLICIES

General Obligation Debt Administration – As part of long-term financial planning, the State has used a combination of bonding and pay-as-you-go methods to meet its infrastructure needs. In fiscal years 2010 through 2014, under budget constraints coupled with a low interest rate environment, the State elected to increase its debt by issuing bonds for highway and/or building projects that otherwise would have been funded from current resources. During the years debt was issued, the State continued to fund some projects with cash. In fiscal years 2015 and 2016, the State continued its prudent fiscal management by paying cash for most building, highway, and other projects.



In fiscal year 2015, the State authorized \$474.7 million in general obligation debt for the new prison project. There were no general obligation bond issuances, authorizations, or refundings in fiscal year 2016. In fiscal year 2017, the State authorized

\$1.047 billion in general obligation bonds for highway construction projects and authorized an additional \$101 million for the prison project. In fiscal year 2018, the State authorized no new general obligation bonds, but issued \$295.8 million for highway construction projects and \$189.4 million for the prison project from prior authorizations. The State also advanced refunded \$118.7 million of general obligation bonds to take advantage of the low interest rate environment. In fiscal year 2019, the State issued \$127.7 million for highway construction projects from prior bond authorizations. In fiscal year 2020, the State authorized \$89.5 million in general obligation bonds for highway projects, cash defeased \$78.4 million of highway bonds, and issued \$600.1 million for highway construction projects and \$295.7 million for the prison project from fiscal year 2020 and prior authorizations. As of June 30, 2020, the State's general obligation debt per capita was \$941.8. The State has an aggressive policy of repaying its general obligation debt within ten years for debt associated with capital facilities and fifteen years for highway construction projects. More information about the State's long-term debt is found in [Note 10](#) to the Basic Financial Statements.

Revenue and Expenditure Forecasts – Economists and budget analysts from the Executive and Legislative branches of government work with experts from the private sector and academia to develop the consensus revenue forecast used for establishing the State's annual budget. The final 2020 consensus revenue forecast projected a decrease of 5.3 percent in fiscal year 2020 from 2019 actual revenue for the General and Education Funds combined. For fiscal year 2021, 18.3 percent growth is projected. The long-term average revenue growth rate, adjusted for inflation, was approximately 3.53 percent for fiscal periods 1971 through 2019. See the Budgetary Highlights – General Fund in the [MD&A](#) for a comparison of budgeted to actual results for fiscal year 2020.

Budget Stabilization – In accordance with Sections 63J-1-312 and 313 of the *Utah Code*, the State maintains the General Fund Budget Reserve Account in the General Fund (the "Rainy Day Fund") and an Education Fund Budget Reserve Account in the Education Fund (the "Education Reserve"). State law requires 25 percent of any revenue surplus in the General Fund to be deposited in the Rainy Day Fund after any required Medicaid growth savings transfer is made (see Medicaid Sustainability section below) and 25 percent of any revenue surplus in the Education Fund to be deposited in the Education Reserve, in each case up to a statutory limit. State law limits the totals of the Rainy Day Fund and Education Reserve based on the amount of appropriations from the General Fund and Education Fund, respectively, for the fiscal year in which the surplus occurred. There was a revenue surplus in both the General Fund and Education Fund in fiscal year 2020 and funds were transferred to the Rainy Day Fund and Education Reserve. For additional information on the State's budget stabilization accounts see [Note 12.B](#).

Medicaid Sustainability – The State implemented reforms in the Medicaid program in an effort to bring Medicaid growth more in line with overall state revenue growth. The reforms align financial incentives in the health care system by replacing the fee-for-service model with one or more risk-based delivery models. When a General Fund revenue surplus occurs, an amount representing the Medicaid growth savings from the risk-based delivery models will be deposited into the "Medicaid Budget Stabilization Account." The account will then be used to meet the growing needs in the program in years when growth is expected to be at least 8 percent. No funds were transferred to the account in fiscal year 2020. For additional information on the State's budget stabilization accounts, see [Note 12.B](#).

Public Education Growth – Projections indicate that an additional 7,900 new students will enroll in fall 2020. Due to the current and future enrollment growth, and the demands it places on state funding, public education continues to be a top priority for the Governor and the Legislature.

Federal Funding – In an effort to prepare for potential future reductions in federal funding, Section 63J-1-219 of the *Utah Code* requires most state agencies including public education and higher education institutions to report specific federal funding information to the Legislature. Annually, these entities must report total federal receipts received the preceding fiscal year in addition to providing contingency plans in the event federal receipts are reduced by either 5 percent or 25 percent.

Additionally, the Legislature created the Federalism Commission in Section 63C-4a-302 of the *Utah Code*. One aspect of the Commission's responsibilities is to study and make recommendations on federal funding issues. The Commission is tasked with considering the financial stability of the federal government, the risk that the State will experience a reduction in the amount or value of federal funds, and methods to avoid or minimize the risk. Utah law requires economists and budget analysts from the Executive and Legislative branches of government to consider expected changes in federal funding when preparing the annual revenue volatility report and, if appropriate, recommend changes to amounts or limits of reserve funds. Section 63J-1-205 of the *Utah Code* requires the analyst to evaluate current and long-term trends relating to federal funds receipts and taxes, and prepare a three-year cycle of analysis on revenue volatility and budget matters.

In addition, all federal funds for state agencies must go through the annual appropriations process. To gain tighter control over federal grants that span several years, the Legislature also requires multiyear grants to go through an approval and summary requirements process, including approval in the annual *Appropriations Acts*.

Spending Limitation – The State has a statutory appropriations limit. The appropriations limit adjusts annually pursuant to a statutory formula based on population and inflation. The definition of appropriations includes only appropriations from General Fund and Education Fund sources (spending for public education and for transportation is exempt from the limitation). For the fiscal year ended June 30, 2020, the State was \$718.7 million below the appropriations limitation.

Adequate Funding for Ongoing Programs – The Legislature works to ensure all programs have adequate ongoing funding. Coming into the 2020 General Session of the Legislature, before accounting for growth in either costs or revenues, Utah had a temporal surplus of \$427.4 million—meaning ongoing projected revenue exceeded ongoing commitments by that amount. A temporal balance is a short-term measure of structural balance, comparing current year revenue to current budget year commitments to determine whether ongoing revenue equals or exceeds ongoing appropriations. More than \$320 million of that temporal surplus was from traditionally ongoing appropriations that were shifted to one-time pending progress on tax reform. At the end of the 2020 Fifth Special Session, Utah’s budget had a \$137.2 million temporal surplus—most of which was associated with budgeted reserves.

Operating/Capital Expenditure Accountability – Section 63J-1-205 of the *Utah Code* requires an annual revenue volatility report, with the purpose of managing volatility with rainy day deposit mechanisms and treating windfalls as one-time revenue. Section 36-12-13 of the *Utah Code* adds an in-depth budget review to the regular budget process. It also provides that the Office of the Legislative Fiscal Analyst shall prepare, before each annual general session of the Legislature, a summary showing the current status of the State’s debt, long-term liabilities, contingent liabilities, General Fund borrowing, reserves, fund and nonlapsing balances, and cash-funded capital investments, as compared to the prior nine fiscal years. In addition, the Legislative Fiscal Analyst also implemented a “fiscal health dashboard” website where legislators and citizens can quickly and easily check Utah’s fiscal health. The website can be found at le.utah.gov/lfa/fiscalhealth.

MAJOR INITIATIVES

In addition to Utah’s strong long-term economic and budget outlook, multiple positive signals support cautious optimism in the near term. Utah’s prudent budget practices, including a prompt fiscal response to the COVID-19 pandemic, have supported balanced state fiscal year 2020 and 2021 budgets even in the midst of economic uncertainty.

The February 2020 consensus revenue forecast adopted during the 2020 General Session included a general session forecast of 6.0 percent growth for fiscal year 2020 and a more conservative 5.3 percent in fiscal year 2021, resulting in a February forecast of nearly \$200 million one-time and about \$615 million in available ongoing money in the General Fund and Education Fund.

After months of monitoring and conducting informal internal forecasts, state forecasters formally updated the state’s official revenue estimates in June 2020 to adjust for pandemic economic impacts, resulting in a downward adjustment of \$757 million ongoing and \$93 million one-time from the general session estimates on which the budget was adopted. Actual fiscal year 2020 revenue collections performed better than the June forecast, primarily due to strong sales tax and income tax withholding performance. Fiscal year 2020 closed out with a General Fund and Education Fund revenue surplus of \$95 million before adjustments and statutory transfers.

General Fund and Education Fund budget reductions in the Fifth and Sixth Special Sessions totaled about \$114 million one-time and \$777 million ongoing. The Legislature also authorized use of up to \$100 million from rainy day funds, contingent on fiscal year 2020 revenue collection levels. Because of the fiscal year 2020 revenue surplus, use of rainy day funds were not required for fiscal year 2020 and, conversely, about \$24 million was transferred into the state’s budget reserve accounts.

Some of the more notable areas of special session reductions from budgets adopted in the general session include public education (almost \$290 million ongoing), higher education (over \$126 million ongoing excluding buildings), state employee compensation (about \$40 million) and \$11 million for various services for people with disabilities. Through these adjustments, the state absorbed the pandemic-driven fiscal year 2020 revenue loss and rebalanced the budget for fiscal year 2021.

Even with special session budget reductions, the state added a net \$152 million ongoing and \$252 million one-time in General Fund and Education Fund appropriations during the general session and various special sessions in 2020. Highlights of new appropriations for public education, infrastructure, and other priorities are summarized below.

Public Education – The Legislature provided \$70 million in new ongoing General Fund and Education Fund revenue for public education. This includes over \$60 million ongoing for a 1.8 percent increase in the value of the Weighted Pupil Unit (WPU) and nearly \$51 million ongoing for public education enrollment growth, which were offset by about \$34 million in ongoing Voted and Board Local Levy savings and \$7 million of net funding reductions to other programs.

Social Services – Excluding \$112 million of Medicaid expansion savings, \$48 million of new funding was provided for social service programs. Key increases include nearly \$11 million in ongoing funding and \$6 million one-time funding for mental health services through House Bill 32, *Crisis Services Amendments*, and \$8 million one-time for affordable housing and homeless services. Additionally, almost \$70 million ongoing was provided for Medicaid enrollment growth and inflation, which was offset one-time by \$65 million in fiscal year 2020 and \$23 million in fiscal year 2021 from a temporary increase in the federal match rate.

Capital Projects – The Legislature provided \$278 million in new one-time state funding for construction projects, including \$220 million for new prison construction. When combined with another \$168 million originally appropriated in fiscal year 2020, this provides a total of \$388 million in cash funds for the prison relocation project.

Emergency Response – The Legislature appropriated nearly \$13 million one-time for wildfire costs and \$19 million one-time for COVID-19 emergency response. Additionally, \$26 million was appropriated into formal rainy day funds in fiscal year 2021. This is in addition to the \$24 million in fiscal year 2020 year-end surplus deposits and \$75 million of additional deposits originally planned for fiscal year 2020 and shifted into fiscal year 2021.

State Employee Other Postemployment Benefit Plan – The Actuarially Determined Contribution (ADC) for the State Employee Other Postemployment Benefit (OPEB) plan was \$25.9 million. The Legislature considered this ADC when establishing the OPEB budget for fiscal year 2021. The ADC represents a level of funding that, if paid on an ongoing basis, is actuarially projected to fund the unfunded liability over a period of five years.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded the *Certificate of Achievement for Excellence in Financial Reporting* to the State of Utah for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the thirty-fifth consecutive year the State has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate. We are committed to this effort, and we intend to maintain a highly qualified and professional staff to make this certification possible.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Division of Finance, Department of Administrative Services. We also express our gratitude to the budget and accounting officers throughout state government and the Office of the State Auditor for their assistance.

Sincerely,

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

Marilee Richins
Interim Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

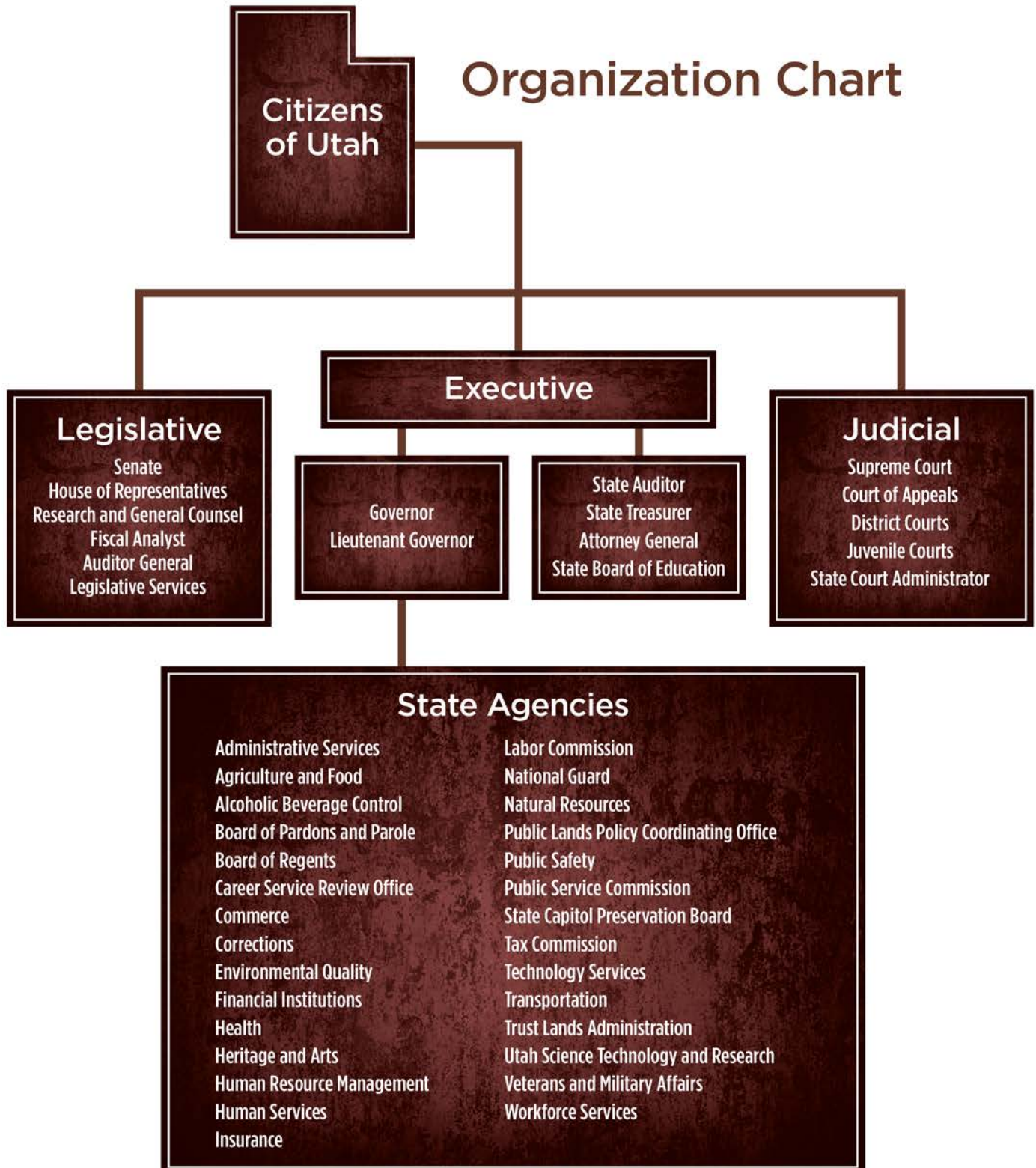
State of Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



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STATE
OF UTAH

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2020

Financial Section



pandemic



Dr. Angela Dunn, State Epidemiologist



Governor Gary Herbert consulting with doctors.





OFFICE OF THE STATE AUDITOR

INDEPENDENT STATE AUDITOR'S REPORT

To Members of the Utah State Legislature
and
The Honorable Gary R. Herbert
Governor, State of Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Utah (State), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following funds or entities:

- School and Institutional Trust Funds Office which represents 96 percent of the assets and 97 percent of the fund balances of the Permanent Trust Lands Fund.
- Student Assistance Programs which represent all of the assets, net position, and revenues of the Student Assistance Programs' major enterprise fund.
- Public Employees Health Program, Utah Transit Authority, University of Utah Hospitals and Clinics, the University of Utah's component units, and Utah State University Space Dynamics Laboratory which collectively represent 41 percent of the assets, 27 percent of the net position, and 50 percent of the revenues of the aggregate discretely presented component units.
- Utah Retirement Systems and Utah Educational Savings Plan dba my529 which represent 81 percent of the assets, 81 percent of the fund balance/net position, and 38 percent of the revenues/additions of the aggregate remaining fund information.

Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these entities, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued

by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following information—Management's Discussion and Analysis, and the budgetary comparison schedules and information about the State's pension plans, other postemployment benefit plans, and infrastructure assets reported using the modified approach, comprising the Required Supplementary Information listed in the table of contents—be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. Supplementary information such as the combining and individual fund financial statements and schedules, and other information such as the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information – Combining Statements and Individual Fund Statements and Schedules as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 18, 2020, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.

Office of the State Auditor

Office of the State Auditor
December 18, 2020



STATE OF UTAH

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2020

MD&A

Management's Discussion and Analysis

INTRODUCTION

The following is a discussion and analysis of the State of Utah's financial performance and condition, providing an overview of the State's activities for the fiscal year ended June 30, 2020. Please read this in conjunction with the transmittal letter in the Introductory Section of this report and with the State's financial statements that follow this section.

HIGHLIGHTS

Government-wide

- Total assets and deferred outflows of resources of the State exceeded liabilities and deferred inflows of resources by \$28.640 billion (reported as net position). Of this amount, \$2.885 billion (unrestricted net position) may be used to meet the government's ongoing obligations while \$25.755 billion is restricted for specific uses or invested in capital assets.
- The State's total net position increased \$1.052 billion or 3.81 percent over the prior year. Net position of governmental activities increased \$1.224 billion or 5.11 percent. Net position of business-type activities decreased \$171.268 million or 4.71 percent.

Fund Level

- The governmental funds reported combined ending fund balances of \$8.434 billion, an increase of \$1.117 billion in comparison with the prior year. Approximately 26.61 percent, or \$2.244 billion of the ending fund balance is considered unrestricted (committed, assigned, or unassigned) and is available for spending either at the government's discretion or upon legislative approval.
- The General Fund ended the fiscal year with a \$14.456 million surplus. This surplus is after statutory transfers of \$6.856 million to the General Fund Budget Reserve Account (Rainy Day Fund), \$4.000 million to the Wildland Fire Suppression Fund, \$7.249 million to the Disaster Recovery Fund, and \$1.036 million to the Local Government Emergency Response Loan Fund.
- The Education Fund ended the fiscal year with a \$59.369 million surplus after a statutory transfer of \$16.792 million to the Education Budget Reserve Account.
- The State's stabilization accounts, the General Fund Budget Reserve Account (Rainy Day Fund), Medicaid Budget Stabilization Account, and Education Budget Reserve Account, ended the fiscal year with balances of \$251.222 million, \$74.819 million, and \$488.700 million, respectively.
- Sales tax revenues in the governmental funds increased \$262.384 million or 9.35 percent, compared to \$158.622 million or 5.99 percent increase in the prior year. Total tax revenues increased \$178.421 million or 7.17 percent in the General Fund and \$297.097 million or 6.07 percent in the Education Fund.

Long-term Debt

- The State's long-term bonded debt increased by a net \$496.109 million or 12.60 percent. General obligation bonds for the primary government increased \$686.401 million or 28.94 percent, while revenue bonds for the primary government decreased \$190.292 million or 12.19 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report includes the State's Basic Financial Statements, Required Supplementary Information, and Supplementary Information. The Basic Financial Statements include three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-wide Statements – Reporting the State as a Whole

The [Statement of Net Position](#) and the [Statement of Activities](#) together comprise the *government-wide financial statements*. These statements provide a broad overview of the State's finances as a whole with a long-term focus and are prepared using the *full-accrual* basis of accounting, similar to private-sector companies. This means all revenues and expenses are recognized regardless of when cash is received or spent, and all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term debt, are reported at the entity level. The government-wide statements report

the State's *net position*—the difference between assets and deferred outflows of resources, compared to liabilities and deferred inflows of resources—and how it has changed from the prior year. Over time, increases and decreases in net position measure whether the State's overall financial condition is improving or deteriorating. In evaluating the State's overall condition, additional non-financial factors should be considered such as the State's economic outlook, changes in its demographics, and the condition of its capital assets and infrastructure. The government-wide statements report three activities:

- *Governmental Activities* – Most of the State's basic services fall under this activity including education, transportation, public safety, courts, corrections, health, and human services. Taxes and federal grants are the major funding sources for these programs.
- *Business-type Activities* – The State operates certain activities much like private-sector companies by charging fees to customers to cover all or most of the costs of providing the goods and services. Student loans, unemployment compensation, water loan programs, and liquor sales are examples of business-type activities.
- *Component Units* – A number of entities are legally separate from the State, yet the State remains financially accountable for them. Colleges and Universities, Utah Communications Authority, and Utah State Fair Corporation are examples of discrete component units.

Fund Financial Statements – Reporting the State's Most Significant Funds

The [fund financial statements](#) provide detailed information about individual major funds, not the State as a whole. A fund is a group of related accounts that the State uses to keep track of specific resources that are segregated for a specific purpose. Some funds are required by law to exist, while others are established internally to maintain control over a particular activity. All of the State's funds are divided into three types, each of which uses a different accounting approach:

- *Governmental Funds* – Most of the State's basic services are accounted for in governmental funds and are essentially the same functions reported as *governmental activities* in the government-wide statements. Governmental funds use the *modified accrual* basis of accounting, which measures the flow of current financial resources that can be converted to cash and the balances left at yearend that are available for future spending. This *short-term* view of the State's financial position helps determine whether the State has sufficient resources to cover expenditures for its basic services in the near future.
- *Proprietary Funds* – Proprietary funds include enterprise funds and internal service funds and account for state activities that are operated much like private-sector companies. Like the government-wide statements, proprietary fund statements are presented using the *full-accrual* basis of accounting. Activities whose customers are mostly outside of state government (e.g., water loans to local governments) are accounted for in *enterprise funds* and are the same functions reported as *business-type activities*. Thus, the *enterprise fund* financial statements reinforce the information reported for *business-type* activities in the government-wide statements, but provide more detail and additional information, such as cash flows. Activities whose customers are mostly other state entities (e.g., motor pool) are accounted for in *internal service funds*. The internal service fund activities are consolidated with the governmental activities in the government-wide statements because those services predominantly benefit governmental rather than business-type activities.
- *Fiduciary Funds* – Fiduciary funds account for assets that, because of trust relationships, can be used only for trust beneficiaries. The State is responsible for ensuring these assets are used for their intended purposes. Fiduciary funds use the *full-accrual* basis of accounting, but are *not* included in the government-wide statements because their assets are not available to finance the State's own programs.

Reconciliation between Government-wide and Fund Statements

The financial statements include [reconciliation schedules](#) that explain the differences between the amounts reported for *governmental activities* on the government-wide statements (full accrual basis of accounting, long-term focus) with amounts reported on the *governmental* fund statements (modified accrual basis of accounting, short-term focus). The following are some of the major differences between the two statements:

- Capital assets and long-term debt are included on the government-wide statements, but are not reported on the governmental fund statements.
- Capital outlay expenses result in capital assets on the government-wide statements, but are reported as expenditures on the governmental fund statements.
- Bond proceeds result in liabilities on the government-wide statements, but are other financing sources on the governmental fund statements.

- Certain tax revenues that are earned but not yet available are reported as revenue on the government-wide statements, but are deferred inflows of resources (unavailable revenue) on the governmental fund statements.

Notes to the Financial Statements

The [notes](#) provide additional information and schedules that are essential to a complete understanding of the financial statements. The notes apply to both the government-wide financial statements and the governmental fund financial statements.

Required Supplementary Information (RSI)

Following the Basic Financial Statements are [budgetary comparison schedules](#) for major funds with legally adopted budgets. In addition, RSI includes up to ten years of information on the State's pension plans, including schedules on the changes in the net pension liability and employer contributions for all systems with up to ten years of information. RSI also includes schedules for the State's defined benefit Other Postemployment Benefit Plans and condition assessment data related to infrastructure. RSI further supports the information in the basic financial statements.

Supplementary Information

[Supplementary Information](#) includes combining statements for the State's nonmajor governmental, nonmajor enterprise, internal service funds, fiduciary funds, and nonmajor discretely presented component units. This section also includes schedules which compare budgeted expenditures to actual results at the legal level of control, which is generally the line item level of the *Appropriations Acts*.

Statistical Section

This [section](#) provides up to ten years of financial, economic, and demographic information.

FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

Net Position

The largest component of the State's net position, 63.14 percent, reflects investments in capital assets (e.g., land, buildings, equipment, intangible assets, roads, and other infrastructure) less the outstanding debt issued to finance those assets. These types of assets are not available for future spending, nor can they be readily liquidated to pay off their related liabilities. Resources needed to repay capital-related debt must be provided from other sources.

Restricted net position comprises 26.79 percent of total net position and is subject to constitutional, legal, or external constraints on use. Net position that is restricted by the *Utah Constitution* includes individual income and corporate income taxes that can be used only for public and higher education costs, proceeds from fees, taxes, charges related to motor vehicles that can be used only for transportation expenses, and earnings received from investment of the permanent State School Fund.

The remaining balance of unrestricted net position may be used to meet the State's ongoing obligations, though certain laws and internally imposed commitments or assignments of resources further limit the purposes for which much of the overall net position may be used.

(MD&A continues on next page.)

State of Utah
Net Position as of June 30
(dollars expressed in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2020	2019	2020	2019	2020	2019	2019–2020
Current and Other Assets	\$ 11,640,393	\$ 9,433,121	\$ 4,709,529	\$ 4,978,396	\$ 16,349,922	\$ 14,411,517	13.45%
Capital Assets	20,349,623	19,573,801	107,823	96,818	20,457,446	19,670,619	4.00%
Total Assets	\$ 31,990,016	\$ 29,006,922	\$ 4,817,352	\$ 5,075,214	\$ 36,807,368	\$ 34,082,136	8.00%
Deferred Outflows of Resources ²	\$ 219,975	\$ 711,300	\$ 7,008	\$ 16,476	\$ 226,983	\$ 727,776	(68.81)%
Current and Other Liabilities	\$ 2,415,787	\$ 1,354,780	\$ 56,567	\$ 48,336	\$ 2,472,354	\$ 1,403,116	76.20%
Long-term Liabilities	4,309,811	4,100,452	1,270,730	1,380,019	5,580,541	5,480,471	1.83%
Total Liabilities	\$ 6,725,598	\$ 5,455,232	\$ 1,327,297	\$ 1,428,355	\$ 8,052,895	\$ 6,883,587	16.99%
Deferred Inflows of Resources ²	\$ 312,067	\$ 314,176	\$ 29,444	\$ 24,448	\$ 341,511	\$ 338,624	0.85%
Net Position:							
Net Investment in Capital Assets ¹	\$ 18,041,509	\$ 17,147,477	\$ 41,047	\$ 32,972	\$ 18,082,556	\$ 17,180,449	5.25%
Restricted	5,579,823	4,953,627	2,092,141	2,286,785	7,671,964	7,240,412	5.96%
Unrestricted	1,550,994	1,847,710	1,334,431	1,319,130	2,885,425	3,166,840	(8.89)%
Total Net Position ¹	\$ 25,172,326	\$ 23,948,814	\$ 3,467,619	\$ 3,638,887	\$ 28,639,945	\$ 27,587,701	3.81%
Percent change in total Net Position from prior year	5.11%		(4.71)%		3.81%		

¹ This schedule has been restated for prior period adjustments in 2019.

² Fiscal year 2019 deferred inflows and outflows related to pensions were restated to reflect netting of differences between projected and actual earnings on pension plan investments.

Current and other assets increased \$1.938 billion or 13.45 percent as follows:

- Current and other assets in governmental activities increased \$2.207 billion or 23.40 percent due to: **(1)** a \$1.201 billion or 25.76 percent increase in investments due to an increase in unspent bond proceeds and unspent federal Coronavirus Aid, Relief, and Economic Security (CARES) Act money; **(2)** a \$792.256 million increase in taxes receivable due to accruals of corporate and individual income tax payments as final payment due dates were shifted from April 2020 to July 2020; and **(3)** a \$177.059 million increase in prepaid items due the timing of Medicaid payments to accountable care organizations and special relief funding for eligible expenditures advanced to state and local governments in response to the COVID-19 pandemic.
- Current and other assets in business-type activities decreased \$268.867 million or 5.40 percent as follows: **(1)** cash and cash equivalents decreased \$247.818 million due to an increase in benefit payments in the Unemployment Compensation Fund and an increase of notes disbursed in the Water Loan Programs; **(2)** notes, loans, and mortgages receivable decreased \$101.225 million due to a decrease in the Student Assistance Programs related to a discontinued federal student loan program; and **(3)** accounts and interest receivable increased \$95.408 million primarily due to timing of yearend accruals for Unemployment Compensation.

Current and other liabilities increased \$1.069 billion or 76.20 percent as follows:

- Current and other liabilities in governmental activities increased \$1.061 billion or 78.32 percent. Unspent federal CARES Act money of \$836.473 million received in response to the COVID-19 pandemic represented the majority of this increase. Increased expenditures as noted in our analysis of governmental funds below, in combination with the timing of yearend payments, resulted in the remainder of the increase.
- Current and other liabilities in business-type activities increased by \$8.231 million or 17.03 percent from the prior year due to the timing of various yearend payments.

The State's total net position increased \$1.052 billion or 3.81 percent in fiscal year 2020. In comparison, net position in the prior year increased \$1.278 billion or 4.86 percent. The increase in total net position reflects a growing economy and the active management of the State's resources. The change in net position is comprised of the following:

- Net Investment in Capital Assets* – Total net investment in capital assets increased by 5.25 percent or \$902.107 million.

The State's investment in highways and buildings exceeded depreciation and the net additional debt that was incurred to finance capital-related projects.

- *Restricted Net Position* – Total restricted net position increased \$431.552 million or 5.96 percent over the prior year adjusted net position:

Restricted Net Position of Governmental Activities increased \$626.196 million or 12.64 percent, as follows:

- Public Education – Expendable net position increased \$552.816 million or 21.71 percent primarily due to an increase in individual income tax revenues due to economic growth despite the COVID-19 pandemic.
- Public Education – Nonexpendable net position increased \$50.279 million or 2.96 percent, primarily due to revenues generated from land use and gains on sale of trust lands in the Trust Lands Permanent Fund.

Restricted Net Position of Business-type Activities decreased \$194.644 million or 8.51 percent due in large part to a \$234.532 million decrease in the Unemployment Compensation and Insurance Program as unemployment compensation related claims exceed revenues due to the COVID-19 pandemic. This decrease was offset by a \$42.865 million increase in net position restricted for loan programs, which were a result of additional loan capital provided from federal contracts and grants for Water Loan Programs, Community and Economic Loan Programs, and Student Assistance Programs.

- *Unrestricted Net Position* – Total unrestricted net position in governmental activities decreased \$296.716 million or 16.06 percent primarily due to an increase in expenditures that utilized unrestricted net position for transportation projects and capital projects. Unrestricted net position in business-type activities increased \$15.301 million or 1.16 percent due to dedicated sales tax revenues provided by the State as additional capital for the Water Loan Programs.

(MD&A continues on next page.)

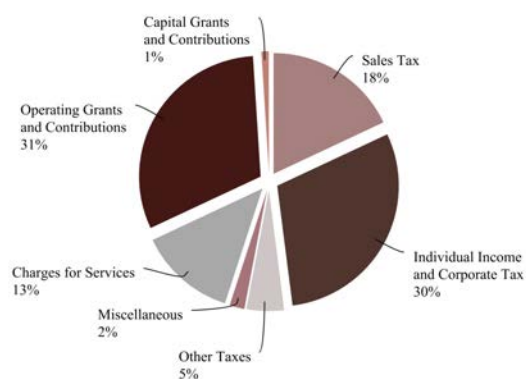
Changes in Net Position

The following table and charts summarize the State's total revenues, expenses, and changes in net position for fiscal year 2020:

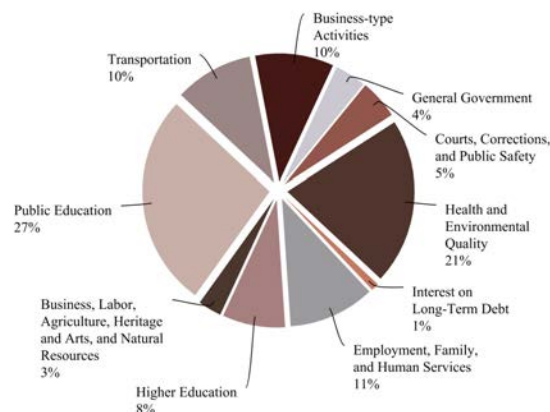
State of Utah Changes in Net Position for the Fiscal Year Ended June 30 <i>(dollars expressed in thousands)</i>							
	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2020	2019	2020	2019	2020	2019	2019-2020
Revenues							
General Revenues:							
Taxes.....	\$ 9,180,911	\$ 8,600,089	\$ 36,607	\$ 34,278	\$ 9,217,518	\$ 8,634,367	6.75 %
Other General Revenues.....	214,027	230,389	63,102	68,030	277,129	298,419	(7.13)%
Program Revenues:							
Charges for Services.....	1,442,650	1,284,088	772,864	747,315	2,215,514	2,031,403	9.06 %
Operating Grants and Contributions.....	4,595,460	4,162,578	755,894	33,575	5,351,354	4,196,153	27.53 %
Capital Grants and Contributions.....	180,207	155,265	—	—	180,207	155,265	16.06 %
Total Revenues.....	15,613,255	14,432,409	1,628,467	883,198	17,241,722	15,315,607	12.58 %
Expenses							
General Government.....	682,799	576,183	—	—	682,799	576,183	18.50 %
Human Services and Juvenile Justice Services.....	987,683	932,553	—	—	987,683	932,553	5.91 %
Corrections.....	339,380	340,123	—	—	339,380	340,123	(0.22)%
Public Safety.....	314,582	363,510	—	—	314,582	363,510	(13.46)%
Courts.....	172,154	165,833	—	—	172,154	165,833	3.81 %
Health and Environmental Quality.....	3,410,176	2,979,063	—	—	3,410,176	2,979,063	14.47 %
Higher Education.....	1,312,020	1,339,338	—	—	1,312,020	1,339,338	(2.04)%
Employment and Family Services.....	781,075	769,277	—	—	781,075	769,277	1.53 %
Natural Resources.....	279,871	264,093	—	—	279,871	264,093	5.97 %
Heritage and Arts.....	42,670	31,928	—	—	42,670	31,928	33.64 %
Business, Labor, and Agriculture.....	133,129	122,449	—	—	133,129	122,449	8.72 %
Public Education.....	4,422,984	4,141,443	—	—	4,422,984	4,141,443	6.80 %
Transportation.....	1,583,608	1,288,760	—	—	1,583,608	1,288,760	22.88 %
Interest and Charges on Long-term Debt.....	78,745	83,657	—	—	78,745	83,657	(5.87)%
Student Assistance Programs.....	—	—	107,416	114,087	107,416	114,087	(5.85)%
Unemployment Compensation.....	—	—	1,152,794	152,359	1,152,794	152,359	656.63 %
Water Loan Programs.....	—	—	12,266	13,744	12,266	13,744	(10.75)%
Community and Economic Loan Programs.....	—	—	5,361	2,402	5,361	2,402	123.19 %
Liquor Retail Sales.....	—	—	327,070	311,261	327,070	311,261	5.08 %
Other Business-type Activities.....	—	—	43,694	45,344	43,694	45,344	(3.64)%
Total Expenses.....	14,540,876	13,398,210	1,648,601	639,197	16,189,477	14,037,407	15.33 %
Excess (Deficit) Before Transfers.....	1,072,379	1,034,199	(20,134)	244,001	1,052,245	1,278,200	
Transfers.....	151,133	143,736	(151,133)	(143,736)	—	—	
Capital Contributions.....	—	—	—	—	—	—	
Change in Net Position.....	1,223,512	1,177,935	(171,267)	100,265	1,052,245	1,278,200	
Net Position – Beginning.....	23,948,814	22,786,348	3,638,886	3,538,622	27,587,700	26,324,970	
Adjustment to Beginning Net position.....	—	(15,469)	—	—	—	(15,469)	
Net Position – Beginning as Adjusted.....	23,948,814	22,770,879	3,638,886	3,538,622	27,587,700	26,309,501	
Net Position – Ending.....	\$25,172,326	\$23,948,814	\$ 3,467,619	\$ 3,638,887	\$28,639,945	\$27,587,701	3.81 %

(Charts on next page)

State of Utah Total Revenues FY 2020



State of Utah Total Expenses FY 2020



This year the State received 53.46 percent of its revenues from state taxes and 32.08 percent of its revenues from grants and contributions, primarily from federal sources. In the prior year, state taxes accounted for 56.38 percent and grants and contributions were 28.41 percent of total revenues. Charges for goods and services such as licenses, permits, liquor sales, park fees, and court fees, combined with other miscellaneous collections, comprised 14.46 percent of total revenues in fiscal year 2020, compared to 15.21 percent in fiscal year 2019.

Governmental Activities

The State's total governmental revenues from all sources increased \$1.181 billion or 8.18 percent. The increase was due in part to an increase in tax revenues of \$580.822 million or 6.75 percent because of economic growth despite the COVID-19 pandemic. Operating grants and contributions increased \$432.882 million or 10.40 percent because of an increase in federal funding provided for Medicaid programs, and financial aid and relief for the COVID-19 pandemic. Charges for services increased \$158.562 million or 12.35 percent in large part due to the following items: **(1)** a \$32.742 million increase in Medicaid drug manufacturers rebates, **(2)** a \$34.806 million increase due to settlement proceeds from the Volkswagen Environmental Mitigation Trust for violations of the Clean Air Act, and **(3)** a \$26.658 million increase in cooperative agreements for transportation projects. The balance of the increase was due to an increase in demand for services. Significant changes in governmental activities' revenues and expenses at the government-wide level mirror changes in the governmental funds, except for Higher Education and Public Safety expenses as discussed below. However, due to differences in measurement focus and timing of collections, the increase at the government-wide level should not be used to predict future increases at the fund statement or budget level.

- *Higher Education* – Expenses decreased \$27.318 million or 2.04 percent, as compared to the prior year, primarily due to a decrease in the amount spent by the primary government for building projects completed and transferred to colleges and universities. When these buildings are completed, ownership is transferred to the colleges and universities and reported as expenses on the government-wide statements. However, there is no impact on the governmental fund statements.
- *Public Safety* – Expenses decreased \$48.928 million or 13.46 percent, as compared to the prior year, due to an increase in the amount spent for capital outlay primarily for the Camp Williams Readiness Center for the National Guard. The amount expended for capital outlay is not reported as expense, but as an asset on the government-wide statements.

The following table shows to what extent program revenues (charges for services and grants) covered program expenses. For fiscal year 2020, program revenues covered \$6.218 billion or 42.76 percent of \$14.541 billion in total program expenses. For the remaining \$8.323 billion or 57.24 percent of program expenses, the State relied on state taxes and other general revenues. For further discussion of changes, see the section here entitled "[Financial Analysis of the State's Governmental Funds](#)."

State of Utah
Net Cost of Governmental Activities
(dollars expressed in thousands)

	Program Expenses	Less Program Revenues	Net Program (Expenses)/Revenues		Program Revenues as a Percentage of Program Expenses	
	2020	2020	2020	2019	2020	2019
General Government.....	\$ 682,799	\$ 494,311	\$ (188,488)	\$ (203,771)	72.39 %	64.63 %
Human Services and Juvenile Justice Services....	987,683	480,924	(506,759)	(507,766)	48.69 %	45.55 %
Corrections.....	339,380	3,758	(335,622)	(337,557)	1.11 %	0.75 %
Public Safety.....	314,582	195,467	(119,115)	(152,236)	62.14 %	58.12 %
Courts.....	172,154	52,335	(119,819)	(110,453)	30.40 %	33.40 %
Health and Environmental Quality.....	3,410,176	2,864,577	(545,599)	(550,266)	84.00 %	81.53 %
Higher Education.....	1,312,020	—	(1,312,020)	(1,338,578)	0.00 %	0.06 %
Employment and Family Services.....	781,075	599,452	(181,623)	(203,223)	76.75 %	73.58 %
Natural Resources.....	279,871	190,939	(88,932)	(104,429)	68.22 %	60.46 %
Heritage and Arts.....	42,670	12,987	(29,683)	(20,421)	30.44 %	36.04 %
Business, Labor, and Agriculture.....	133,129	138,817	5,688	5,771	104.27 %	104.71 %
Public Education.....	4,422,984	462,532	(3,960,452)	(3,532,708)	10.46 %	14.70 %
Transportation.....	1,583,608	722,218	(861,390)	(656,985)	45.61 %	49.02 %
Interest and Charges on Long-term Debt.....	78,745	—	(78,745)	(83,657)	0.00 %	0.00 %
Total Governmental Activities.....	\$ 14,540,876	\$ 6,218,317	\$ (8,322,559)	\$ (7,796,279)	42.76 %	41.81 %

Business-type Activities

The State's business-type activities operate primarily from program revenues, except for the Water Loan Programs and Agriculture Loan Fund, which by law receive dedicated sales tax revenues. Accounting standards require unemployment taxes collected from employers and deposited in the Unemployment Compensation Fund be reported as charges for services rather than taxes. Therefore, taxes in the business-type activities are comprised entirely of sales tax revenues in the water and agriculture loan programs.

The majority of the increase of \$1.009 billion or 157.84 percent in the State's business-type activities expenses and the corresponding increase of \$745.269 million or 84.38 percent in revenue was due to increased expenses in the Unemployment Compensation Fund and federal grants revenue related to the economic effects of the COVID-19 pandemic and the associated demand for unemployment compensation benefits.

Changes in the State's business-type activities at the government-wide level mirror the changes noted in the State's proprietary funds, except that the State's proprietary funds provide detail summarized by program or fund, while the business-type activity at the government-wide level is presented overall. The changes in the State's proprietary funds are detailed further in the section entitled "[Financial Analysis of the State's Proprietary Funds](#)."

FINANCIAL ANALYSIS OF THE STATE'S GOVERNMENTAL FUNDS

Fund Balances

At June 30, 2020, the State's governmental funds reported combined ending fund balances of \$8.434 billion. Of this amount, \$2.075 billion or 24.60 percent is nonspendable, either due to its form or legal constraints, and \$4.115 billion or 48.79 percent is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. Unspent bond proceeds, revenue restricted for public education, revenue that derives from the operation of motor vehicles on public highways, mineral lease revenues, and earnings received from investment of the Trust Lands Permanent Fund are included in restricted fund balance. An additional \$1.731 billion or 20.52 percent of total fund balance has been committed to specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Legislature. An additional \$499.384 million or 5.92 percent of total fund balance has been assigned to specific purposes, as expressed by legislative intent. The remaining \$14.456 million or 0.17 percent of fund balance is unassigned and available for future appropriations.

State of Utah
Governmental Fund Balances as of June 30
(dollars expressed in thousands)

	General Fund	Education Fund	Transportation Fund	Transportation Investment Fund	Trust Lands Fund	Nonmajor Funds	Total
Nonspendable	\$ 220,026	\$ 24	\$ 13,552	\$ —	\$ 1,841,255	\$ 46	\$ 2,074,903
Restricted	69,366	1,919,715	467,342	492,224	683,798	482,177	4,114,622
Committed	855,925	—	—	465,761	—	408,828	1,730,514
Assigned	294,255	—	6,429	—	—	198,700	499,384
Unassigned	14,456	—	—	—	—	—	14,456
Total	\$ 1,454,028	\$ 1,919,739	\$ 487,323	\$ 957,985	\$ 2,525,053	\$ 1,089,751	\$ 8,433,879
Percent change from prior year ..	17.40 %	59.49 %	(4.75)%	42.92 %	(5.16)%	5.76 %	15.27 %

General Fund

The General Fund's total fund balance increased \$215.508 million or 17.40 percent in fiscal year 2020. The General Fund ended the year with a \$14.456 million dollar surplus, or unassigned fund balance due to unspent budgeted dollars. In the prior year, the General Fund ended the year with a zero dollar surplus, or unassigned fund balance.

Specific changes in the General Fund balance include the following:

- Nonspendable fund balance increased \$199.917 million or 994.17 percent primarily due to a \$175.449 million increase in prepaid items. The timing of Accountable Care Organization payments required in advance for the Medicaid program caused an increase of \$122.417 million. Additionally, monies received from the CARES Act were advanced to local governments, resulting in an additional \$41.076 million increase. Inventory increased \$27.143 million due the purchase and stockpile of personal protective equipment in response to the COVID-19 pandemic.
- Restricted fund balance increased \$26.125 million or 60.42 percent as a result of an increase in revenues set aside for specific purposes due to constraints that are imposed externally or by law. Increases include \$11.975 million in loans receivable provided by federal grants and donations for small businesses requesting assistance during the COVID-19 pandemic, and mineral lease revenues that exceeded expenditures by \$13.328 million.
- Committed fund balance increased by \$20.754 million or 2.49 percent due to a changes in monies set aside for various restricted purposes, designations, and reduced carry-forward from agencies. Additionally, the General Fund Budget Reserve Account balance increased \$26.101 million due to a legislative appropriation of \$19.244 million, and the statutory surplus transfer of \$6.856 million to the account. The account ended the year with a balance of \$251.222 million.
- Assigned fund balance decreased \$45.744 million or 13.45 percent. The decrease was due in part to a \$120.141 million increase in the amount set aside for next year's budget by the Legislature. Assigned fund balance also increased \$46.008 million due to an increase in tax accruals assigned by law. These increases were offset by a \$211.893 million decrease in nonspendable items, as described above. Items classified as nonspendable reduce assigned fund balance.

Total tax revenues in the General Fund increased \$178.421 million or 7.17 percent, the largest of which was sales and use tax which increased \$155.675 million or 7.25 percent. Overall, sales tax revenue in all governmental funds increased \$262.384 million or 9.35 percent primarily due to growth in the Utah economy and new legislation allowing collection of sales tax from online marketplaces. Total General Fund non-tax revenues increased \$633.064 million or 15.75 percent as explained below:

- Federal contracts and grants increased \$549.617 million or 17.71 percent primarily due to an increase in federal funding for Medicaid programs and the CARES Act. Additional increases in federal contracts and grants correspond to the increase in related expenditures as explained below.
- Charges for services increased \$35.281 million or 7.03 percent primarily due to an increase of \$9.711 million in lease revenue for sovereign and state lands, increased revenue of \$7.423 million in cooperative agreements with private partners, and a remaining increase due to general demand for government services.
- Miscellaneous and other revenues increased \$75.654 million or 28.20 percent primarily due to a state health insurance plan rebates and increases in Medicaid drug manufacturer rebates.

- Federal mineral lease revenue decreased \$19.001 million or 24.48 percent due to a decline in prices and production.
- Investment income decreased \$8.482 million or 19.44 percent due to lower interest rates.

Overall, total General Fund expenditures increased \$693.205 million or 9.38 percent as the State responded to a growing economy and an increase in the public's demand for government services due to the COVID-19 pandemic. Significant changes in expenditures occurred in the following areas:

- *Health and Environmental Quality* – Total expenditures increased \$427.864 million or 14.28 percent as a result of: (1) growth in the Medicaid Expansion program to include adults earning up to 138 percent of the federal poverty level; (2) significant increases in Medicaid enrollment due to the COVID-19 pandemic public health emergency; (3) increases in payments to Accountable Care Organizations resulting from a 2.89 percent increase in the capitated rates paid to those organizations; (4) increased enrollment in Home and Community Based Waiver programs; (5) increased payments under the Non-State Government Owned Nursing Facility Upper Payment Limit program.
- *General Government* – Total expenditures increased \$105.784 million or 25.18 percent primarily due to an \$87.445 million increase for emergency response due to the COVID-19 pandemic. Expenditures also increased \$19.463 million as the distribution of certain federal mineral lease payments was transitioned from the Utah Department of Transportation to the Department of Administrative Services. However, the year over year comparison for these federal mineral lease distributions actually decreased \$4.703 million, due to a decline in production and prices.
- *Human Services and Juvenile Justice Services* – Total expenditures increased \$60.651 million or 6.68 percent primarily due to a \$39.631 million increase within the Community Supports Waiver Services program for residential habitation support services, supported living services, host home services, and expenditures related to the COVID-19 pandemic. Expenditures also increased within the Office of Recovery Services to begin a system modernization of the Office of Recovery Services Information System (ORSIS). Expenditures for substance abuse and mental health programs increased as additional state and federal funding was provided to address the opioid crisis, firearm violence, suicide prevention, and other mental health interventions. The balance of the increase resulted from small increases in various other programs.

In addition to the significant changes in expenditures described above, the increase in overall expenditures is also due to a \$22.089 million increase as a result of a 2.50 percent salary increase for most state employees, increases in health insurance costs, workers' compensation rate reduction, and other payroll adjustments.

Budgetary Highlights – General Fund

The Legislature adopted the initial fiscal year 2020 budget during the 2019 General Session (January to March 2019). The original consensus revenue estimates in the General Fund budget at the start of fiscal year 2020, excluding department-specific revenue sources such as federal grants and departmental collections, and miscellaneous transfers, were 5.00 percent higher than the final fiscal year 2019 budget. The increase was primarily due to growth in the sales and use tax based on the strong Utah economy. Budgeted expenditures were 8.80 percent higher than the final fiscal year 2019 budget. The Governor and Legislature were able to balance the original fiscal year 2020 budget using revenue growth, prior year reserves, and fund balances.

The fiscal year 2020 budget was again addressed during the 2020 General Session, and the Third, Fourth, Fifth and Sixth Special Sessions of the Legislature. Final general revenue estimates decreased \$33.882 million from the original consensus estimates adopted during the 2019 General Session due to projected decreases in insurance premium tax, sales and use tax, liquor profit, and other revenue. Revenue estimates and base budget resources allowed the Legislature to set aside \$210.614 million for fiscal year 2021 appropriations. In the end, taxes and other general revenues ended the year \$7.022 million above final budgeted amounts. Final budgets of department-specific revenue sources decreased from original budgets due to a decrease in expected federal contracts and grants and federal mineral lease revenue. Final budgets for departmental-specific revenue sources and related expenditures are revised based on actual collections. The difference between final budgeted expenditures and actual expenditures is primarily due to nonlapsing and unspent restricted funds that will be carried forward to the next year. However, \$13.031 million of unspent budgeted dollars were lapsed back to the General Fund by various state agencies.

Education Fund

The fund balance in the Education Fund increased overall by \$716.043 million or 59.49 percent from the prior year as revenues and transfers in exceeded expenditures and transfers out. Tax accruals restricted by law for education increased \$806.045 million as a result of a shift in individual and corporate income tax payments from April 2020 to July 2020 due to the

COVID-19 pandemic. Education funds set aside for specific purposes increased \$13.419 million. Amounts set aside for fiscal year 2021 appropriations decreased \$74.852 million.

In addition to these changes, the Education Fund ended the year with a \$59.369 million surplus after an \$8.218 million property tax recapture and a \$16.792 million transfer to the Education Budget Reserve Account from an original revenue surplus of \$67.167 million. In the event of a "revenue surplus" in the Education Fund, state law requires that 25 percent of the surplus be transferred to the Education Budget Reserve Account, a budget stabilization account. State law requires an additional 25 percent be transferred to repay prior year transfers out of the account, but limits these transfers to 11 percent of Education Fund appropriations. The Education Budget Reserve Account ended the year with a balance of \$488.700 million.

Overall, total revenues in the Education Fund increased \$363.599 million or 6.69 percent. Individual income tax increased \$421.645 million or 9.72 percent due to economic growth despite the COVID-19 pandemic. Federal contracts and grants revenue increased \$61.974 million or 14.45 percent as a result of an increase in federally funded expenditures, as described below. These increases were offset by a decrease in corporate income tax of \$129.345 million or 24.18 percent, due to a temporary surge in the prior year as a result of federal tax law changes that caused corporations to repatriate foreign corporate earnings.

Overall, expenditures increased \$269.999 million or 6.52 percent in the Education Fund. The increase was primarily due to a \$196.688 million increase in expenditures within the Minimum School Program to provide for student enrollment growth and 4.00 percent increase in the weighted pupil unit value, which is the primary funding mechanism for public education. Expenditures in the Upstart Early Childhood and School Readiness Initiative Programs increased \$11.980 million due to an increase in state funding to award grants and pay results-based contracts for high-quality preschool programs through the School Readiness Board.

The balance of the increase in expenditures was due to a \$60.811 million increases in the following federal programs: **(1)** \$26.798 million for child nutrition and food commodities for school children due to the impacts of the COVID-19 pandemic, **(2)** \$19.227 million increase due to the timing of federal funding utilized by the local school districts, and **(3)** \$14.785 million increase in funding provided for general system support programs, primarily in Teaching and Learning and Career and Technical Education.

Net other financing uses decreased \$563.485 million or 45.41 percent. This change resulted from a \$557.369 million decrease in transfers out for higher education, which was replaced with General Fund money and capital projects; and a \$6.116 million increase in transfers in from the Trust Lands Permanent Fund for the School Land Program.

Transportation Fund

Total fund balance in the Transportation Fund decreased \$24.283 million or 4.75 percent from the prior year due to an increase in expenditures over revenue.

Overall, transportation revenues increased \$77.352 million or 6.82 percent. The increase resulted from the following changes in revenue as compared to the prior year:

- Federal contracts and grants increased \$66.884 million or 17.31 percent as a result of timing differences related to highway construction projects.
- Miscellaneous and other revenue increased \$26.714 million or 54.14 percent due to increase in cooperative agreements for transportation projects.
- Charges for services increased \$6.447 million or 11.68 percent due to a \$4.656 million increase in sale of services and a \$2.972 million increase in driver's license fees.
- License, permits, and fees increased \$4.055 million or 4.11 percent primarily due to an increase in registration fees.
- Motor and special fuels tax decreased \$22.797 million or 4.37 percent due to a decline in gallons sold in the last four months of fiscal year 2020 as a result of the COVID-19 pandemic.

Expenditures within the Transportation Fund increased \$167.873 million or 16.87 percent due to an increase in highway construction projects. Net other financing uses increased \$37.715 million or 107.03 percent primarily due to a \$27.531 million decrease in transfers in because the distribution of certain federal mineral lease payments was transitioned from the Utah Department of Transportation to the Department of Administrative Services.

Authorized federal funding for highway construction remains relatively stable from year to year. However, the spending of state

and federal revenue may vary from year to year since it reflects the timing of highway construction projects. These projects may span fiscal years and are impacted by a variety of circumstances such as environmental studies or existing weather conditions. In addition, the Department of Transportation has discretion on allocating federal funds among projects, which impacts the amount of federal revenue reported in the Transportation Fund.

Transportation Investment Fund

Total fund balance in the Transportation Investment Fund increased \$287.690 million or 42.92 percent from the prior year. Restricted fund balance increased \$492.224 million compared to a zero balance in the prior year due to unspent bond proceeds at yearend. Committed fund balance decreased \$204.534 million or 30.51 percent due to an increase in expenditures that utilized dedicated sales and use tax revenue.

Overall, revenues increased \$7.076 million or 0.95 percent. Sales and use tax revenues, statutorily reallocated from use in the General Fund to use for highway projects, increased \$17.455 million or 2.75 percent due to growth in the economy. Investment income decreased \$11.473 million or 55.07 percent primarily due to declining interest rates. Expenditures increased \$193.332 million or 31.57 percent from the prior year due to increased spending on highway construction projects. Net other financing sources increased \$458.470 million or 391.80 percent, due to a \$566.393 million increase in bond issuances and related premiums, offset by a \$110.210 million increase in transfers out for debt service.

Trust Lands Permanent Fund

The fund balance of the Trust Lands Permanent Fund decreased \$137.283 million or 5.16 percent from the prior year adjusted fund balance largely due to a \$193.354 million or 22.04 percent decrease in restricted fund balance. This decrease was due to a decline in investment returns as explained below. This decrease was offset by a \$56.071 million or 3.14 percent increase in nonspendable fund balance. This increase was attributable to revenues generated from land use and gains on sale of trust lands. As a result of a constitutional amendment that became effective July 1, 2017, the *Utah Constitution* allows all investment earnings of the of the Trust Lands Fund Permanent Fund to be distributed to beneficiaries, limited to annual distributions not to exceed 4.00 percent of the fund (based on a calculation described in statute).

Revenues decreased \$202.061 million or 136.12 percent. The decrease was attributable to a \$192.578 million or 197.13 percent decrease in investment income due to a change in investment strategies. Investment fund managers shifted from a heavy equity allocation to private market investments which take much longer to deploy and are slower to return capital. In the long-run, fund managers expect these strategies to have lower volatility and higher returns. Expenditures and transfers out increased \$11.228 million or 11.11 percent primarily due to an increase in the amount available for distribution to beneficiaries based on statutory formula. Sale of capital assets decreased \$5.550 million or 16.23 percent due to a decrease of surface and developed land sales. Overall, expenditures and transfers out exceeded revenues and transfers in resulting in a decrease in assets of \$163.722 million or 5.86 percent. Liabilities decreased \$25.178 million or 20.37 percent, primarily due to a decrease in securities lending liabilities because of less securities out on loan.

FINANCIAL ANALYSIS OF THE STATE'S PROPRIETARY FUNDS

Student Assistance Programs

The net position of the Student Assistance Programs decreased slightly by \$116 thousand or 0.03 percent from the prior year. Total assets decreased \$177.318 million or 10.65 percent mainly due to a decrease in student loans receivable related to a discontinued federal student loan program and will continue to decrease as the loans are paid off. Total liabilities decreased overall by \$183.345 million or 14.45 percent primarily due to payments of principal on student loan revenue bonds and notes of \$184.904 million during the year. Student loan interest revenue decreased \$11.121 million or 16.17 percent from prior year due in large part to relief provided by the CARES Act to federal borrowers in the form of an interest waiver. Borrower payments made during the last fiscal quarter decreased by \$14.000 million or 25.9 percent during the same quarter of fiscal year 2019 due to payment forbearance also provided by the CARES Act. The Programs experienced a decrease in interest expense of \$15.585 million or 35.36 percent due to declining market rates as a result of the COVID-19 pandemic, while student loan servicing expenses increased \$10.219 million or 21.91 percent due primarily to an increase in the number of loans serviced. Deferred inflows increased \$5.841 million or 30.98 percent due to the interest rate swap, which occurred as a result of declining swap rates in the marketplace. Of total net position of \$378.129 million, \$305.352 million is restricted for use within the programs by bond covenants or federal law.

Unemployment Compensation Fund

The State's average unemployment rate for the fiscal year 2020 increased to an estimated 4.9 percent from 2.6 percent in the prior year. Employer tax revenue increased \$11.961 million or 7.07 percent due to an overall contribution rate increase from the prior year. Expenses increased \$1 billion or 656.63 percent due to significantly more claims paid as a result of the COVID-19 pandemic. Overall, benefit payments far exceeded employer taxes and other revenues, resulting in a decrease in net position of

\$234.532 million or 19.72 percent. The entire net position of \$954.812 million is restricted for use within the program by state and federal law.

Water Loan Programs

Net position increased \$56.796 million or 5.32 percent percent from the prior year. Additional capital for the loans was provided from \$36.082 million in dedicated sales tax revenues, \$17.643 million in investment income, and \$17.529 million in federal grants. Of the total net position of \$1.124 billion, \$497.406 million is restricted for use within the Water Loan Programs by federal grant requirements and \$149.905 million is restricted pursuant to bond agreements within the programs.

Community Impact Loan Fund

The net position of the Community Impact Loan fund decreased \$12.180 million or 1.73 percent percent from the prior year primarily due to a decrease in interest income, which is a direct result of a \$16.174 million reduction from prior year in investment account balances coupled with reduced interest rates due to the COVID-19 pandemic. Transfers out also increased \$7.606 million or 42.33 percent from prior year due to fund community development grants expensed in the General Fund. There is no restriction on the Fund's net position of \$691.704 million.

CAPITAL ASSET AND LONG-TERM DEBT ADMINISTRATION

Capital Assets

The State's capital assets increased by a net \$786.827 million during the year. The change consisted of net increases in: construction in progress of \$491.147 million; land and related assets of \$172.068 million; infrastructure (i.e., state roads and bridges) of \$133.086 million; and machinery and equipment of \$2.048 million. Software decreased \$6.633 million and building and improvements decreased \$4.889 million due to current year amortization and depreciation exceeding additions. Significant projects included:

- New State Prison construction in progress
- Completion of the SR-68 and I-215 project
- Completion of the SR-73 Saratoga Springs frontage road project
- Completion of the National Guard Readiness Center

Several buildings financed by the State are actually owned by the colleges and universities, which are discrete component units of the State. Therefore, while the capital assets are on the discrete component unit's financial statements, any outstanding debt issued by the State to finance construction of those assets is reported as a liability of the State's governmental activities. This in turn reduces unrestricted net position. As of June 30, 2020, the State had \$59.308 million of outstanding debt related to capital assets of discretely presented component units.

At June 30, 2020, the State had commitments in capital projects funds of \$838.341 million for building projects and \$814.499 million for highway construction and improvement projects. The State also had commitments of \$395.188 million for road construction and other contract commitments in the Transportation Fund. Funding for the commitments will come from existing resources in these funds and from future appropriations and bond proceeds.

The State has adopted an allowable alternative to reporting depreciation for state roads and bridges (infrastructure assets) maintained by the Utah Department of Transportation (UDOT). Under this alternative method, referred to as the "modified approach," UDOT must maintain an asset management system and demonstrate that the infrastructure is being preserved at or above established condition levels. Infrastructure assets accounted for under the modified approach are not depreciated, and maintenance and preservation costs are expensed.

The State's established condition level for state roads is to maintain a certain percentage of mileage at a "fair" or better condition. The overall system has a target of 80 percent rated as "fair" or better. The most recent condition assessment completed in 2019 indicated that 91.18 percent of roads were in "fair" or better condition. These results reflect maintaining roads above target percentages and are consistent with calendar year 2018, when 91.40 percent of roads were assessed as "fair" or better condition.

The State's established condition level for bridges is to maintain 50 percent with a rating of "good" and no more than 10 percent of bridges with a "poor" rating. The most recent condition assessment, completed in April 2020, indicated that 61.63 percent and 2.95 percent of bridges were in "good" and "poor" condition, respectively. These results reflect maintaining bridges at a consistent condition level as 2019 when 64.38 percent of the bridges were assessed as "good" and 2.91 percent assessed were in "poor" condition.

During fiscal year 2020, the State spent \$400.733 million and \$70.718 million to maintain and preserve roads and bridges, respectively. These combined amounts were 37.41 percent above the estimated amounts of \$291.630 million and \$51.464 million needed to maintain these roads and bridges at established condition levels, respectively.

More information about capital assets is included in [Note 8](#) and more detailed information on the State's modified approach for reporting infrastructure is presented in the [Required Supplementary Information – Information About Infrastructure Assets Reported Using the Modified Approach](#).

Long-term Debt

The *Utah Constitution* allows the State to contract debts not exceeding 1.50 percent of the value of the total taxable property of the State (i.e., constitutional debt limit). The Legislature authorizes general obligation indebtedness within this limit. The *State Appropriation and Tax Limitation Act* (i.e., statutory debt limit) further limits the outstanding general obligation debt of the State to not exceed 45 percent of the maximum allowable state budget appropriation limit. As of June 30, 2020, the general obligation indebtedness of the State was \$3.855 billion below the constitutional debt limit and \$1.269 billion below the statutory debt limit.

Revenue bonds of the State Building Ownership Authority are not backed by the general taxing authority of the State, but are payable from revenue provided through appropriations of the Legislature or other operating revenues. Revenue bonds of the Student Assistance Programs and Water Loan Programs are not backed by the general taxing authority of the State, but are payable solely from specific fees or loan repayments as pledged in the bond indentures.

State of Utah Net Outstanding Bonded Debt as of June 30 (expressed in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		Percentage Change
	2020	2019	2020	2019	2020	2019	2019 to 2020
General Obligation Bonds.....	\$ 3,061	\$ 2,374	\$ —	\$ —	\$ 3,061	\$ 2,374	28.94 %
Revenue Bonds:							
State Building Ownership Authority.....	191	205	91	77	282	282	0.00 %
Student Assistance Programs.....	—	—	1,069	1,254	1,069	1,254	(14.75)%
Water Loan Programs.....	—	—	20	26	20	26	(23.08)%
Total Bonds Payable.....	\$ 3,252	\$ 2,579	\$ 1,180	\$ 1,357	\$ 4,432	\$ 3,936	12.60 %

Total general obligation bonds payable net of premiums and discounts increased \$686.401 million. Revenue bonds payable net of premiums and discounts decreased \$190.292 million for an overall net increase of \$496.109 million during the fiscal year. The State cash defeased \$78.430 million of general obligation highway bonds, and issued \$895.745 million of general obligation highway and prison bonds during the fiscal year. In addition, the State issued \$18.865 million of revenue bonds to fund capital facility projects. [Note 10](#) contains more information about the State's outstanding debt.

The State's active management of its resources has helped the State maintain its triple-A rating on general obligation bonds from all three national rating agencies, and double-A rating on lease revenue bonds from two national rating agencies from which ratings were sought. These ratings are the best available and save millions of dollars in interest costs each year because the State is able to obtain very favorable interest rates on new debt.

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

Original general revenue estimates of the General Fund for fiscal year 2021 are 0.51 percent lower than actual fiscal year 2020 revenues. Original revenue estimates of the Education Fund for fiscal year 2021 are 9.31 percent higher than actual fiscal year 2020 revenues. The Legislature balanced the 2021 budget using projected revenue growth, prior year reserves, and fund balances.

Preliminary data for fiscal year 2021 show tax revenues to be in line with estimates. The State's overall unemployment rate is expected to be 4.90 percent in 2020, an increase from the average 2019 rate of 2.60 percent. Taxable retail sales are expected to increase 13.30 percent in 2020 and increase 4.90 percent in 2021. Personal income is expected to increase 8.80 percent in 2020, and 1.60 percent in 2021. Because these indicators are measured on a calendar year basis, the impact on the State budget will not be fully realized until well into fiscal year 2021. The Governor and Legislature will review the fiscal year 2021 budget again during the upcoming 2021 General Session and take action as necessary to ensure a balanced budget.

CONTACTING THE STATE'S DIVISION OF FINANCE

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the State's finances and to demonstrate the State's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Department of Administrative Services: Division of Finance, Financial Reporting Section at P.O. Box 141031, Salt Lake City, UT, 84114, phone (801) 957-7780 or by email at utahcafr@utah.gov. You may also visit our website at finance.utah.gov.

The preceding discussion and analysis focuses on the State's primary government operations. With the exception of a few nonmajor discretely presented component units, the State's discrete component units each issue separate audited financial statements that include their respective management's discussion and analysis. Discrete component unit statements may be obtained from their respective administrative offices or from the Office of the State Auditor, Utah State Capitol Complex, East Office Building, Suite E310, Salt Lake City, UT 84114. You may also visit their website at auditor.utah.gov.

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STATE
OF UTAH

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2020

Basic Financial Statements



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Statement of Net Position
(expressed in thousands)

June 30, 2020

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and Cash Equivalents	\$ 2,057,540	\$ 1,687,513	\$ 3,745,053	\$ 2,143,063
Investments	5,865,680	17,125	5,882,805	3,100,961
Taxes Receivable, net	2,349,189	4,520	2,353,709	—
Accounts and Interest Receivable, net	914,247	219,707	1,133,954	918,827
Amounts Due From:				
Component Units	40,047	—	40,047	—
Primary Government	—	—	—	9,008
Prepaid Items	194,838	4,809	199,647	41,279
Inventories	43,661	38,033	81,694	170,966
Internal Balances	17,836	(17,836)	—	—
Restricted Investments	—	53,144	53,144	1,532,690
Restricted Receivables	—	—	—	7,861
Notes/Loans/Mortgages/Pledges Receivable, net	24,677	2,604,776	2,629,453	290,822
Capital Lease Payments Receivable, net	57,630	—	57,630	—
Pledged Loans Receivables	—	97,738	97,738	—
Other Assets	75,048	—	75,048	124,655
Capital Assets:				
Land and Other Non-depreciable Assets	2,348,414	39,116	2,387,530	854,136
Infrastructure	14,656,430	—	14,656,430	—
Construction in Progress	1,727,281	3,325	1,730,606	663,539
Buildings, Equipment, and Other Depreciable Assets	3,351,772	128,911	3,480,683	14,423,471
Less Accumulated Depreciation	(1,734,274)	(63,529)	(1,797,803)	(6,227,246)
Total Capital Assets	20,349,623	107,823	20,457,446	9,713,900
Total Assets	\$ 31,990,016	\$ 4,817,352	\$ 36,807,368	\$ 18,054,032
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	\$ 219,975	\$ 7,008	\$ 226,983	\$ 285,532
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 1,430,457	\$ 50,283	\$ 1,480,740	\$ 580,641
Amounts Due to:				
Component Units	1,738	—	1,738	—
Primary Government	—	—	—	40,077
Securities Lending	57,650	—	57,650	9,834
Unearned Revenue	925,942	6,265	932,207	225,896
Deposits	—	19	19	399,483
Long-term Liabilities:				
Due Within One Year	501,253	307,122	808,375	357,352
Due in More Than One Year	3,808,558	963,608	4,772,166	4,803,331
Total Liabilities	\$ 6,725,598	\$ 1,327,297	\$ 8,052,895	\$ 6,416,614
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	\$ 312,067	\$ 29,444	\$ 341,511	\$ 124,791
NET POSITION				
Net Investment in Capital Assets	\$ 18,041,509	\$ 41,047	\$ 18,082,556	\$ 5,839,482
Restricted for:				
Transportation	454,654	—	454,654	—
Public Education – Expendable	3,099,560	—	3,099,560	—
Public Education – Nonexpendable	1,746,939	—	1,746,939	—
Higher Education – Expendable	19,953	—	19,953	1,156,628
Higher Education – Nonexpendable	68,909	—	68,909	1,002,590
Capital Projects	45	—	45	—
Debt Service	—	149,905	149,905	—
Unemployment Compensation and Insurance Programs	9,356	954,812	964,168	420,373
Loan Programs	—	987,424	987,424	—
Transit Services	—	—	—	66,948
Other Purposes – Expendable	153,961	—	153,961	57,352
Other Purposes – Nonexpendable	26,446	—	26,446	—
Unrestricted	1,550,994	1,334,431	2,885,425	3,254,786
Total Net Position	\$ 25,172,326	\$ 3,467,619	\$ 28,639,945	\$ 11,798,159

The Notes to the Financial Statements are an integral part of this statement.

State of Utah

Statement of Activities (expressed in thousands)

For the Fiscal Year Ended June 30, 2020

For the Fiscal Year Ended June 30, 2020		Program Revenues		
Activities	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental:				
General Government	\$ 682,799	\$ 204,787	\$ 286,149	\$ 3,375
Human Services and Juvenile Justice Services	987,683	21,000	459,924	—
Corrections	339,380	2,229	1,529	—
Public Safety	314,582	81,252	114,215	—
Courts	172,154	49,817	2,518	—
Health and Environmental Quality	3,410,176	487,658	2,376,919	—
Higher Education	1,312,020	—	—	—
Employment and Family Services	781,075	7,838	591,614	—
Natural Resources	279,871	134,642	56,297	—
Heritage and Arts	42,670	3,024	9,963	—
Business, Labor, and Agriculture	133,129	129,467	9,350	—
Public Education	4,422,984	61,914	400,618	—
Transportation	1,583,608	259,022	286,364	176,832
Interest and Other Charges on Long-term Debt	78,745	—	—	—
Total Governmental Activities	14,540,876	1,442,650	4,595,460	180,207
Business-type:				
Student Assistance Programs	107,416	87,691	16,337	—
Unemployment Compensation	1,152,794	181,404	715,335	—
Water Loan Programs	12,266	3,322	17,529	—
Community and Economic Loan Programs	5,361	2,759	6,387	—
Liquor Retail Sales	327,070	449,760	306	—
Other Business-type Activities	43,694	47,928	—	—
Total Business-type Activities	1,648,601	772,864	755,894	0
Total Primary Government	\$ 16,189,477	\$ 2,215,514	\$ 5,351,354	\$ 180,207
Component Units:				
Public Employees Health Program	\$ 818,797	\$ 816,803	\$ 50,487	\$ —
University of Utah	5,313,250	4,504,492	822,704	37,295
Utah State University	845,478	249,251	414,107	38,888
Utah Transit Authority	590,812	379,730	69,746	34,809
Nonmajor Colleges and Universities	1,342,687	559,910	336,687	87,606
Nonmajor Component Units	70,184	30,394	2,740	14,573
Total Component Units	\$ 8,981,208	\$ 6,540,580	\$ 1,696,471	\$ 213,171

Continues

The Notes to the Financial Statements are an integral part of this statement.

Statement of Activities
(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

Continued

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Governmental:				
General Government	\$ (188,488)	\$ —	\$ (188,488)	\$ —
Human Services and Juvenile Justice Services	(506,759)	—	(506,759)	—
Corrections	(335,622)	—	(335,622)	—
Public Safety	(119,115)	—	(119,115)	—
Courts	(119,819)	—	(119,819)	—
Health and Environmental Quality	(545,599)	—	(545,599)	—
Higher Education	(1,312,020)	—	(1,312,020)	—
Employment and Family Services	(181,623)	—	(181,623)	—
Natural Resources	(88,932)	—	(88,932)	—
Heritage and Arts	(29,683)	—	(29,683)	—
Business, Labor, and Agriculture	5,688	—	5,688	—
Public Education	(3,960,452)	—	(3,960,452)	—
Transportation	(861,390)	—	(861,390)	—
Interest and Other Charges on Long-term Debt	(78,745)	—	(78,745)	—
Total Governmental Activities	(8,322,559)	0	(8,322,559)	0
Business-type:				
Student Assistance Programs	—	(3,388)	(3,388)	—
Unemployment Compensation	—	(256,055)	(256,055)	—
Water Loan Programs	—	8,585	8,585	—
Community and Economic Loan Programs	—	3,785	3,785	—
Liquor Retail Sales	—	122,996	122,996	—
Other Business-type Activities	—	4,234	4,234	—
Total Business-type Activities	0	(119,843)	(119,843)	0
Total Primary Government	(8,322,559)	(119,843)	(8,442,402)	0
Component Units:				
Public Employees Health Program	—	—	—	48,493
University of Utah	—	—	—	51,241
Utah State University	—	—	—	(143,232)
Utah Transit Authority	—	—	—	(106,527)
Nonmajor Colleges and Universities	—	—	—	(358,484)
Nonmajor Component Units	—	—	—	(22,477)
Total Component Units	0	0	0	(530,986)
General Revenues:				
Taxes:				
Sales and Use Tax	3,070,713	36,607	3,107,320	—
Individual Income Tax Imposed for Education	4,779,868	—	4,779,868	—
Corporate Tax Imposed for Education	406,423	—	406,423	—
Motor and Special Fuel Taxes Imposed for Transportation	498,400	—	498,400	—
Other Taxes	425,507	—	425,507	—
Total Taxes	9,180,911	36,607	9,217,518	0
Investment Income	44,541	62,620	107,161	—
State Funding for Colleges and Universities	—	—	—	1,095,715
State Funding for Other Component Units	—	—	—	63,639
Gain on Sale of Capital Assets	58,651	—	58,651	215
Miscellaneous	110,835	482	111,317	28,555
Permanent Endowments Contributions	—	—	—	29,719
Transfers—Internal Activities	151,133	(151,133)	—	—
Total General Revenues, Contributions and Transfers	9,546,071	(51,424)	9,494,647	1,217,843
Change in Net Position	1,223,512	(171,267)	1,052,245	686,857
Net Position—Beginning	23,948,814	3,638,886	27,587,700	11,093,082
Adjustment to Beginning Net Position	—	—	—	18,220
Net Position—Beginning as Adjusted	23,948,814	3,638,886	27,587,700	11,111,302
Net Position—Ending	\$ 25,172,326	\$ 3,467,619	\$ 28,639,945	\$ 11,798,159

The Notes to the Financial Statements are an integral part of this statement.

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General Fund

This fund is the principal operating fund of the State. It accounts for all financial resources not accounted for and reported in another fund.

Education Fund

This fund accounts for all corporate and income taxes that support public and higher education in the State. This fund is also used to account for specific revenues and expenditures that support the public elementary and secondary schools.

Transportation Fund

This fund is maintained to account for revenues and expenditures associated with highway construction and maintenance. Principal funding is provided from dedicated highway user taxes, fees, and federal funds.

Transportation Investment Fund

This capital projects fund is used to account for revenues and expenditures associated with the construction and reconstruction of specific state and federal highways. Projects designated for the Transportation Investment Capacity program are accounted for within this fund. Funding is provided from highway general obligation bonds, federal funds, vehicle registration fees, sales and use taxes, and appropriations.

Trust Lands Fund

This permanent fund accounts for the investment earnings, land grants, and the sale of lands received from the federal *Enabling Act*. The principal in the fund is perpetual with the earnings used primarily to support public education.

Nonmajor Governmental Funds

Nonmajor governmental funds are presented in more detail by fund type within [Supplementary Information – Combining Statements and Individual Fund Statements and Schedules](#).

State of Utah

Balance Sheet Governmental Funds (expressed in thousands)

June 30, 2020

		Special Revenue Funds		Capital Projects Fund	Permanent Fund		
	General Fund	Education	Transportation	Transportation Investment	Trust Lands	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents.....	\$ 818,294	\$ 87,763	\$ 568,600	\$ 79,627	\$ 30,671	\$ 370,710	\$ 1,955,665
Investments.....	1,055,442	587,954	50,209	805,633	2,486,972	879,470	5,865,680
Receivables:							
Accounts, net.....	562,939	172,715	95,172	—	37,660	33,740	902,226
Accrued Interest.....	31	86	—	—	241	6,541	6,899
Accrued Taxes, net.....	344,921	1,856,048	61,619	75,763	—	10,838	2,349,189
Notes/Mortgages, net.....	14,112	9,121	—	—	1,444	—	24,677
Capital Lease Payments, net.....	—	—	—	—	—	57,630	57,630
Due From Other Funds.....	47,521	35,445	282	—	329	5,100	88,677
Due From Component Units.....	559	—	—	—	—	38,290	38,849
Prepaid Items.....	183,074	24	459	—	—	46	183,603
Inventories.....	27,564	—	13,093	—	—	—	40,657
Interfund Loans Receivable.....	24,891	—	—	—	—	—	24,891
Other Assets.....	—	—	—	—	75,060	—	75,060
Total Assets.....	<u>\$ 3,079,348</u>	<u>\$ 2,749,156</u>	<u>\$ 789,434</u>	<u>\$ 961,023</u>	<u>\$ 2,632,377</u>	<u>\$ 1,402,365</u>	<u>\$ 11,613,703</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable and Accrued Liabilities.....	\$ 637,264	\$ 295,315	\$ 262,811	\$ —	\$ 17,163	\$ 192,092	\$ 1,404,645
Due To Other Funds.....	34,643	516	4,819	—	23,374	40,604	103,956
Due To Component Units.....	1,501	—	—	—	233	—	1,734
Securities Lending.....	—	—	—	—	57,650	—	57,650
Unearned Revenue.....	868,093	592	33,824	—	—	22,288	924,797
Total Liabilities.....	<u>1,541,501</u>	<u>296,423</u>	<u>301,454</u>	<u>0</u>	<u>98,420</u>	<u>254,984</u>	<u>2,492,782</u>
Deferred Inflows of Resources:							
Unavailable Revenue.....	<u>83,819</u>	<u>532,994</u>	<u>657</u>	<u>3,038</u>	<u>8,904</u>	<u>57,630</u>	<u>687,042</u>
Total Deferred Inflows of Resources.....	<u>83,819</u>	<u>532,994</u>	<u>657</u>	<u>3,038</u>	<u>8,904</u>	<u>57,630</u>	<u>687,042</u>
Fund Balances:							
Nonspendable:							
Long-term Portion of Interfund Loans Receivable.....	9,388	—	—	—	—	—	9,388
Prepaid Items.....	183,074	24	459	—	—	46	183,603
Inventories.....	27,564	—	13,093	—	—	—	40,657
Permanent Fund Principal.....	—	—	—	—	1,841,255	—	1,841,255
Restricted.....	69,366	1,919,715	467,342	492,224	683,798	482,177	4,114,622
Committed.....	855,925	—	—	465,761	—	408,828	1,730,514
Assigned.....	294,255	—	6,429	—	—	198,700	499,384
Unassigned.....	14,456	—	—	—	—	—	14,456
Total Fund Balances.....	<u>1,454,028</u>	<u>1,919,739</u>	<u>487,323</u>	<u>957,985</u>	<u>2,525,053</u>	<u>1,089,751</u>	<u>8,433,879</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances.....	<u>\$ 3,079,348</u>	<u>\$ 2,749,156</u>	<u>\$ 789,434</u>	<u>\$ 961,023</u>	<u>\$ 2,632,377</u>	<u>\$ 1,402,365</u>	<u>\$ 11,613,703</u>

The Notes to the Financial Statements are an integral part of this statement.

Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
(expressed in thousands)

June 30, 2020

Total Fund Balances – Governmental Funds	\$	8,433,879
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The total net position reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds: (See [Note 8](#))

Land and Related Non-depreciable Assets	\$	2,348,414
Infrastructure, Non-depreciable		14,656,430
Construction in Progress		1,727,281
Buildings, Equipment, and Other Depreciable Assets		3,157,955
Accumulated Depreciation		(1,622,275)
		20,267,805

Deferred inflows of resources are not reported in the governmental funds:

Revenues are not available soon enough after yearend to pay for the current period's expenditures	\$	677,259
Related to Pensions		(236,894)
Related to Other Postemployment Benefits		(43,061)
		397,304

Internal service funds are used by management to charge the costs of certain activities, such as insurance, technology services, and fleet operations to individual governmental funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position

44,650

Deferred outflows of resources are not reported in the governmental funds:

Amount on Refundings of Bonded Debt	\$	12,654
Related to Pensions		173,962
Related to OPEB		16,947
		203,563

Long-term liabilities and related accrued interest are not due and payable in the current period and therefore are not reported in the governmental funds: (See [Note 10](#))

General Obligation and Revenue Bonds Payable	\$	(3,008,738)
Unamortized Bond Premiums		(243,120)
Accrued Interest on Bonds Payable		(1,027)
Pollution Remediation Obligation		(5,308)
Settlement Obligation		(1,113)
Arbitrage Liability		(418)
Compensated Absences		(210,811)
Capital Leases		(28,380)
Net Other Postemployment Benefits Liability		(16,695)
Net Pension Liability		(659,265)
		(4,174,875)

Total Net Position – Governmental Activities	\$	25,172,326
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The Notes to the Financial Statements are an integral part of this statement.

State of Utah

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds (expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Special Revenue Funds			Capital Projects Fund	Permanent Fund	Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Education	Transportation	Transportation Investment	Trust Lands		
REVENUES							
Taxes:							
Sales and Use Tax	\$ 2,302,910	\$ —	\$ —	\$ 652,343	\$ —	\$ 112,749	\$ 3,068,002
Individual Income Tax	—	4,758,082	—	—	—	—	4,758,082
Corporate Tax	—	405,632	—	—	—	—	405,632
Motor and Special Fuels Tax	—	—	498,402	—	—	—	498,402
Other Taxes	364,794	31,797	11,620	—	—	17,271	425,482
Total Taxes	2,667,704	5,195,511	510,022	652,343	0	130,020	9,155,600
Other Revenues:							
Federal Contracts and Grants	3,652,812	490,855	453,258	—	—	51,309	4,648,234
Charges for Services/Royalties	537,191	1,710	61,640	—	41,274	217,637	859,452
Licenses, Permits, and Fees	25,659	6,591	102,737	90,271	—	—	225,258
Federal Mineral Lease	58,606	—	—	—	—	—	58,606
Intergovernmental	—	—	—	—	—	8,057	8,057
Investment Income	35,148	15,251	7,631	9,360	(94,888)	13,931	(13,567)
Miscellaneous Other:							
Liquor Sales Allocated for School Lunch	—	50,022	—	—	—	—	50,022
Miscellaneous and Other	343,952	42,262	76,059	—	—	47,843	510,116
Total Revenues	7,321,072	5,802,202	1,211,347	751,974	(53,614)	468,797	15,501,778
EXPENDITURES							
Current:							
General Government	525,846	—	—	—	19,158	63,653	608,657
Human Services and Juvenile Justice Services	969,244	—	—	—	—	15,363	984,607
Corrections	331,116	—	—	—	—	6,769	337,885
Public Safety	299,167	—	—	—	—	42,501	341,668
Courts	161,204	—	—	—	—	4,261	165,465
Health and Environmental Quality	3,423,327	—	—	—	—	3,884	3,427,211
Higher Education – State Administration	125,335	—	—	—	—	—	125,335
Higher Education – Colleges and Universities	1,063,339	—	—	—	4,339	41,769	1,109,447
Employment and Family Services	769,126	—	—	—	—	8,920	778,046
Natural Resources	263,264	—	—	—	—	9,730	272,994
Heritage and Arts	40,124	—	—	—	—	1,740	41,864
Business, Labor, and Agriculture	108,421	—	—	—	—	23,601	132,022
Public Education	—	4,408,707	—	—	—	572	4,409,279
Transportation	—	—	1,162,676	—	—	3,518	1,166,194
Capital Outlay	—	—	—	805,739	—	480,920	1,286,659
Debt Service:							
Principal Retirement	—	—	—	—	—	281,801	281,801
Interest and Other Charges	—	—	—	—	—	190,114	190,114
Total Expenditures	8,079,513	4,408,707	1,162,676	805,739	23,497	1,179,116	15,659,248
Excess Revenues Over (Under) Expenditures	(758,441)	1,393,495	48,671	(53,765)	(77,111)	(710,319)	(157,470)
OTHER FINANCING SOURCES (USES)							
General Obligation Bonds Issued	—	—	—	600,055	—	295,690	895,745
Premium on Bonds Issued	—	—	—	116,741	—	56,844	173,585
Sale of Capital Assets	207	—	28,736	—	28,642	1,171	58,756
Transfers In	1,124,262	100,190	16,496	40,434	15	618,566	1,899,963
Transfers Out	(150,520)	(777,642)	(118,186)	(415,775)	(88,829)	(202,591)	(1,753,543)
Total Other Financing Sources (Uses)	973,949	(677,452)	(72,954)	341,455	(60,172)	769,680	1,274,506
Net Change in Fund Balances	215,508	716,043	(24,283)	287,690	(137,283)	59,361	1,117,036
Fund Balances – Beginning	1,238,520	1,203,696	511,606	670,295	2,662,336	1,030,390	7,316,843
Fund Balances – Ending	\$ 1,454,028	\$ 1,919,739	\$ 487,323	\$ 957,985	\$ 2,525,053	\$ 1,089,751	\$ 8,433,879

The Notes to the Financial Statements are an integral part of this statement.

State of Utah

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities Governmental Funds (expressed in thousands)

For the Fiscal Year Ended June 30, 2020

Net Change in Fund Balances – Governmental Funds	\$ 1,117,036
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The change in net position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. The primary government also constructs buildings for discrete component units. When the buildings are completed they are “transferred” to the respective discrete component unit and reported as expenses in its Statement of Activities. This is the amount by which capital outlays of \$992,660 exceeded depreciation expense of \$(114,773) and buildings “transferred” to discrete component units of \$(77,271) in the current period. (See Note 8)	800,616
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In the Statement of Activities only the gain/loss on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus the change in net position differs from the change in governmental fund balance by the cost of the assets sold.	(19,572)
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Net effect of revenues reported on the accrual basis in the Statement of Activities that are reported as deferred inflows of resources in the governmental funds, as they are unavailable and do not provide current financial resources.	(3,140)
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Internal service funds are used by management to charge the costs of certain activities, such as insurance, technology services, and fleet operations to individual governmental funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	12,431
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Bond proceeds and capital leases provide current financial resources to governmental funds by issuing debt which increases long-term liabilities in the Statement of Net Position. Repayments of bond and capital lease principal are expenditures in the governmental funds, but reduce liabilities in the Statement of Net Position: (See [Note 10](#))

Bonds Issued	\$ (895,745)	
Premiums on Bonds Issued	(173,585)	
Defeasance on Bonds	78,430	
Payment of Bond Principal	281,801	
Capital Lease Payments	2,626	(706,473)

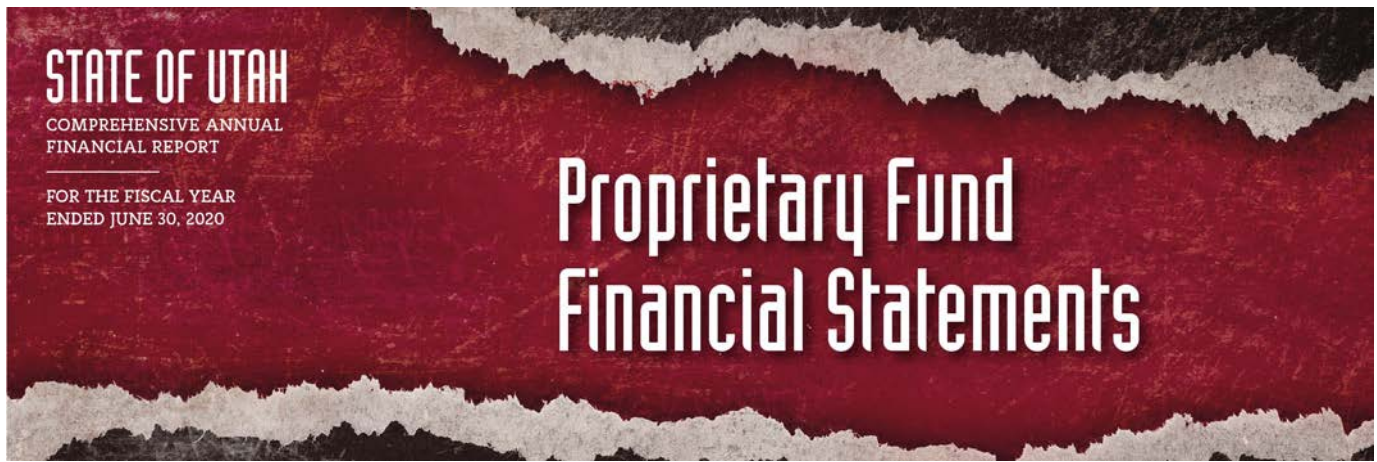
Expenditures are recognized in the governmental funds when paid or due for: items not normally paid with available financial resources; and interest on long-term debt unless certain conditions are met. However, the Statement of Activities is presented on the accrual basis and expenses are reported when incurred, regardless of when financial resources are available or expenditures are paid or due. This adjustment combines the net changes of the following balances:

Pollution Remediation Outlays	\$ 16	
Settlement Obligations	(885)	
Compensated Absences Expense	327	
Accrued Interest on Bonds Payable	71	
Amortization of Bond Premiums	36,531	
Amortization of Deferred Amount on Refundings of Bonded Debt	(2,883)	
Arbitrage Interest Expense	126	
Other Postemployment Benefits Expense	25,150	
Pension Expense	(35,839)	22,614

Change in Net Position – Governmental Activities	<u>\$ 1,223,512</u>
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The Notes to the Financial Statements are an integral part of this statement.

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Student Assistance Programs

These programs are administered by the State Board of Regents and are comprised of the Utah Higher Education Assistance Authority Student Loan Guarantee Program and the Student Loan Purchase Program. The purpose of these programs is to guarantee the repayment of student loans made by participating lenders to eligible borrowers and service outstanding student loans. Funds are acquired from the sale of bonds, lines of credit, and funding notes.

Unemployment Compensation Fund

This fund pays claims for unemployment to eligible recipients and is funded through employer contributions and reimbursements, and federal grants.

Water Loan Programs

These programs provide loans to local governments, water districts, and other entities for the purpose of upgrading water storage facilities and other related structures. Capital for this fund was provided from the General Fund and from general obligation bonds that were repaid with general tax revenues. Additional funds have been generated by issuing water loan recapitalization revenue bonds that are secured by pledged principal and interest payments of specific revolving water resources loan funds.

Community Impact Loan Fund

This fund provides loans to local governments to alleviate the social, economic, and public financial impacts resulting from the development of the State's natural resources. Working capital for this fund is provided from federal mineral lease funds transferred from the General Fund. This fund also administers loans and loan guarantees from federal funds to small businesses under the Small Business Credit Initiative.

Nonmajor Enterprise Funds

Nonmajor enterprise funds are presented in more detail within [Supplementary Information – Combining Statements and Individual Fund Statements and Schedules](#).

Governmental Activities – Internal Service Funds

These funds are maintained to account for the operation of state agencies that provide goods or services to other state agencies and other governmental units on a cost-reimbursement basis. These funds are presented in more detail within [Supplementary Information – Combining Statements and Individual Fund Statements and Schedules](#).

State of Utah

Statement of Net Position Proprietary Funds (expressed in thousands)

June 30, 2020

	Business-type Activities - Enterprise Funds						Governmental Activities
	Student Assistance Programs	Unemployment Compensation Fund	Water Loans Programs	Community Impact Loan Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS							
Current Assets:							
Cash and Cash Equivalents.....	\$ 123,484	\$ 915,955	\$ 343,911	\$ 224,951	\$ 79,212	\$ 1,687,513	\$101,875
Restricted Investments.....	53,144	—	—	—	—	53,144	—
Receivables:							
Accounts, net.....	8,912	145,473	1,233	—	5,883	161,501	5,065
Accrued Interest.....	37,643	—	4,110	5,188	2,913	49,854	—
Accrued Taxes, net.....	—	—	4,520	—	—	4,520	—
Notes/Loans/Mortgages, net.....	205,654	—	42,964	31,307	13,654	293,579	—
Due From Other Funds.....	—	—	12,214	—	26,818	39,032	36,277
Due From Component Units.....	—	—	—	—	—	—	1,203
Prepaid Items.....	879	—	—	—	3,930	4,809	1,985
Inventories.....	—	—	—	—	38,033	38,033	3,004
Total Current Assets.....	429,716	1,061,428	408,952	261,446	170,443	2,331,985	149,409
Noncurrent Assets:							
Accounts Receivables.....	—	3,000	—	—	—	3,000	—
Investments.....	16,848	—	—	—	277	17,125	—
Prepaid Items.....	—	—	—	—	—	—	9,250
Accrued Interest Receivable.....	—	—	3,725	70	1,557	5,352	—
Notes/Loans/Mortgages Receivables, net.....	1,031,738	—	634,874	430,188	214,397	2,311,197	—
Pledged Loans Receivables.....	—	—	97,738	—	—	97,738	—
Capital Assets:							
Land.....	—	—	30	—	39,086	39,116	—
Infrastructure – depreciating.....	—	—	—	—	430	430	38
Buildings and Improvements.....	13,471	—	—	—	91,557	105,028	5,455
Machinery and Equipment.....	4,260	—	—	—	15,041	19,301	175,645
Intangible Assets–Software.....	1,174	—	—	—	2,978	4,152	12,679
Construction in Progress.....	—	—	—	—	3,325	3,325	—
Less Accumulated Depreciation.....	(9,819)	—	—	—	(53,710)	(63,529)	(111,999)
Total Capital Assets.....	9,086	0	30	0	98,707	107,823	81,818
Total Noncurrent Assets.....	1,057,672	3,000	736,367	430,258	314,938	2,542,235	91,068
Total Assets.....	\$1,487,388	\$1,064,428	\$1,145,319	\$ 691,704	\$ 485,381	\$4,874,220	\$240,477
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Amount on Refundings of Bonded Debt.....	\$ —	\$ —	\$ —	\$ —	\$ 2,334	\$ 2,334	\$ —
Deferred Outflows Relating to Pensions.....	719	—	—	—	3,661	4,380	15,162
Deferred Outflows Relating to Other Postemployment Benefit.....	—	—	—	—	294	294	1,251
Total Deferred Outflows of Resources.....	\$ 719	\$ 0	\$ 0	\$ 0	\$ 6,289	\$ 7,008	\$ 16,413

Continues

The Notes to the Financial Statements are an integral part of this statement.

Statement of Net Position
Proprietary Funds
(expressed in thousands)

June 30, 2020

	Business-type Activities - Enterprise Funds						Governmental Activities
	Student Assistance Programs	Unemployment Compensation Fund	Water Loans Programs	Community Impact Loan Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<i>Continued</i>							
LIABILITIES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 15,395	\$ 10,086	\$ 2,157	\$ —	\$ 22,040	\$ 49,678	\$ 24,387
Deposits	—	9	—	—	10	19	—
Due To Other Funds	—	18,483	55	—	38,330	56,868	3,500
Due To Component Units	—	—	—	—	—	—	4
Interfund Loans Payable	—	—	—	—	—	—	15,503
Unearned Revenue	—	1,249	—	—	5,016	6,265	584
Policy Claims and Uninsured Liabilities	—	79,789	—	—	—	79,789	32,079
Notes Payable	—	—	—	—	—	—	49
Revenue Bonds Payable	213,952	—	6,220	—	7,161	227,333	21
Total Current Liabilities	229,347	109,616	8,432	0	72,557	419,952	76,127
Noncurrent Liabilities:							
Unearned Revenue	—	—	—	—	—	—	561
Accrued Liabilities	605	—	—	—	—	605	—
Interfund Loans Payable	—	—	—	—	—	—	9,388
Policy Claims and Uninsured Liabilities	—	—	—	—	—	—	41,543
Notes Payable	—	—	—	—	—	—	134
Revenue Bonds Payable	854,771	—	13,345	—	84,078	952,194	—
Net Pension Liability	558	—	—	—	10,506	11,064	60,442
Net Other Postemployment Benefit Liability	—	—	—	—	350	350	1,716
Total Noncurrent Liabilities	855,934	0	13,345	0	94,934	964,213	113,784
Total Liabilities	\$1,085,281	\$ 109,616	\$ 21,777	\$ 0	\$ 167,491	\$1,384,165	\$189,911
DEFERRED INFLOWS OF RESOURCES							
Deferred Amount on Refundings of Bonded Debt	\$ 7,399	\$ —	\$ —	\$ —	\$ —	\$ 7,399	\$ —
Fair Value of Interest Rate Swap Agreements	16,849	—	—	—	—	16,849	—
Deferred Inflows Relating to Pensions	449	—	—	—	4,033	4,482	19,187
Deferred Inflows Relating to Other Postemployment Benefit	—	—	—	—	714	714	3,142
Total Deferred Inflows of Resources	\$ 24,697	\$ 0	\$ 0	\$ 0	\$ 4,747	\$ 29,444	\$ 22,329
NET POSITION							
Net Investment in Capital Assets	\$ 6,992	\$ —	\$ —	\$ —	\$ 34,055	\$ 41,047	\$ 81,903
Restricted for:							
Unemployment Compensation and Insurance Programs	—	954,812	—	—	—	954,812	9,356
Loan Programs	305,352	—	497,406	—	184,666	987,424	—
Debt Service	—	—	149,905	—	—	149,905	—
Unrestricted (Deficit)	65,785	—	476,231	691,704	100,711	1,334,431	(46,609)
Total Net Position	\$ 378,129	\$ 954,812	\$1,123,542	\$ 691,704	\$ 319,432	\$3,467,619	\$ 44,650

The Notes to the Financial Statements are an integral part of this statement.

State of Utah

Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds (expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds						Governmental Activities
	Student Assistance Programs	Unemployment Compensation Fund	Water Loans Programs	Community Impact Loan Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES							
Sales and Charges for Services/Premiums.....	\$ 26,926	\$ 181,084	\$ 1,840	\$ —	\$ 488,384	\$ 698,234	\$337,483
Fees and Assessments	547	320	1,482	—	8,165	10,514	—
Interest on Notes/Mortgages.....	57,666	—	—	—	2,778	60,444	—
Federal Reinsurance and Allowances/Reimbursements.....	16,337	—	—	—	—	16,337	—
Miscellaneous	2,552	—	—	—	1,120	3,672	299
Total Operating Revenues	104,028	181,404	3,322	0	500,447	789,201	337,782
OPERATING EXPENSES							
Administration.....	3,789	—	—	—	42,212	46,001	154,339
Purchases, Materials, and Services for Resale	—	—	—	—	285,333	285,333	68,136
Grants.....	—	—	5,500	—	1,537	7,037	—
Rentals and Leases	—	—	22	—	1,752	1,774	7,710
Maintenance.....	—	—	—	—	5,216	5,216	24,717
Interest	28,496	—	—	—	—	28,496	—
Depreciation/Amortization.....	1,158	—	—	—	3,999	5,157	17,368
Student Loan Servicing and Related Expenses.....	56,850	—	—	—	—	56,850	—
Payment to Lenders for Guaranteed Claims.....	16,368	—	—	—	—	16,368	—
Benefit Claims and Unemployment Compensation.....	—	1,152,794	—	—	—	1,152,794	15,318
Supplies and Other Miscellaneous.....	405	—	5,835	73	32,422	38,735	48,368
Total Operating Expenses	107,066	1,152,794	11,357	73	372,471	1,643,761	335,956
Operating Income (Loss).....	(3,038)	(971,390)	(8,035)	(73)	127,976	(854,560)	1,826
NONOPERATING REVENUES (EXPENSES)							
Investment Income	3,272	27,754	17,643	11,410	2,541	62,620	1,488
Federal Contracts and Grants	—	715,335	17,529	69	6,624	739,557	—
Disposal of Capital Assets.....	—	—	—	—	(517)	(517)	292
Tax Revenues	—	—	36,082	—	525	36,607	—
Interest Expense.....	—	—	(909)	—	(3,064)	(3,973)	(12)
Refunds Paid to Federal Government.....	(100)	—	—	—	—	(100)	(318)
Other Revenues (Expenses).....	(250)	—	—	—	482	232	1,067
Total Nonoperating Revenues (Expenses).....	2,922	743,089	70,345	11,479	6,591	834,426	2,517
Income (Loss) before Capital Contributions and Transfers.....	(116)	(228,301)	62,310	11,406	134,567	(20,134)	4,343
Capital Contributions.....	—	—	—	—	—	—	3,375
Transfers In.....	—	—	2,359	—	10,279	12,638	4,713
Transfers Out	—	(6,231)	(7,873)	(23,586)	(126,081)	(163,771)	—
Change in Net Position	(116)	(234,532)	56,796	(12,180)	18,765	(171,267)	12,431
Net Position – Beginning.....	378,245	1,189,344	1,066,746	703,884	300,667	3,638,886	32,219
Net Position – Ending	\$ 378,129	\$ 954,812	\$ 1,123,542	\$ 691,704	\$ 319,432	\$3,467,619	\$ 44,650

The Notes to the Financial Statements are an integral part of this statement.

Statement of Cash Flows

Proprietary Funds

(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Business-type Activities – Enterprise Funds						Governmental Activities
	Student Assistance Programs	Unemployment Compensation Fund	Water Loan Fund	Community Impact Loan Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from Customers/Loan Interest/Fees/Premiums	\$ 62,254	\$ 187,429	\$ 4,284	\$ —	\$ 519,917	\$ 773,884	\$ 55,323
Receipts from Loan Maturities	212,072	—	—	—	12,147	224,219	—
Receipts Federal Reinsurance and Allowances/Reimbursements	4,785	—	—	—	—	4,785	—
Receipts from State Departments and Component Unit Customers	—	—	—	—	36,848	36,848	568,027
Payments to Suppliers/Claims/Grants	(18,992)	(1,075,219)	(9,096)	(17)	(313,930)	(1,417,254)	(402,602)
Disbursements for Loans Receivable	(12,330)	—	—	—	(22,396)	(34,726)	—
Payments on Loan Guarantees	(17,215)	—	—	—	—	(17,215)	—
Payments for Employee Services and Benefits	(27,639)	—	—	—	(43,215)	(70,854)	(150,472)
Payments to State Suppliers and Grants	—	—	(801)	(79)	(11,069)	(11,949)	(39,424)
Payments of Sales Tax and School Lunch Collections	—	—	—	—	(55,032)	(55,032)	—
Net Cash Provided (Used) by Operating Activities	202,935	(887,790)	(5,613)	(96)	123,270	(567,294)	30,852
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Borrowings Under Interfund Loans	—	—	—	—	36,787	36,787	168
Repayments Under Interfund Loans	—	—	—	—	(34,418)	(34,418)	(2,419)
Receipts from Bonds, Notes, and Deposits	—	2	—	—	—	2	—
Payments of Bonds, Notes, Deposits, and Refunds	(184,904)	(2)	(5,955)	—	—	(190,861)	(44)
Interest Paid on Bonds, Notes, and Financing Costs	(31,244)	—	(976)	—	—	(32,220)	(10)
Federal Contracts and Grants and Other Revenues	—	636,388	17,529	69	6,612	660,598	—
Restricted Sales Tax	—	—	36,576	—	525	37,101	—
Transfers In from Other Funds	—	—	2,359	—	10,341	12,700	2,125
Transfers Out to Other Funds	—	(6,231)	(7,873)	(23,586)	(126,143)	(163,833)	—
Net Cash Provided (Used) by Noncapital Financing Activities	(216,148)	630,157	41,660	(23,517)	(106,296)	325,856	(180)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Borrowings Under Interfund Loans	—	—	—	—	—	—	16,743
Repayments Under Interfund Loans	—	—	—	—	—	—	(21,019)
Proceeds from Bond and Note Debt Issuance	—	—	—	—	19,606	19,606	—
Proceeds from Disposition of Capital Assets	—	—	—	—	(495)	(495)	5,370
Federal Grants and Other Revenues	—	—	—	—	—	—	3,375
Principal Paid on Debt and Contract Maturities	—	—	—	—	(4,594)	(4,594)	(86)
Acquisition and Construction of Capital Assets	(642)	—	(30)	—	(26,072)	(26,744)	(17,223)
Interest Paid on Bonds, Notes, and Capital Leases	—	—	—	—	(3,898)	(3,898)	(1)
Transfers In from Other Funds	—	—	—	—	—	—	2,588
Net Cash Provided (Used) by Capital and Related Financing Activities	(642)	0	(30)	0	(15,453)	(16,125)	(10,253)

Continues

The Notes to the Financial Statements are an integral part of this statement.

State of Utah

Statement of Cash Flows

Proprietary Funds

(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Business-type Activities – Enterprise Funds						Governmental Activities
	Student Assistance Programs	Unemployment Compensation Fund	Water Loan Fund	Community Impact Loan Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<i>Continued</i>							
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from the Sale and Maturity of Investments	249,554	—	—	—	(36)	249,518	—
Receipts of Interest and Dividends	3,284	27,753	17,616	11,410	738	60,801	1,488
Receipts from Loan Maturities	—	—	41,278	57,717	3,474	102,469	—
Receipts of Interest from Loans	—	—	(98)	(425)	1,372	849	—
Payments to Purchase Investments	(244,076)	—	—	—	—	(244,076)	—
Disbursements for Loans Receivable	—	—	(119,668)	(33,113)	(7,035)	(159,816)	—
Net Cash Provided (Used) by Investing Activities	8,762	27,753	(60,872)	35,589	(1,487)	9,745	1,488
Net Cash Provided (Used) – All Activities	(5,093)	(229,880)	(24,855)	11,976	34	(247,818)	21,907
Cash and Cash Equivalents – Beginning	128,577	1,145,835	368,766	212,975	79,178	1,935,331	79,968
Cash and Cash Equivalents – Ending	<u>\$ 123,484</u>	<u>\$ 915,955</u>	<u>\$ 343,911</u>	<u>\$ 224,951</u>	<u>\$ 79,212</u>	<u>\$ 1,687,513</u>	<u>\$ 101,875</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Operating Income (Loss)	\$ (3,038)	\$ (971,390)	\$ (8,035)	\$ (73)	\$ 127,976	\$ (854,560)	\$ 1,826
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation/Amortization Expense	1,158	—	—	—	3,999	5,157	17,368
Interest Expense for Noncapital and Capital Financing	28,683	—	—	—	—	28,683	—
Pension and OPEB Expense Accruals	(812)	—	—	—	612	(200)	1,987
Miscellaneous Gains, Losses, and Other Items	102	—	—	—	—	102	749
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:							
Accounts Receivable/Due From Other Funds	6,404	(10,588)	1,470	—	2,793	79	5,600
Notes/Accrued Interest Receivables	171,769	—	—	—	(10,605)	161,164	—
Inventories	—	—	—	—	617	617	41
Prepaid Items/Deferred Charges	(94)	—	—	—	(2,170)	(2,264)	(1,518)
Accrued Liabilities/Due to Other Funds	(1,237)	17,678	952	(23)	(142)	17,228	(5,775)
Unearned Revenue/Deposits	—	—	—	—	192	192	510
Policy Claims Liabilities	—	76,510	—	—	—	76,510	10,064
Net Cash Provided (Used) by Operating Activities	<u>\$ 202,935</u>	<u>\$ (887,790)</u>	<u>\$ (5,613)</u>	<u>\$ (96)</u>	<u>\$ 123,272</u>	<u>\$ (567,292)</u>	<u>\$ 30,852</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES							
Increase (Decrease) in Fair Value of Investments	\$ —	\$ —	\$ (566)	\$ 454	\$ —	\$ (112)	\$ (66)
Total Noncash Investing, Capital, and Financing Activities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (566)</u>	<u>\$ 454</u>	<u>\$ 0</u>	<u>\$ (112)</u>	<u>\$ (66)</u>

The Notes to the Financial Statements are an integral part of this statement.



Pension and Other Employee Benefit Trust Funds

These funds are used to account for the defined benefit pension plans and defined contribution plans administered by the Utah Retirement Systems, and the Post-Retirement Benefits Trust Funds, defined benefit other postemployment benefit plans (OPEB Plans), and other employee benefit plans administered by the State.

Investment Trust Fund

This fund is used to account for the investments related to external participants in the Utah State Public Treasurers' Investment Fund.

Private Purpose Trust Funds

These funds are used to report resources of all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Agency Funds

Agency funds account for assets held by the State as an agent for other governmental units, other organizations, or individuals.

Individual funds are presented in more detail by fund type within [Supplementary Information – Combining Statements and Individual Fund Statements and Schedules](#).

Statement of Fiduciary Net Position
Fiduciary Funds
(expressed in thousands)

June 30, 2020

	Pension and Other Employee Benefit Trust Funds	Investment Trust Fund	Private Purpose Trust Fund	Agency Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,837,041	\$ 2,206,069	\$ 8,747	\$ 254,157
Receivables:				
Accounts	119	—	6,400	20,072
Contributions	62,236	—	—	—
Investments	441,753	—	—	—
Accrued Interest	—	—	—	—
Accrued Assessments	—	—	2,743	—
Loans	—	—	1,308	—
Due From Other Funds	—	—	127	271
Investments:				
Debt Securities	8,700,487	8,809,560	3,860,250	4,498
Equity Investments	17,618,843	—	11,999,143	—
Absolute Return	5,183,620	—	—	—
Private Equity	4,012,872	—	—	—
Real Assets	5,232,183	—	—	—
Invested Securities Lending Collateral	884,172	—	—	—
Total Investments	<u>\$ 41,632,177</u>	<u>\$ 8,809,560</u>	<u>\$ 15,859,393</u>	<u>\$ 4,498</u>
Other Assets	—	—	21,093	16,930
Capital Assets:				
Land	1,780	—	687	—
Buildings and Improvements	20,675	—	10,951	—
Machinery and Equipment	4,096	—	2,961	—
Intangible Assets	10,957	—	11	—
Less Accumulated Depreciation	(28,658)	—	(7,334)	—
Total Capital Assets	<u>8,850</u>	<u>0</u>	<u>7,276</u>	<u>0</u>
Total Assets	<u>\$ 43,982,176</u>	<u>\$ 11,015,629</u>	<u>\$ 15,907,087</u>	<u>\$ 295,928</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Relating to Pensions	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 483</u>	<u>\$ 0</u>
LIABILITIES				
Accounts Payable	\$ 661,498	\$ 20,267	\$ 2,526	\$ —
Securities Lending Liability	884,172	—	—	—
Due To Other Funds	—	—	60	—
Due To Individuals, Organizations, and Other Governments	—	—	—	295,928
Unearned Revenue	—	—	387	—
Leave/Postemployment Benefits	21,495	—	—	—
Policy Claims Liabilities/Insurance Reserves	5,001	—	216,060	—
Real Estate Liabilities	120,001	—	—	—
Net Pension Liability	—	—	408	—
Total Liabilities	<u>\$ 1,692,167</u>	<u>\$ 20,267</u>	<u>\$ 219,441</u>	<u>\$ 295,928</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Relating to Pensions	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 317</u>	<u>\$ 0</u>
NET POSITION				
Restricted for:				
Pension Benefits	\$ 35,198,555	\$ —	\$ —	
Other Postemployment Benefits	311,981	—	—	
Other Employee Benefits	66,415	—	—	
Defined Contribution	6,713,058	—	—	
Pool Participants	—	10,995,362	—	
Individuals, Organizations, and Other Governments	—	—	15,687,812	
Total Net Position	<u>\$ 42,290,009</u>	<u>\$ 10,995,362</u>	<u>\$ 15,687,812</u>	
Participant Account Balance: Net Position Valuation Factor		<u>1.00244845</u>		

The Notes to the Financial Statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Pension and Other Employee Benefit Trust Funds	Investment Trust Fund	Private Purpose Trust Fund
ADDITIONS			
Contributions:			
Member	\$ 461,845	\$ —	\$ 1,386,517
Employer	1,266,062	—	—
Court Fees and Fire Insurance Premiums	43,395	—	—
Total Contributions	<u>1,771,302</u>	<u>0</u>	<u>1,386,517</u>
Pool Participant Deposits	—	12,800,844	—
Investment Income:			
Net Increase (Decrease) in Fair Value of Investments	4,798,467	(14,650)	163,649
Interest, Dividends, and Other Investment Income	783,082	231,601	421,216
Total Income From Investment Activity	<u>5,581,549</u>	<u>216,951</u>	<u>584,865</u>
Less Investment Expenses	(72,772)	(539)	—
Net Income from Investment Activity	<u>5,508,777</u>	<u>216,412</u>	<u>584,865</u>
Income from Security Lending Activity	6,418	—	—
Less Security Lending Expenses	(838)	—	—
Net Income from Security Lending Activity	<u>5,580</u>	<u>0</u>	<u>0</u>
Net Investment Income	<u>5,514,357</u>	<u>216,412</u>	<u>584,865</u>
Transfers From Affiliated Systems	19,653	—	—
Other Additions:			
Escheats	—	—	50,379
Royalties and Rents	—	—	2,977
Fees, Assessments, and Revenues	—	—	44,581
Miscellaneous	—	—	6,015
Total Other	<u>—</u>	<u>—</u>	<u>103,952</u>
Total Additions	<u>7,305,312</u>	<u>13,017,256</u>	<u>2,075,334</u>
DEDUCTIONS			
Pension Benefits	1,764,328	—	—
Retiree Healthcare Benefits	30,469	—	—
Refunds/Plan Distributions	403,263	—	—
Earnings Distribution	—	231,062	—
Pool Participant Withdrawals	—	11,995,038	—
Transfers To Affiliated Systems	19,653	—	—
Trust Operating Expenses	—	—	27,615
Distributions and Benefit Payments	—	—	769,160
Administrative and General Expenses	20,568	—	26,161
Total Deductions	<u>2,238,281</u>	<u>12,226,100</u>	<u>822,936</u>
Change in Net Position Restricted for:			
Pension Benefits	3,939,033	—	—
Other Postemployment Benefits	24,259	—	—
Other Employee Benefits	20,617	—	—
Defined Contributions	1,083,122	—	—
Pool Participants	—	791,156	—
Individuals, Organizations, and Other Governments	—	—	1,252,398
Net Position – Beginning	37,222,978	10,204,206	14,434,766
Adjustment to Beginning Net Position	—	—	648
Net Position – Beginning as Adjusted	<u>37,222,978</u>	<u>10,204,206</u>	<u>14,435,414</u>
Net Position – Ending	<u>\$ 42,290,009</u>	<u>\$ 10,995,362</u>	<u>\$ 15,687,812</u>

The Notes to the Financial Statements are an integral part of this statement.

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Public Employees Health Program

This program provides employee medical and other insurance services predominantly for agencies of the State. It also provides claims processing and insurance services for local governments and other public entities within Utah.

University of Utah and Utah State University

These universities are funded through state appropriations, tuition, federal grants, and private donations and grants. In addition to instruction, these universities provide research and other services. The operations of the University of Utah also include the University of Utah Health Insurance Plans, a legally separate non-profit corporation of which the University is the sole corporate member, and its hospitals and clinics.

Utah Transit Authority

The Authority is an independent, nonprofit corporation whose purpose is to provide a public mass transportation system for Utah communities along the Wasatch Front and a small portion of Juab County. The Authority's operations include commuter rail service, light rail service, bus service, paratransit service for the transit disabled, rideshare and van pool programs system-wide.

Nonmajor Component Units

Nonmajor component units are presented in more detail within [Supplementary Information – Combining Statements and Individual Fund Statements and Schedules](#).

State of Utah

Combining Statement of Net Position Component Units (expressed in thousands)

June 30, 2020	Public Employees Health Program	University of Utah	Utah State University	Utah Transit Authority	Nonmajor Component Units	Total
ASSETS						
Current Assets:						
Cash and Cash Equivalents.....	\$ 133,346	\$ 1,455,616	\$ 110,027	\$ 122,140	\$ 321,934	\$ 2,143,063
Investments.....	13,217	374,581	65,829	—	146,824	600,451
Receivables:						
Accounts, net.....	43,276	589,136	68,285	86,350	52,520	839,567
Notes/Loans/Mortgages/Pledges, net.....	—	43,380	2,466	—	5,075	50,921
Accrued Interest.....	2,002	6,461	—	—	179	8,642
Due From Primary Government.....	—	—	—	7,270	1,738	9,008
Prepaid Items.....	24,441	—	5,597	2,299	8,942	41,279
Inventories.....	—	121,774	4,219	36,043	8,930	170,966
Other Assets.....	—	58,169	—	—	486	58,655
Total Current Assets.....	<u>216,282</u>	<u>2,649,117</u>	<u>256,423</u>	<u>254,102</u>	<u>546,628</u>	<u>3,922,552</u>
Noncurrent Assets:						
Restricted Investments.....	—	885,499	328,555	169,852	148,784	1,532,690
Restricted Receivables, net.....	—	—	7,861	—	—	7,861
Accounts Receivables, net.....	—	—	14,501	—	56,117	70,618
Investments.....	339,532	1,350,696	347,040	—	463,242	2,500,510
Notes/Loans/Mortgages/Pledges Receivables, net.....	—	205,611	6,083	—	28,207	239,901
Other Assets.....	681	21,530	367	30,737	12,685	66,000
Capital Assets (net of Accumulated Depreciation).....	44	3,796,778	998,845	2,949,392	1,968,841	9,713,900
Total Noncurrent Assets.....	<u>340,257</u>	<u>6,260,114</u>	<u>1,703,252</u>	<u>3,149,981</u>	<u>2,677,876</u>	<u>14,131,480</u>
Total Assets.....	<u>\$ 556,539</u>	<u>\$ 8,909,231</u>	<u>\$ 1,959,675</u>	<u>\$ 3,404,083</u>	<u>\$ 3,224,504</u>	<u>\$18,054,032</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Amount on Refundings of Bonded Debt.....	\$ —	\$ 11,225	\$ 7,827	\$ 88,146	\$ 802	\$ 108,000
Deferred Outflows Relating to Pensions.....	8,600	72,607	26,899	13,460	55,623	177,189
Deferred Outflows Relating to Other Postemployment Benefits.....	133	—	—	—	210	343
Total Deferred Outflows of Resources.....	<u>\$ 8,733</u>	<u>\$ 83,832</u>	<u>\$ 34,726</u>	<u>\$ 101,606</u>	<u>\$ 56,635</u>	<u>\$ 285,532</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities.....	\$ 7,595	\$ 366,404	\$ 73,594	\$ 35,960	\$ 68,093	\$ 551,646
Securities Lending Liability.....	9,834	—	—	—	—	9,834
Deposits.....	—	327,509	108	—	3,469	331,086
Due To Primary Government.....	—	17,450	4,106	30	18,491	40,077
Unearned Revenue.....	3,305	145,258	24,230	11,883	40,534	225,210
Current Portion of Long-term Liabilities.....	76,616	177,976	32,099	35,941	34,720	357,352
Total Current Liabilities.....	<u>97,350</u>	<u>1,034,597</u>	<u>134,137</u>	<u>83,814</u>	<u>165,307</u>	<u>1,515,205</u>

The Notes to the Financial Statements are an integral part of this statement.

Continues

State of Utah

Combining Statement of Net Position Component Units (expressed in thousands)

June 30, 2020	Public Employees Health Program	University of Utah	Utah State University	Utah Transit Authority	Nonmajor Component Units	Total
<i>Continued</i>						
Noncurrent Liabilities:						
Accrued Liabilities	13,164	—	8,295	7,333	203	28,995
Unearned Revenue	—	—	—	—	686	686
Deposits	—	66,937	1,460	—	—	68,397
Net Pension Liability	16,896	64,977	21,978	103,865	80,945	288,661
Net Other Postemployment Benefit Liability ..	—	—	—	—	58	58
Long-term Liabilities	74,932	1,344,590	359,426	2,426,256	309,408	4,514,612
Total Noncurrent Liabilities	104,992	1,476,504	391,159	2,537,454	391,300	4,901,409
Total Liabilities	<u>\$ 202,342</u>	<u>\$ 2,511,101</u>	<u>\$ 525,296</u>	<u>\$ 2,621,268</u>	<u>\$ 556,607</u>	<u>\$ 6,416,614</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Revenue	\$ —	\$ —	\$ 144	\$ —	\$ —	\$ 144
Deferred Inflows Relating to Beneficial Interests	—	—	4,107	—	11,886	15,993
Deferred Amount on Refundings of Bonded Debt	—	1,491	—	—	346	1,837
Deferred Inflows Relating to Pensions	387	48,634	16,361	11,653	28,719	105,754
Deferred Inflows Relating to Other Postemployment Benefits	522	—	—	—	541	1,063
Total Deferred Inflows of Resources	<u>\$ 909</u>	<u>\$ 50,125</u>	<u>\$ 20,612</u>	<u>\$ 11,653</u>	<u>\$ 41,492</u>	<u>\$ 124,791</u>
NET POSITION						
Net Investment in Capital Assets	\$ 44	\$ 2,648,561	\$ 758,128	\$ 692,676	\$ 1,740,073	\$ 5,839,482
Restricted for:						
Nonexpendable:						
Higher Education	—	629,359	155,829	—	217,402	1,002,590
Expendable:						
Higher Education	—	699,486	244,406	—	212,736	1,156,628
Insurance Plan	361,977	58,396	—	—	—	420,373
Transit Services	—	—	—	66,948	—	66,948
Other	—	—	—	—	57,352	57,352
Unrestricted	—	2,396,035	290,130	113,144	455,477	3,254,786
Total Net Position	<u>\$ 362,021</u>	<u>\$ 6,431,837</u>	<u>\$ 1,448,493</u>	<u>\$ 872,768</u>	<u>\$ 2,683,040</u>	<u>\$11,798,159</u>

The Notes to the Financial Statements are an integral part of this statement.

State of Utah

Combining Statement of Activities Component Units (expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Public Employees Health Program	University of Utah	Utah State University	Utah Transit Authority	Nonmajor Component Units	Total
Expenses	\$ 818,797	\$ 5,313,250	\$ 845,478	\$ 590,812	\$ 1,412,871	\$ 8,981,208
Program Revenues:						
Charges for Services:						
Tuition and Fees	—	486,223	245,638	—	607,859	1,339,720
Scholarship Allowances	—	(108,272)	(89,270)	—	(173,746)	(371,288)
Sales, Services, and Other Revenues (net of University of Utah patient services allowance of \$88,296)	816,803	4,126,541	92,883	379,730	156,191	5,572,148
Operating Grants and Contributions	50,487	822,704	414,107	69,746	339,427	1,696,471
Capital Grants and Contributions	—	37,295	38,888	34,809	102,179	213,171
Total Program Revenues	867,290	5,364,491	702,246	484,285	1,031,910	8,450,222
Net (Expenses) Revenues	48,493	51,241	(143,232)	(106,527)	(380,961)	(530,986)
General Revenues:						
State Appropriations	—	371,654	207,619	—	580,081	1,159,354
Gain (Loss) on Sale of Capital Assets	—	—	—	—	215	215
Miscellaneous	—	—	6,525	—	22,030	28,555
Permanent Endowments Contributions	—	18,006	6,596	—	5,117	29,719
Total General Revenues and Contributions ..	0	389,660	220,740	0	607,443	1,217,843
Change in Net Position	48,493	440,901	77,508	(106,527)	226,482	686,857
Net Position – Beginning	313,528	5,980,021	1,363,680	979,295	2,456,558	11,093,082
Adjustment to Beginning Net Position	—	10,915	7,305	—	—	18,220
Net Position – Beginning as Adjusted	313,528	5,990,936	1,370,985	979,295	2,456,558	11,111,302
Net Position – Ending	\$ 362,021	\$ 6,431,837	\$ 1,448,493	\$ 872,768	\$ 2,683,040	\$ 11,798,159

The Notes to the Financial Statements are an integral part of this statement.



STATE OF UTAH

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2020

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2020

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the State of Utah conform in all material respects with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

A. Reporting Entity

For financial reporting purposes, the State of Utah's reporting entity includes the "primary government" and its "discrete component units." The primary government includes all funds, organizations, institutions, agencies, boards, and commissions that make up its legal entity. The State's component units are legally separate organizations for which the State's elected officials are financially accountable.

Generally, the State as the primary government is financially accountable if it appoints a voting majority of the organization's board and it can either (1) impose its will on the organization, or (2) there is a financial benefit or burden relationship. If the primary government does not control the board, it may be financially accountable if the organization is fiscally dependent on the State.

Except where noted below, the State's discrete component units issue their own separately audited financial statements as special-purpose governments engaged only in business-type activities. These financial statements can be obtained from their respective administrative offices or from the Office of the State Auditor, Utah State Capitol Complex, East Office Building, Suite E310, Salt Lake City, UT 84114, or online at auditor.utah.gov.

Entities such as the local school districts, charter schools, and other local authorities of various kinds that may only partially meet the criteria for inclusion in this report have not been included. The State's support of the public education system is reported in the Education Fund (special revenue fund).

Blended Component Units

Blended component units are legally separate but either exist solely to provide services (usually financing) exclusively to the State or their debt is expected to be paid using primary government resources. Because of this close relationship, they are blended with and reported as though they are a part of the primary government.

Utah State Building Ownership Authority (blended with the primary government's debt service and capital projects funds) was created by the Legislature as a body politic and corporate for the sole purpose of financing, owning, leasing, and operating facilities to meet the needs of state government. In addition, any debt is paid entirely with resources of the State. The Board is comprised of three members: the Governor or designee, the State Treasurer, and the Chair of the State Building Board. Separate financial statements are not required or issued for the Authority.

Discrete Component Units

Discretely presented component units are organizations that are legally separate and do not exist to provide services exclusively to the primary government. Financial information for discretely

presented component units is segregated on the financial statements and the notes to emphasize that they are legally separate from the State.

Except for the Utah Schools for the Deaf and the Blind (USDB), the discretely presented component units have boards that are controlled by the primary government through the appointment of a majority of the board members. The State has been determined to be financially accountable for each organization because it can impose its will on each organization. The USDB is included in the reporting entity because it is fiscally dependent on the State.

The State also has fiscal accountability through the ability to approve and modify the budgets of the colleges and universities, the Utah Communications Authority, the Public Employees Health Program, the Utah State Fair Corporation, USDB, the Utah Inland Port Authority and the Point of the Mountain Authority.

The determination that a discrete component unit is "major" is based on the nature and significance of its relationship to the primary government. The State's major discrete component units are:

Public Employees Health Program – This Program provides employee medical and other insurance services predominantly for agencies of the State. It also provides claims processing and insurance services for local governments and other public entities within Utah. The Program is administered by the Utah State Retirement Board.

University of Utah and Utah State University – These universities are funded primarily through state appropriations, tuition, federal grants, and private donations and grants. In addition to instruction, these universities provide research and other services. The operations of the University of Utah also include the University of Utah Health Insurance Plans, a legally separate non-profit corporation of which the University is the sole corporate member, and its hospital and clinics.

Utah Transit Authority – This Authority is an independent, nonprofit corporation whose purpose is to provide a public mass transportation system for Utah communities along the Wasatch Front and for a small portion of Juab County. The Authority's operations include commuter rail service, light rail service, bus service, paratransit service for the transit disabled, rideshare and van pool programs system wide.

The State's nonmajor discrete component units are:

Utah Communications Authority – This Authority was established by the Utah State Legislature to provide public safety communication services and facilities on a regional or statewide basis for the benefit and use of all state and local governmental agencies.

Utah Schools for the Deaf and the Blind – These Schools provide practical education to individuals with hearing and/or vision impairments. Although not required, these Schools issue separate but unaudited financial statements.

Utah State Fair Corporation – This Corporation is a nonprofit public corporation that operates the State Fair Park and conducts

the Utah State Fair and other various expositions and entertainment events.

Colleges and Universities – Weber State University, Southern Utah University, Salt Lake Community College, Utah Valley University, Dixie State University, Snow College, and the Utah System of Technical Colleges. These colleges and universities are funded primarily through state appropriations, tuition, federal grants, and private donations and grants. Separately audited financial statements are issued for the technical colleges within the Utah System of Technical Colleges.

Utah Charter School Finance Authority – This Authority was created to provide an efficient and cost-effective method of issuing conduit debt on behalf of charter schools to acquire or construct charter school facilities. The debt is the responsibility of the charter schools and neither the State nor any political subdivision of the State is obligated for repayment of the debt. Accordingly, this debt is not included as part of the State's reporting entity. No financial statements are required or issued.

Military Installation Development Authority – This Authority is an independent nonprofit entity whose purpose is to provide for the development and improvement of project areas near military installations throughout the State.

Heber Valley Historic Railroad Authority – This Authority is an independent state agency that maintains and operates a scenic and historic railroad in and around the Heber Valley. The Authority issues a separate publicly available compilation report.

Utah Inland Port Authority – This Authority is an independent, nonprofit corporation whose purpose is to facilitate the development of the authority jurisdictional land to maximize the long-term economic and other benefits for the State. The Authority does not issue separate financial statements.

Point of the Mountain Development Authority – This Authority was created by the Utah Legislature during the 2018 General Session to facilitate the disposition of land, nearly 700 acres, where the Utah State Prison now stands and to oversee the process of developing the current site once the prison has been relocated. The Authority is an independent, nonprofit corporation. Operations are funded through state appropriations. The Authority does not issue separate financial statements.

Fiduciary Component Units

Utah Retirement Systems (URS) (pension trust and defined contribution plans) – URS administers pension funds for various public employee retirement systems and plans of the State and its political subdivisions. URS is an independent state agency subject to legislative and executive department budgetary examination and comment. The Utah State Retirement Board, a seven-member board, is established by statute to administer the systems and plans, and to serve as investment trustees of the funds. Six members are appointed by the State with the advice and consent of the Senate, while the State Treasurer serves as the seventh member. Because of the State's trustee responsibilities for these systems and plans, GAAP requires them to be reported as pension trust funds of the primary government rather than discrete component units.

Utah Educational Savings Plan Trust, dba my529 (Private Purpose Trust Fund) – This trust is a non-profit, self-supporting entity that was created as a means to encourage investment in a public trust to pay for future higher education costs. It is administered by the Utah State Board of Higher Education acting in its capacity as the Utah Higher Education Assistance Authority. Because of the State's trustee responsibilities for this plan, GAAP requires it to be reported as a private purpose trust fund of the primary government rather than a discrete component unit.

In accordance with GAAP, fiduciary funds and discretely presented component units that are fiduciary in nature are excluded from the government-wide financial statements.

Related Organization (Excluded from Financial Statements)

Utah Housing Corporation (UHC) – UHC is a statutorily created public corporation. UHC issues bonds to provide capital for housing and home mortgages, especially for low and moderate-income families. Although the Governor appoints eight of the nine members of the governing board, and the ninth member is the State Treasurer, the State does not have the ability to impose its will on UHC since board members can only be removed for cause. UHC does not provide specific financial benefits to, or impose specific financial burdens on the State.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities report information on all nonfiduciary activities of the primary government and its discrete component units. Primary government activities are distinguished between *governmental* and *business-type* activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Net Position presents the reporting entity's nonfiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is restricted when there are constraints either externally imposed or imposed by constitutional provisions or enabling legislation.

The Statement of Activities demonstrates the degree to which the direct expenses of a given activity or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific activity. The State does not allocate general government (indirect) expenses to other activities. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular activity. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. For governmental and proprietary fund financial statements, the emphasis is on major individual governmental and enterprise funds, with each displayed in a separate column. All remaining

governmental and enterprise funds are aggregated and reported as nonmajor funds. Internal service funds are also aggregated and reported in a separate column on the proprietary fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Nonexchange transactions in which the State receives value without directly giving equal value in exchange include taxes, grants, and donations. Tax revenue is recognized in the fiscal year in which the related sales, wages, or activities being taxed occur. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been met.

Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. For this purpose, the State generally considers taxes and other revenues to be available if the revenues are collected within 45 days after yearend. An exception to this policy is federal grant revenues, which generally are considered to be available if collection is expected within 12 months after yearend.

Expenditures are generally recorded when the related liability is incurred, as under the accrual basis of accounting. However, expenditures for principal and interest on long-term debt are recorded when due or when amounts have been accumulated in the debt service fund for payment of interest to be made early in the following year. Also, expenditures and related liabilities for compensated absences and claims and judgments are recorded only to the extent they have matured (i.e., come due for payment).

Major Governmental Funds – The State reports the following major governmental funds:

- **General Fund.** This fund is the principal operating fund of the State. It accounts for all financial resources not accounted for and reported in another fund.
- **Education Fund.** This special revenue fund accounts for all corporate taxes, income taxes, and revenues from taxes on intangible property that support public and higher education. Specific revenues that support public elementary and secondary schools in the State are also reported in the Education Fund.
- **Transportation Fund.** This special revenue fund accounts for dedicated highway user taxes, fees, and federal funds associated with construction, maintenance, and repair of state highways and local roads.
- **Transportation Investment Fund.** This capital projects fund accounts for vehicle registration fees, sales and use taxes, bond proceeds, and federal funds used in the construction and reconstruction of specific highway projects. Projects designated for the Transportation Investment Capacity program are accounted for in this fund.

- **Trust Lands Fund.** This is a permanent fund that accounts for investment earnings, land grants, and the sale of lands received from the federal *Enabling Act*. The principal in the fund is perpetual, with the earnings used primarily to support public education. The Utah Constitution allows all investment earnings of the permanent fund to be distributed, limited to four percent of the fund (calculation described in statute). The Utah School and Institutional Trust Lands Administration (SITLA) and the School and Institutional Trust Fund Office (SITFO) manage the assets of the Trust. SITFO issues separate audited statements for the investments they manage.

Nonmajor Governmental Funds – The State's nonmajor governmental funds include special revenue funds, capital projects funds, and debt service funds. The nonmajor special revenue funds account for specific revenue sources that are restricted or committed to expenditures for specific purposes. Examples include environmental activities, crime victim reparations, debt collections, rural development programs and Medicaid expansion funding. The capital projects funds account for resources used for capital outlays, including the acquisition, construction, or improvement of capital facilities other than those financed by the Transportation Investment Fund, proprietary funds, or assets held in trust. The debt service funds account for resources used for the payment of principal and interest on general long-term debt obligations.

Proprietary Fund Financial Statements

The financial statements of the proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements described previously. Proprietary funds include both enterprise and internal service fund types. Enterprise funds report the activities for which fees are charged to external users for goods or services. Internal service funds account for goods and services provided primarily to other agencies or funds of the State, rather than to the general public.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition, such as subsidies and investment earnings, are reported as non-operating.

Major Enterprise Funds – The State reports the following major enterprise funds in its proprietary fund statements:

- **Student Assistance Programs.** These programs guarantee the repayment of student loans made by participating lenders to eligible borrowers and service outstanding student loans.
- **Unemployment Compensation Fund.** This fund pays claims for unemployment to eligible recipients.
- **Water Loan Programs.** These programs provide loans to local governments, water districts, and other entities for the purpose of upgrading water storage facilities and other related structures.
- **Community Impact Loan Fund.** This fund provides loans to local governments to alleviate the social, economic, and public financial impacts resulting from the development of the State's natural resources. This fund also provides oversight of loans and loan guarantees from federal funds to small businesses under the Small Business Credit Initiative.

Nonmajor Enterprise Funds – The State’s nonmajor enterprise funds include loan programs for low-income housing, agricultural and energy efficiency programs, and local governments. Nonmajor enterprise funds also include the state liquor stores (Alcoholic Beverage Control); the Utah Correctional Industries; State Trust Lands Administration; the Utah Dairy Commission; and Medical Cannabis funds.

Internal Service Funds – The State reports the internal service fund type in the proprietary funds statements. The activities accounted for in internal service funds include technology services, general services, fleet operations, risk management, property management, human resource management, and attorney general legal services. In the government-wide financial statements, internal service funds are included with governmental activities.

Fiduciary Fund Financial Statements

The fiduciary funds account for assets held by the State in a trustee capacity, or as an agent for other individuals or organizations. The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The following fiduciary fund types are reported:

- **Pension and Other Employee Benefit Trust Funds.** These funds account for the plan assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, and changes in net position of: (1) defined benefit pension plans and defined contribution plans administered by Utah Retirement Systems; (2) the Post-Retirement Benefits Trust Funds, defined benefit other postemployment health care plans administered by the State for state employees and elected officials; and (3) Other Employee Benefits Trust Fund used to separately account and report assets dedicated for employee benefits other than postemployment healthcare benefits that are administered through the Post-Retirement Benefits Trust Funds.
- **Investment Trust Fund.** This fund is used to account for the investments related to external participants in the Utah State Public Treasurers’ Investment Fund.
- **Private Purpose Trust Funds.** These funds report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. Examples include the Utah Navajo Trust Fund, Unclaimed Property Trust, Employers’ Reinsurance Trust, Petroleum Storage Tank Trust, and the Utah Educational Savings Plan Trust.
- **Agency Funds.** These funds account for assets held by the State as an agent for other governmental units, other organizations, or individuals. These funds include fines, forfeitures, tax collections, and withholding taxes for employees.

Discrete Component Unit Financial Statements

The combining discrete component unit financial statements are presented in order to provide information on each of the major discrete component units included in the discrete component unit’s column of the government-wide statements. The discrete component unit financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The information is presented in order to be consistent with the government-wide statements and is less detailed than the presentation in each discrete component unit’s separately issued financial statements.

D. Fiscal Yearends

All funds and discretely presented component units are reported using fiscal years which end on June 30, except for the following entities which have fiscal years ending December 31:

- The defined benefit pension plans and defined contribution plans (fiduciary funds) administered by Utah Retirement Systems.
- The Public Employees Health Program (major discrete component unit).
- The Utah Transit Authority (major discrete component unit).
- The Utah State Fair Corporation (nonmajor discrete component unit).
- The Utah Dairy Commission (nonmajor enterprise fund).
- The University of Utah Health Insurance Plans and Community Nursing Services (blended component units of the University of Utah, a major discrete component unit).

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances

Cash and Cash Equivalents and Investments

Cash equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date. The Student Assistance Programs (major enterprise fund) use a trustee for their long-term investing needs, and they consider any cash and cash equivalents held by their trustee as investments.

All cash deposited with the State Treasurer by state entities is maintained by the Treasurer in various pooled investment funds. The State Treasurer invests the deposited cash, including the cash float, in short-term securities and other investments. All interest revenue is allocated to the General Fund unless state law or trust agreements require allocations of interest to other funds. Funds authorized to receive interest earnings are segregated into separate investment pools, and interest is allocated based on cash balances in the pool.

Investments (including cash equivalents) are under the control of the State Treasurer or other administrative bodies as determined by law. In certain instances, investments may be restricted by law or other legal instruments. Investments are presented at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The fair value measurements of investments is based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Also certain investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. The Trust Lands Fund (permanent fund) invests in both open and closed end real estate funds that issue quarterly account statements and the fair value of the investments is based upon the Fund’s ownership interest in partners’ capital.

The State’s Unemployment Compensation Fund (major enterprise fund) monies are required by the Social Security Act to be invested in the U.S. Department of Treasury, Bureau of Public Debt Unemployment Trust Fund (BPDUTF), which is not

registered with the SEC. The fair value of the position in the BPDUTF is the same as the value of the BPDUTF shares.

Utah Retirement Systems (pension trust and defined contribution plans) had five types of derivative instruments at yearend: futures, currency forwards, options, swaps, and Synthetic Guaranteed Investment Contracts. Futures contracts are traded on organized exchanges to minimize credit risk. Currency forwards are entered into in order to hedge the exposure to changes in foreign currency exchange rates on foreign currency denominated portfolio holdings. Options give the right, but not the obligation, to buy (call) or sell (put) an asset at a preset price over a specified period. Interest rate swap agreements are entered into in an attempt to manage their exposure to interest rate risk. Interest rate risk represents the exposure to fair value losses arising from the future changes in prevailing market interest rates. Synthetic Guaranteed Investment Contracts are available to members in the Utah Retirement Systems Defined Contribution Plans.

The Student Assistance Program (major enterprise fund) entered into an interest rate exchange (swap) agreement relating to some of its student loan revenue bonds. The Student Assistance Program accounts for the swap agreement as a fair value hedging derivative instrument to create a variable rate cost of funds that will be lower than the variable rate cost achievable in the cash bond market. See [Note 3](#) for additional information about derivative instruments.

Receivables

Accounts receivables in the governmental and business-type activities consist mainly of amounts due from the Federal Government, customers, and others. Receivables from the Federal Government are reasonably assured; accordingly, no allowance for uncollectible accounts has been established.

Notes/mortgages receivables in the governmental and business-type activities are primarily long-term loans for local governments and agricultural development, home mortgages, and individual student loans. The interest rates on the loans vary but are generally lower than market rates and, in some cases, are non-interest-bearing. Student loans in the Student Assistance Programs (business-type activities) are fixed and variable rate federally insured loans. Student loans are insured at 97 to 100 percent of their principal balance depending on the date disbursed.

Receivables for capital lease payments, as reported in the governmental activities, are direct financing capital lease arrangements between State Building Ownership Authority (blended component unit) and certain Colleges and Universities (discrete component units). The capital lease receivable is reported net and represents the sum of the future minimum lease payments to be received, less any executor costs and any unearned interest revenue on the capital lease. Receivables from the discrete component unit are reasonably assured; accordingly, no allowance for uncollectible accounts has been established.

Accrued taxes include receivables for taxpayer-assessed taxes where the underlying exchange has occurred in the period ending June 30, or prior and is presented net of applicable estimated refunds and allowances.

[Note 5](#) provides a disaggregation of governmental and business-type receivables, including a breakout of current/noncurrent balances and established allowances.

Inventories, Prepaid Items, and Other Assets

Proprietary funds' and discrete component units' inventories are valued at the lower of cost or market. Cost evaluation methods include first-in-first-out (FIFO), last-in-first-out (LIFO), average cost, weighted average, weighted moving average, and retail inventory method.

Governmental fund consumable items are recorded as expenditures when purchased except for General Fund state park merchandise inventory, General Fund personal protective equipment inventory, and Transportation Fund road material inventories which are recorded as expenditures when consumed. General Fund state park merchandise inventories held for resale are valued at lower of cost or market. General Fund personal protective equipment inventory and Transportation Fund inventories used in road construction are valued using average cost and a weighted average cost, respectively.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Other Assets, as reported on the Statement of Net Position, governmental activities column, include assets of the Trust Lands Fund (permanent fund) acquired under the *1894 Utah Enabling Act* that are not considered investments. The net pension asset and the net other postemployment benefit asset are also reported as other assets.

Capital Assets

Capital assets, which include land and related assets, buildings, equipment, intangible assets (software), and infrastructure (roads, bridges, drainage systems, lighting systems, and similar items), are reported in the applicable governmental or business-type activities columns, or in the component units column on the government-wide Statement of Net Position. Capital assets of proprietary funds and fiduciary funds are also recorded in their respective fund statements. Capital assets, with the exception of infrastructure and internally generated software (funded with nonfederal resources), are defined by the State as assets, which cost \$5 thousand or more when acquired and have an estimated useful life greater than one year. Infrastructure assets are capitalized if the cost is over \$1 million. Internally generated software, funded with nonfederal resources, is capitalized if the cost is over \$500 thousand. Purchased or constructed capital assets are recorded at cost or at estimated historical cost where historical cost is not available. Donated capital assets are reported at acquisition value as of their acquisition date.

Capital assets purchased by governmental funds are recorded as expenditures in the governmental fund financial statements. Interest expense for capital asset construction related to governmental activities is not capitalized. Interest expense incurred during construction of capital facilities related to business-type activities and discrete component units is immaterial and is not capitalized in all cases.

Buildings, equipment, and other assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Asset Class	Years
Equipment/Software.....	3-15
Aircraft and Heavy Equipment.....	5-30
Buildings and Improvements.....	30-40
Land Improvements.....	5-20
Infrastructure.....	15-80

As provided by GASB standards, the State has elected to use the “modified approach” to account for infrastructure assets (i.e., roads and bridges) maintained by the State’s Department of Transportation. This includes infrastructure acquired prior to fiscal year 1981. Under this approach, depreciation expense is not recorded and only improvements that increase the capacity or efficiency of an infrastructure asset are capitalized. Using this approach requires the State to: (1) maintain an inventory of the assets and perform periodic condition assessments; (2) estimate each year the annual amount to maintain and preserve the assets at the condition level set by the State; and (3) document that the assets are being preserved approximately at, or above the condition level set by the State. Other infrastructure, which is primarily maintained by the Department of Natural Resources, is capitalized and depreciated.

Most works of art and historical treasures of the primary government are not capitalized or depreciated. These assets are held for public exhibition, education, or research rather than financial gain. These assets are also protected, unencumbered, preserved, and subject to policies requiring the proceeds from sales of collection items to be used to acquire other collection items. The State’s assets of this nature include the State Fine Art Collection, photographs, prints, paintings, historical documents and artifacts, monuments, statues, and pale-ontological and archaeological collections. See [Note 8](#) for additional information about capital assets.

Deferred Outflows of Resources

Deferred outflow of resources represents a consumption of net position by the government that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources are reported in the applicable governmental or business-type activities columns, or in the component units column on the government-wide Statement of Net Position. See [Note 11](#) for a disaggregation of deferred outflows. Deferred outflows of resources of governmental funds, proprietary funds, and discrete component units are reported in detail in their respective fund statements.

Accrued Liabilities

Accrued liabilities include the liability for employee payrolls and liabilities accruing over time where demand for payment is due shortly after fiscal yearend. See [Note 6](#) for additional information about accrued liabilities.

Unearned Revenue

In the government-wide statements, governmental fund statements, proprietary fund statements, and fiduciary fund statements, unearned revenue is recorded when cash or other assets are received prior to being earned.

Policy Claims Liabilities

Policy claims liabilities are for insurance claims incurred prior to the reporting date and are based on actuarial estimates; however, policy claims liabilities for Unemployment Insurance are for

claims filed as of the reporting date. A substantial portion of policy claims liabilities is long-term in nature. Therefore, claims liabilities are reported as long-term liabilities on the Statement of Net Position. See [Note 10](#) for additional information about policy claims liabilities.

Long-term Debt

Long-term debt, such as the net pension liability (NPL), net OPEB liability (NOL), revenue bonds, claims, contracts and notes payable, directly related to and intended to be paid from proprietary funds or discretely presented component units is included in the accounts of such funds. All other long-term debt, such as the compensated absences, claim or settlement obligations, pollution remediation obligations, general obligation bonds, and lease revenue bonds (and remaining NPL and NOL liabilities not allocated to proprietary funds or discretely presented component units), is reported in the government-wide financial statements. Bond premiums and discounts are amortized over the life of the bonds using the bonds outstanding method or straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized during the current period.

In the governmental fund financial statements, long-term debt is recognized when due or expected to be financed from current expendable available financial resources. Amortization of bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The *Tax Reform Act of 1986* requires governmental entities issuing tax-exempt bonds to refund to the U.S. Treasury interest earnings on bond proceeds in excess of the yield on those bonds. Governmental entities must comply with arbitrage rebate requirements in order for their bonds to maintain tax-exempt status. Entities are required to remit arbitrage rebate payments for non-purpose interest to the federal government at least once every five years over the life of the bonds. Federal regulations also require the Student Assistance Programs (major enterprise fund) to keep the yield on student loans within a designated percentage of the interest cost of the related tax-exempt borrowing. One method of reducing this yield is to make yield reduction payments to the United States Treasury. Estimated yield reduction payments may be made by the end of the tenth year and every fifth year thereafter during the life of the bonds. Some State of Utah bonds may be exempt from the rebate requirements if they meet certain statutory exceptions per the regulations. At June 30, 2020, there was no liability for yield reduction payments or for non-purpose interest arbitrage rebate in Student Assistance Programs.

Arbitrage liability is treated as an expense in the government-wide Statement of Net Position and the proprietary fund financial statements when the liability is recognized. Arbitrage liability is recorded as an expenditure in the governmental fund financial statements when the liability is due. Other arbitrage liabilities are immaterial.

Compensated Absences

For most employees vacation leave is accrued at a rate of four hours every two weeks for the first five years of employment, and grows to a rate of seven hours every two weeks after 20 years of employment. There is no requirement to use vacation leave, but a maximum of 320 hours may be carried forward at the beginning of each calendar year. The State established the State Employees' Annual Leave Trust Fund (other employee benefit trust funds) where any unused vacation leave is paid to employees upon termination. The ongoing termination payments from the Trust Fund are provided by charges to agency budgets as benefits are earned. Vacation leave taken as time off is paid from current budgets when used.

Most employees earn sick leave at a rate of four hours for each two-week period, with no limit to the amount that can be accumulated. The State does not reimburse employees for unused sick leave upon termination unless the leave was earned prior to January 4, 2014, and employees had the option under certain circumstances to "convert" sick leave. Employees may use converted sick leave in place of vacation leave. Any unused converted sick is paid to employees upon termination. Sick leave is expended when used.

At retirement, for participating agencies, an employee receives 25 percent of the value of all unused accumulated sick leave, earned prior to January 4, 2014, as a mandatory employer contribution into a 401(k) account. Each day of remaining sick leave earned prior to January 1, 2006, may be used to participate in the State Employee Other Postemployment Benefit Plan (State Employee OPEB Plan), to purchase health and life insurance coverage or Medicare supplemental insurance. See [Note 18](#) for additional information about the State Employee OPEB Plan.

Any remaining sick leave earned on or after January 1, 2006, but before January 4, 2014, is converted to a value (based on the higher of the employee's rate of pay at retirement or the average pay rate of retirees in the previous year) and placed in a Health Reimbursement Arrangement administered by Public Employees Health Plan. Any payouts by the State of converted sick leave upon termination, contributions into a 401(k) account, or Health Reimbursement Arrangement upon retirement, are paid from the Other Employee Benefits Trust Fund. The ongoing termination payments from the Trust Fund are provided by charges to agency budgets.

Proprietary funds, Utah Schools for the Deaf and the Blind, and private purpose trust funds of the primary government also participate in the compensated absences and have no liability for leave benefits once their contributions have been made. The total liability of the governmental activities for compensated absences is recorded in the government-wide Statement of Net Position as part of long-term liabilities. However, in accordance with GAAP, the liability is not recorded in the governmental fund financial statements. See [Note 10](#) for additional information about the liability.

Compensatory time for overtime worked may be earned up to a maximum of 80 hours. Any overtime exceeding 80 hours is paid when earned. In accordance with GAAP, compensatory time is expended when the leave is taken in governmental funds, but is expensed when earned for budgetary purposes.

Vacation earnings, sick leave earnings, and termination policies vary among discrete component units and from the primary

government's policies, but usually vacation leave is expended when earned and sick leave is expended when used.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems (URS) Pension Plan and additions to/ deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The primary government's proportionate share of pension amounts were further allocated to proprietary funds (business-type activities) based on the amount of employer contributions paid by each proprietary fund. Pension investments are reported at fair value.

Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources and expenses, information about the fiduciary net positions of the State Employee Other Postemployment Benefit Plan and the Elected Official OPEB Plan (Plans) and additions to/deductions from the Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. For this purpose, the Plans recognize benefit payments when due and payable in accordance with the benefit terms. The Plans' proportionate share of OPEB amounts were further allocated to proprietary funds (business-type activities) based on the amount of employer contributions paid by each proprietary fund. OPEB investments for the Plans are reported at fair value.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period, and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources are reported in the applicable governmental or business-type activities columns or in the component units column on the government-wide Statement of Net Position. See [Note 11](#) for a disaggregation of deferred inflows. Deferred inflows of resources of governmental funds, proprietary funds, and discrete component units are reported in detail in their respective fund statements.

Net Position/Fund Balances

The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources is "Net Position" on the government-wide, proprietary fund, and fiduciary fund financial statements and "Fund Balance" on the governmental fund financial statements.

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted balances represent those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislature, such as dedicated revenues or legislation. Assigned fund balance is constrained by the Legislature's intent to be used for specific purposes, by directive of the Executive Appropriations Committee of the Legislature or

in some cases by legislation. See [Note 12](#) for additional information about fund balances.

The State maintains three stabilization accounts: (1) the General Fund Budget Reserve Account in the General Fund (the “Rainy Day Fund”) reported as committed fund balance; (2) the Medicaid Growth Reduction and Budget Stabilization Restricted Account in the General Fund (“the Medicaid Budget Stabilization Account”) reported as committed fund balance; and (3) the Education Budget Reserve Account in the Education Fund (the “Education Reserve”) reported as restricted fund balance. The resources of these accounts may only be expended when specific non-routine budget shortfalls occur and upon appropriation by the Legislature.

Statutorily, the State established a minimum fund balance policy for the Disaster Recovery Restricted Account and the Local Government Emergency Response Loan Fund. Both these funds may issue loans for specific emergencies as long as a minimum fund balance is maintained in the funds. See [Note 12](#) for additional information about the stabilization accounts and funds with a statutory minimum fund balance requirement.

F. Restricted and Unrestricted Resources

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the State’s general policy to use restricted resources first. When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the State’s general policy to spend committed resources first. However, the State has some programs that are funded by appropriations from both unrestricted resources and resources required by law to be deposited in a specific subfund for a specific purpose (which may include restricted resources and unrestricted-committed resources). In those instances, it is the State’s policy to expend those resources proportionally based on the amounts appropriated from each source.

Grants

Federal grants and assistance awards made on the basis of entitlement periods are recorded as revenues when entitlement occurs. All federal reimbursement-type grants are recorded as revenues when the related allowable expenditures are incurred and all applicable eligibility requirements are met.

Federal grants include nonmonetary transactions for food and vaccine commodities and personal protective equipment (PPE). Commodity revenues and expenditures are valued at their federally reported value. PPE revenue and expenditures are valued at acquisition value at the time the items were received. Commodity and federal grant PPE inventories at yearend are immaterial. For the fiscal year ended June 30, 2020, the State reported revenues and expenditures of \$26.192 million and \$5.778 million for commodities and PPE, respectively, in the General Fund, and \$30.273 million for commodities in the Education Fund (special revenue fund).

Investment Income

Investment income includes interest, dividends, realized gains and other earnings, and the change in fair value of investments. Negative investment income is reported where the decrease in the fair value of investments due to market conditions exceeded the other components of investment income.

In accordance with state law, interest and dividend income from the State Endowment Fund (nonmajor governmental fund) is assigned to and reported directly in the General Fund. A portion of the applicable income in the General Fund is transferred into the State Endowment Fund to increase the principal in the fund as required by state law. The State Endowment Fund generated \$6.331 million of interest and dividend income, of which \$4.026 million was reported in the General Fund and \$2.305 million was reported in the State Endowment Fund.

G. Interfund Transactions

Government-wide Financial Statements

Interfund Activity – In general, eliminations have been made to minimize the double counting of internal activity, including internal service fund type activity. However, interfund services, provided and used between different functional categories, have not been eliminated in order to avoid distorting the direct costs and program revenues of the applicable functions. Transfers between governmental and business-type activities are reported at the net amount.

Interfund Balances – Interfund receivables and payables have been eliminated from the government-wide Statement of Net Position, except for the residual amounts due between governmental and business-type activities.

Governmental Fund Financial Statements

Interfund Activity – Interfund transactions for goods sold or services rendered for a price approximating their external exchange value, and employee benefit contributions are accounted for as revenues and expenditures/expenses in the funds involved.

Transfers are used to report flows of cash (or other assets) between funds without equivalent flows of assets in return or a requirement for repayment. The State’s transfers are based on legislative appropriations or other legal authority. Transfers are presented in [Note 14](#).

NOTE 2. BEGINNING NET POSITION ADJUSTMENTS AND OTHER CHANGES

For the fiscal year ended June 30, 2020, the State implemented Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which addresses the impact of the COVID-19 pandemic and provides relief to governments by postponing implementation and application of certain GASB Statements by a year, and by up to 18 months for other statements. In accordance with this Standard, the State postponed the implementation of any previously applicable standards until their new required implementation dates.

During fiscal year 2019, management reorganized the services provided by the General Services Internal Service Fund and a portion of services and employees were reclassified to the Fleet Operations Internal Service Fund. As a result, the Fleet Operations Fund was allocated a portion of the General Services Fund’s Net Pension and OPEB liabilities in accordance with GASB statements 68 and 75. This resulted in a reduction of the Fleet Services Fund and increase in the General Services Internal service Fund of \$353 thousand in beginning fund balances.

During fiscal year 2020, it was discovered that land purchases and land improvements associated with a land swap and parking

lot development occurring in fiscal year 2019 with the Navajo Trust Fund (nonmajor fiduciary fund), had not been recorded. As a result, the beginning fund balance of the Navajo Trust Fund was increased by \$648 thousand to reflect these transactions.

The University of Utah (major discrete component unit) added Community Nursing Services (CNS), a not-for-profit corporation that assists clients to attain health care goals through home health and hospice care, as a blended component unit which increased beginning net position by \$10.915 million.

Utah State University (major discrete component unit) added a new component unit, Hansen Scholars Support Foundation. The Hansen Scholars Support Foundation holds alternative investments and distributes earnings to the University to be used for scholarships. This addition increased beginning net position by \$7.305 million.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits and investments for the primary government and its discrete component units are governed by the Utah Money Management Act (Title 51, Chapter 7 of the *Utah Code*) and rules of the State Money Management Council. However, the Act also exempts certain funds that have a long time horizon to make investments of a long-term nature, such as equities and bond mutual funds. In the primary government these are the Trust Lands (permanent fund), State Endowment (nonmajor special revenue fund), Utah Navajo Trust (private purpose trust), Employers' Reinsurance Trust (private purpose trust), Utah Educational Savings Plan Trust (private purpose trust), Pension Trust Funds (fiduciary funds), Post-Retirement Benefits Trust Funds (fiduciary funds), and Other Employee Benefits Trust Funds (fiduciary funds). The discrete component units exempt from the Act are Public Employees Health Program and the Colleges' and Universities' endowment funds.

A. Primary Government

Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, the State's deposits may not be recovered. The Money Management Act (Act) requires that deposits be 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 that has been certified by the State Commissioner of Financial Institutions as having met the requirements of the Act and adhering to the rules of the State Money Management Council.

Deposits with qualified depository institutions in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits are uninsured and uncollateralized. Deposits are neither collateralized nor are they required to be by State statute. The deposits for the primary government at June 30, 2020, including those of Utah Retirement Systems (URS) (pension trust and defined contribution plans) and Trust Lands (permanent fund), were \$2.409 billion. These deposits are exposed to custodial credit risk as follows:

- \$413.001 million were exposed to custodial credit risk as uninsured and uncollateralized.
- Exposure to custodial credit risk cannot be determined for \$1.979 billion of the primary government deposits, which are in FDIC-insured accounts that are held in trust by Utah Educational Savings Plan Trust (private purpose trust fund)

at two banks. Funds in the FDIC-insured accounts are insured on a pass-through basis to each account owner at each bank up to \$250 thousand. The amount of FDIC insurance provided to an account owner is based on the total of (1) the value of an account owner's investment in the FDIC-insured account at each bank plus, (2) the value of other accounts held (if any) at each bank, as determined by the banks and by FDIC regulations. It is the account owner's responsibility to determine how investments in the FDIC-insured accounts would be aggregated with other investments at the banks for purposes of FDIC insurance coverage.

Investments

The Money Management Act defines the types of securities authorized as appropriate investments and the conditions for making investment transactions. Public treasurers conduct investment transactions through qualified depositories, certified dealers, or directly with issuers of the investment securities. The Utah State Treasurer is exempt from the requirement to conduct investment transactions through a certified dealer.

The Act authorizes investments in negotiable or nonnegotiable deposits of qualified depositories and permitted 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 instruments, 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; the Utah Public Treasurers' Investment Fund; negotiable brokered certificates of deposit and reciprocal deposits subject to rules of the State Money Management Council.

The Utah Educational Savings Plan Trust (private purpose trust) is permitted to invest in the Utah Public Treasurers' Investment Fund; mutual funds, securities, or other investments registered with the United States Securities and Exchange Commission; federally insured depository institutions; stable value products, including guaranteed investment contracts, guaranteed interest contracts, and guaranteed insurance contracts; and any investments that are determined by the board of directors of the Utah Educational Savings Plan to be appropriate and that would be authorized under the provisions of the Money Management Act or Rule 2 of the State Money Management Council.

The Pension Trust Funds (fiduciary funds) administered by Utah Retirement Systems are governed by a seven-member Utah State Retirement Board (Board). The Board has statutory authority to pool pension assets in the Utah Retirement Investment Fund (Fund). Statutes also establish that this Fund will be invested in accordance with the "prudent person rule."

The Trust Lands Fund (permanent fund) is governed by a five-member School and Institutional Trust Fund Board of Trustees (Board). The Board has statutory authority to establish policies

and investment philosophy for the management of the permanent fund assets consistent with the enabling act, the Utah Constitution, and other applicable state law. These are to optimize returns and increase the value of the permanent fund following the “prudent person rule.”

The following funds are exempt from the Money Management Act where the State Treasurer is responsible for investing with the primary goal of providing for the stability, income, and growth of principal following the “prudent person rule”: State Endowment Fund (nonmajor special revenue fund), Post-Retirement Benefits Trust Funds and Other Employee Benefits Trust Funds (fiduciary funds), and Utah Navajo Trust and Employers’ Reinsurance Trust (private purpose trust funds).

The primary government’s investments at June 30, 2020, are presented below except those of the Pension Trust Funds administered by Utah Retirement Systems (URS) (fiduciary funds) and the Trust Lands Fund (permanent fund). The investments are presented at fair value and by investment type with debt securities presented by maturity.

[Note 3.B.](#) presents the investments of the Pension Trust Funds (fiduciary funds) administered by Utah Retirement Systems

(URS). URS investments are presented consistent with their separately issued financial statements by investment type.

[Note 3.C.](#) presents the investments of the Trust Lands Fund (permanent fund). Trust Lands investments are presented consistent with their separately issued financial statements by investment type.

Fair Value Measurements

The State categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Inputs are quoted prices for identical investments in active markets.
- Level 2: Observable inputs other than quoted market prices.
- Level 3: Unobservable inputs.

The following table presents the recurring fair value measurements at June 30, 2020, for the primary government, with the exception of URS and Trust Lands.

Primary Government Investments and Derivative Instruments Measured at Fair Value (except Utah Retirement Systems and Trust Lands)

At June 30, 2020

(expressed in thousands)

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<u>Investments by Fair Value Level</u>				
Debt Securities				
U.S. Treasuries.....	\$ 1,149,592	\$ 1,149,592	\$ —	\$ —
U.S. Agencies.....	812	812	—	—
Corporate Debt.....	14,358,561	—	14,358,561	—
Money Market Mutual Funds.....	2,951,447	2,951,447	—	—
Bond Mutual Funds.....	3,894,566	3,894,566	—	—
Stable Value Funds.....	835,172	835,172	—	—
Total Debt Securities.....	23,190,150	8,831,589	14,358,561	0
Equity Securities				
Domestic Equity.....	7,306,533	7,306,533	—	—
International Equity.....	2,101,387	2,101,387	—	—
Equity Securities.....	197	197	—	—
Total Equity Securities.....	9,408,117	9,408,117	0	0
Total Investments by Fair Value Level.....	32,598,267	\$ 18,239,706	\$ 14,358,561	\$ 0
<u>Investments Measured at the Net Asset Value (NAV)</u>				
Private Real Estate.....	14,855			
Total Investments Measured at Fair Value.....	\$ 32,613,122			
<u>Investment Derivative Instruments</u>				
Interest Rate Exchange (swap).....	\$ 16,849	\$ 0	\$ 0	\$ 16,849

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

- Corporate Bonds and Notes are valued using quoted prices for identical securities in markets that are not active.

Mutual funds classified in Level 1 are valued at the daily closing price as reported by the fund company.

The Student Loan Purchase Program (major enterprise fund – student assistance programs) has an interest rate exchange (swap) investment derivative instrument. This investment fair value classification is Level 3. The fair value was calculated using information obtained from generally recognized sources with respect to quotations, reporting of specific transactions and market conditions and based on accepted industry standards and methodologies.

Investments Measured at the Net Asset Value (NAV)

The State Endowment (nonmajor governmental fund) and Post-Retirement Benefits Trust (fiduciary funds-pension and other employee benefit trust funds) have an investment in an open-end real estate fund measured at the NAV, with fair values of \$7.388 million and \$7.467 million, respectively. The fair values of the investments have been determined using the NAV per share (or its equivalent) of the fund's ownership interest in partners' capital.

The real estate fund is structured as a limited partnership and invests in commercial real estate located in the United States. The fund invests in income producing properties as well as properties that are near core properties with short-term challenges with the

intent to sell the properties to core funds when the challenges have been addressed. The fund allows for quarterly redemptions with 90 days' notice subject to the discretion of the general partner based upon the fund's liquidity position and other factors. If redemption requests are greater than available cash, the redemptions are fulfilled on a pro rata basis each quarter, until all redemption requests have been fulfilled.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The following table presents the debt investments and maturities at June 30, 2020, for the primary government, with the exception of URS and Trust Lands.

Primary Government
(except Utah Retirement Systems and Trust Lands)

Debt Investments at Fair Value

At June 30, 2020

(expressed in thousands)

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
Debt Securities					
U.S. Treasuries.....	\$ 1,149,592	\$ 1,149,592	\$ —	\$ —	\$ —
U.S. Agencies.....	812	—	812	—	—
Corporate Debt.....	14,358,561	14,358,561	—	—	—
Money Market Mutual Funds.....	2,951,447	2,951,447	—	—	—
Bond Mutual Funds.....	3,894,565	—	59,408	3,835,157	—
Stable Value Funds.....	835,172	—	835,172	—	—
Total.....	23,190,149	<u>\$18,459,600</u>	<u>\$ 895,392</u>	<u>\$ 3,835,157</u>	<u>\$ —</u>
Discrete Component Units Investment in Primary Government's Investment Pool.....	(1,235,783)				
Total Debt Investments.....	<u>\$21,954,366</u>				

The primary government's policy for managing interest rate risk, with the exception of URS and Trust Lands, is to comply with the Money Management Act. 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 five years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding three years.

The majority of the primary government's corporate debt securities are variable-rate securities, which adjust periodically to the prevailing market interest rates. Because these securities frequently reprice, interest rate risk is substantially reduced at each periodic reset date. In the table above, variable-rate securities are presented according to the length of time until the next reset date rather than the stated maturity.

In addition, significant funds with a long-term investment perspective have the following mix of investments (percentages are of the fund's total investments):

- **Utah Educational Savings Plan Trust (private purpose trust)** – \$7.100 billion, 52.74 percent, in domestic equity mutual fund securities; \$3.403 billion, 25.28 percent, in bond mutual funds; \$2.064 billion, 15.33 percent, in international equity mutual fund securities; \$835.172 million, 6.20 percent, in stable value funds; \$52.872 million, 0.39 percent, in mixed mutual fund securities; and \$7.900 million, 0.06 percent, in the Utah Public Treasurers' Investment Fund.
- **Post-Retirement Benefits Trust Funds (fiduciary funds) and Other Employee Benefits Trust Funds (fiduciary funds)** – \$216.565 million, 57.64 percent, in bond mutual funds; \$4.157 million, 1.11 percent, in domestic equity mutual fund securities; \$3.927 million, 1.05 percent, in international equity mutual fund securities; \$7.467 million, 1.99 percent, in private real estate; and \$143.580 million, 38.22 percent, in the Utah Public Treasurers' Investment Fund.
- **State Endowment Fund (special revenue fund)** – \$120.401 million, 46.76 percent, in bond mutual funds; \$83.880 million, 32.58 percent, in domestic equity mutual fund securities; \$24.092 million, 9.36 percent, in international equity mutual fund securities; \$7.388 million, 2.87 percent, in private real estate; and \$21.720 million, 8.44 percent, in the Utah Public Treasurers' Investment Fund.

- **Student Assistance Programs (major enterprise fund)** – \$51.491 million, 29.49 percent, in domestic equity mutual fund securities; \$122.288 million, 70.04 percent, in the Utah Public Treasurers' Investment Fund; and \$813 thousand, 0.47 percent, in the U.S. Government agency securities.
- **Employers' Reinsurance Trust (private purpose trust)** – \$124.880 million, 57.90 percent, in bond mutual funds; \$8.404 million, 3.90 percent, in domestic equity mutual fund securities; \$5.671 million, 2.63 percent, in international equity mutual fund securities; and \$76.709 million, 35.57 percent, in the Utah Public Treasurers' Investment Fund.

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The primary government, with the exception of URS and Trust Lands, follows the Money Management Act as previously discussed as its policy for reducing exposure to investment credit risk.

The primary government's rated debt investments as of June 30, 2020, with the exception of URS and Trust Lands, were rated by Standard and Poor's and/or an equivalent nationally recognized statistical rating organization and the ratings are presented below using the Standard and Poor's rating scale. Securities rated less than "A" met the investment criteria at the time of purchase.

Primary Government (except Utah Retirement Systems and Trust Lands)

Debt Investments Quality Ratings

At June 30, 2020

(expressed in thousands)

Debt Investments	Fair Value	Quality Ratings				
		AAA	AA	A	BBB	Not Rated
U.S. Agencies	\$ 812	\$ 812	\$ —	\$ —	\$ —	\$ —
Corporate Debt	14,358,561	—	985,080	11,013,295	2,360,186	—
Money Market Mutual Funds	2,951,447	—	—	—	—	2,951,447
Bond Mutual Funds	3,894,566	—	—	—	—	3,894,566
Stable Value Funds	835,172	—	—	—	—	835,172
Subtotal	\$22,040,558	\$ 812	\$ 985,080	\$11,013,295	\$2,360,186	\$7,681,185
U.S. Treasuries	1,149,592					
Total Debt Investments	<u>\$23,190,150</u>					

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the State will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The primary government does not have a formal policy for custodial credit risk.

The primary government's investments at June 30, 2020, with the exception of URS and Trust Lands, were held by the State or in the State's name by the State's custodial banks.

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.

Except for URS and Trust Lands, the primary government's policy for reducing this risk of loss is to comply with the Rules of the State Money Management Council. Rule 17 of the State Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to between 5 and

10 percent depending upon the total dollar amount held in the portfolio. Such limitations do not apply to securities issued by the U.S. government and its agencies. The primary government had no debt securities investments at June 30, 2020, with more than 5 percent of the total investments in a single issuer.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The primary government, with the exception of URS and Trust Lands, does not have a formal policy to limit foreign currency risk. The following funds have investments in international equity funds, and as such, no foreign currency risk is presented: Utah Educational Savings Plan Trust (private purpose trust) \$2.064 billion, Post-Retirement Benefits Trust Funds (fiduciary funds), and Other Employee Benefits Trust Funds (fiduciary funds) \$3.927 million, State Endowment Fund (special revenue fund) \$24.091 million, Employers' Reinsurance Trust (private purpose trust) \$5.671 million, Utah Navajo Trust (private purpose trust fund) \$2.907 million, and General Fund \$928 thousand.

B. Primary Government – Utah Retirement Systems**Investments**

The Utah Retirement Systems' and Plans' (URS) (pension trust and defined contribution plans) investments by type are presented below.

Utah Retirement Systems
(pension trust and defined contribution plans)
Investments at Fair Value
At December 31, 2019
(expressed in thousands)

Investment Type	Defined Benefit	Defined Contribution	Total All Systems and Plans
Short-term Securities Pools.....	\$ 1,855,786	\$ —	\$ 1,855,786
Debt Securities.....	5,819,450	2,164,477	7,983,927
Equity Securities.....	12,961,767	4,175,188	17,136,955
Absolute Return.....	5,183,620	—	5,183,620
Private Equity.....	4,012,872	—	4,012,872
Real Assets.....	4,947,658	277,059	5,224,717
Investments Held by Broker-dealers under Securities Lending Program:			
Equity Securities.....	473,803	—	473,803
Debt Securities.....	357,048	—	357,048
Total.....	35,612,004	6,616,724	42,228,728
Securities Lending Collateral Pool.....	884,172	—	884,172
Total Investments.....	<u>\$36,496,176</u>	<u>\$ 6,616,724</u>	<u>\$43,112,900</u>

URS values these investments in good faith at URS's pro-rata interest in the net assets of these investments based upon audited financial statements or other information provided to URS by the underlying investment managers. The estimated fair value of these investments may differ significantly from values that would have been used had a ready market existed.

Fair Value Measurements

URS categorizes the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements), as follows:

- Level 1: Unadjusted quoted prices for identical instruments in active markets.
- Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.
- Level 3: Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. URS's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Debt, equity, and derivative instruments classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and debt derivative instruments classified in Level 2 and Level 3 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. Index-linked debt securities are valued by multiplying the external market price feed by the applicable day's Index Ratio. Level 2 debt securities have non-proprietary information that was readily available to market participants, from multiple independent sources which are known to be actively involved in the market. Level 3 debt securities use proprietary information or single source pricing. Equity and equity derivative instruments classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

Real assets classified in Level 1 are valued using prices quoted in active markets for those securities. Real assets classified in Level 3 are real estate investments generally valued using the income approach by internal manager reviews or independent external appraisers. URS's policy is to obtain an external appraisal a minimum of every three years for properties or portfolios that URS has some degree of control or discretion. In practice, some investments are appraised annually. Appraisals are performed by an independent appraiser with preference for Member Appraisal Institute (MAI) designated appraisers. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

The following table shows the fair value leveling of the investments for URS.

Utah Retirement Systems
(pension trust and defined contribution plans)
Investments and Derivative Instruments Measured at Fair Value
At December 31, 2019
(expressed in thousands)

Investment Type	Fair Value	Defined Benefit			Defined Contribution			
		Fair Value Measures Using			Fair Value Measures Using			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
		Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level								
Short-term Securities	\$ 1,360,102	\$ 131,811	\$ 1,228,291	\$ —	\$ —	\$ —	\$ —	\$ —
Debt Securities								
Asset-backed Securities	217,519	—	178,179	39,340	49,980	—	47,039	2,941
Commercial Mortgage-backed	159,592	—	157,980	1,612	2,824	—	2,787	37
Corporate Bonds	1,979,090	—	1,975,193	3,897	311,991	—	311,980	11
Funds – Other Fixed Income	—	—	—	—	87,385	—	87,385	—
Government Agencies	73,579	—	73,579	—	21,858	—	21,858	—
Government Bonds	1,140,949	—	1,138,396	2,553	245,618	—	245,618	—
Government Mortgage-backed Securities	1,149,290	—	1,106,407	42,883	305,015	—	275,264	29,751
Index-linked Government Bonds	1,341,563	—	1,341,563	—	161,658	—	161,658	—
Non-government Backed C.M.O.s	117,511	—	101,665	15,846	991	—	991	—
Total Debt Securities	6,179,093	0	6,072,962	106,131	1,187,320	0	1,154,580	32,740
Equity Investments								
Consumer Goods	2,442,595	2,442,049	29	517	416,325	416,325	—	—
Energy	604,098	602,321	1,614	163	51,618	51,618	—	—
Equity Other	7,856	7,540	—	316	309,474	309,474	—	—
Financials	1,847,853	1,847,675	—	178	190,475	190,475	—	—
Health Care	1,410,394	1,410,293	—	101	272,516	272,516	—	—
Industrials	1,594,744	1,594,632	—	112	151,434	151,434	—	—
Information Technology	1,973,373	1,973,344	—	29	570,859	570,859	—	—
Materials	610,169	609,568	—	601	34,864	34,864	—	—
Real Estate Investment Trusts	482,490	464,463	17,937	90	115,861	115,861	—	—
Telecommunication Services	889,993	889,888	—	105	218,628	218,628	—	—
Utilities	310,394	310,343	—	51	40,244	40,244	—	—
Total Equity Investments	12,173,959	12,152,116	19,580	2,263	2,372,298	2,372,298	0	0
Real Assets								
Agriculture	206,513	—	—	206,513	—	—	—	—
Commodities	56,981	56,981	—	—	—	—	—	—
Total Real Assets	263,494	56,981	0	206,513	0	0	0	0
Total Investments by Fair Value Level	\$ 19,976,648	\$12,340,908	\$ 7,320,833	\$ 314,907	\$ 3,559,618	\$ 2,372,298	\$ 1,154,580	\$ 32,740
Investments Measured at the Net Asset Value (NAV)								
Short-Term Securities	\$ 495,198				\$ —			
Equity Investments								
Co-mingled Equity Fund	154,953				—			
Co-mingled International Equity Fund	840,349				737,521			
Co-mingled U.S. Small Cap Equity Fund	264,508				441,809			
Co-mingled Large Cap Equity Fund	—				599,616			
Co-mingled Russell 1000 Growth Equity Fund	—				23,944			
Total Equity Investments Measured at the NAV	1,259,810				1,802,890			
Absolute Return								
Directional	1,448,575				—			
Equity Long/Short	122,176				—			
Event Driven	1,179,782				—			
Multistrategy	723,527				—			
Relative Value	1,615,005				—			
Plus	94,555				—			
Total Absolute Return Measured at the NAV	5,183,620				0			
Private Equity – Private Equity Partnerships	4,012,872				0			

Continues

Investment Type	Defined Benefit				Defined Contribution			
	Fair Value	Fair Value Measures Using			Fair Value	Fair Value Measures Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<i>Continued</i>								
Real Assets								
Co-mingled Commodities Fund	—				88,949			
Co-mingled Real Estate Fund	—				188,110			
Agriculture	50,493				—			
Energy	1,185,193				—			
Minerals	312,604				—			
Real Estate	2,821,821				—			
Royalty	28,978				—			
Timber	289,356				—			
Total Real Assets Measured at the NAV	4,688,445				277,059			
Total Investments Measured at the NAV	15,639,945				2,079,949			
Total Investments Measured at Fair Value	\$ 35,616,593				\$ 5,639,567			
Synthetic Guaranteed Investments Contracts Measured at Contract Value	\$ —				\$ 977,157			
Investment Derivative Instruments								
Short-term Securities – Options	\$ 486	\$ 351	\$ 135	\$ —	\$ 42	\$ 10	\$ 32	\$ —
Debt Securities								
Options	32	32	—	—	2	1	1	—
Swaptions	(14,696)	—	(14,696)	—	(434)	—	(434)	—
Swap Liabilities	(5,569)	—	(5,569)	—	(112)	—	(112)	—
Swap Assets	17,638	—	17,638	—	666	—	666	—
Total Debt Security Derivative Instruments	(2,595)	32	(2,627)	—	122	1	121	—
Equity Investments – Options	1,801	1,801	—	—	—	—	—	—
Real Assets – Swap Liabilities	(4,281)	—	(4,281)	—	—	—	—	—
Total Investment Derivative Instruments	\$ (4,589)	\$ 2,184	\$ (6,773)	\$ 0	\$ 164	\$ 11	\$ 153	\$ 0
Invested Securities Lending Collateral								
Short-Term Securities	\$ 200,690	\$ 31,017	\$ —	\$ 169,673	\$ —	\$ —	\$ —	\$ —
Debt Securities	53,262	22,004	12,978	18,280	—	—	—	—
Equity Investments	630,220	630,220	—	—	—	—	—	—
Total Invested Securities Lending Collateral	\$ 884,172	\$ 683,241	\$ 12,978	\$ 187,953	\$ 0	\$ 0	\$ 0	\$ 0

(Notes continue on next page.)

Investments Measured at the Net Asset Value (NAV)

The following table presents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for the alternative investments measure at NAV.

Utah Retirement Systems
(pension trust and defined contribution plans)
Investments Measured at the Net Asset Value (NAV) — Defined Benefit
At December 31, 2019
(expressed in thousands)

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Short-term Securities – Beta/Overlays	\$ 495,198	\$ —	Daily	None
Equity Investments				
Co-mingled Equity fund.....	154,953	—	Daily	None
Co-mingled International Equity Fund.....	840,349	—	Daily	None
Co-mingled U.S. Small Cap Equity Fund.....	264,508	—	Daily	None
Total Equity Investments.....	1,259,810	0		
Absolute Return				
Directional.....	1,448,575	9,026	Monthly, quarterly	30–60 days
Equity Long/Short.....	122,176	—	Monthly, quarterly, annually	30–60 days
Event Driven.....	1,179,782	40,000	Monthly, quarterly, semi-annually, annually, bi-annually	45–120 days
Multistrategy.....	723,527	—	Monthly, quarterly, semi-annually, annually	45–90 days
Relative Value.....	1,615,005	—	Monthly, quarterly, semi-annually, annually	30–90 days, N/A
Plus.....	94,555	—	Monthly, quarterly, semi-annually, annually	None
Total Absolute Return.....	5,183,620	49,026		
Private Equity – Partnerships	4,012,872	1,483,235	Not eligible	N/A
Real Assets				
Agriculture.....	50,493	63,024	Not eligible	N/A
Energy.....	1,185,193	610,921	Not eligible	N/A
Minerals.....	312,604	174,836	Not eligible	N/A
Real Estate *.....	2,821,821	242,885	Not eligible	N/A
Royalty.....	28,978	177,427	Not eligible	N/A
Timber *.....	289,356	—	Not eligible	N/A
Total Real Assets.....	4,688,445	1,269,093		
Total Investments Measured at the NAV.....	\$ 15,639,945	\$ 2,801,354		

*See redemption descriptions for these investments under Real Estate and Timber Funds.

The valuation method for investments measured at the NAV per share (or its equivalent) is presented on the table above and on the table below. Synthetic guaranteed investment contracts that are fully benefit-responsive are measured at contract value and do not participate in fair value changes.

Defined Benefit

- **Short-term Beta/Overlays** – This type consists of one pooled investment fund that invests in exchange traded short-term options and futures referencing equity indexes used for portfolio rebalancing. The fair values have been determined using the NAV per share of the investments.
- **Co-mingled International Equity Fund and Co-mingled Small Cap Fund** – This type consists of three institutional investment funds that invest in international equities diversified across all sectors and one fund that invests in U.S. small cap equities. The fair values of the investments in these types have been determined using the NAV per share of the investments.
- **Absolute Return Funds** – The fair values of the investments in this type have been determined using the NAV per share of the investments. *Directional funds* include investments in eleven funds whose investments are more directional in nature although they can shift opportunistically between having a directional bias and a non-directional bias. *Equity long/short funds* includes investments in three funds in which the equity securities maintain some level of market

exposure (either net long or net short); however the level of market exposure may vary through time. There is one fund in redemption with a value of \$54 thousand. *Event driven funds* include investments in ten funds whose investments focus on identifying and analyzing securities that can benefit from the occurrence of an extraordinary corporate transaction or event (e.g., restructurings, takeovers, mergers, spin-offs, bankruptcy, etc). Two funds are in the process of redemption totaling \$34 thousand over the next two to ten years. *Multi-strategy funds* include investments in ten funds. Investments in these funds represent a mix of the other absolute return strategies. Five funds are in the process of redemption totaling \$13.900 million over the next 1-5 years. *Relative value funds* include investments in twenty-one funds. These funds seek returns by capitalizing on the mispricing of related securities or financial instruments. Two funds with a value of \$13.500 million are in redemption. All other funds currently have no redemption restrictions.

- **Private Equity Partnerships** – This type includes investments in limited partnerships. Generally speaking, the types of partnership strategies included in this portfolio are venture capital, growth equity, buyouts, special situations, mezzanine, and distressed debt. These investments have an approximate life of ten years and are considered illiquid. Redemptions are restricted over the life of the partnership. During the life of the partnerships distributions are received as underlying partnership investments are realized. The

majority of the private equity partnership investments are managed by two gatekeepers. Both gatekeepers manage discretionary accounts for URS. The gatekeepers are required to manage the private equity portfolio in accordance with guidelines established by URS. URS has no plans to liquidate the total portfolio. As of December 31, 2019, it is probable that all the investments in this type will be sold at an amount different from the NAV per share (or its equivalent) of URS's ownership interest in partners' capital.

- **Energy, Mineral, and Royalty Funds** – Investments in *Energy* consist of 29 private equity partnerships, which invest primarily in oil and gas related investments. *Mineral funds* include seven private equity partnerships, which invest in mineral mining equity securities, commodities and other mining investments. *Royalty funds* include two private equity partnerships, which invest primarily in drug royalties. These investments have an approximate life of 10 years and are considered illiquid. Redemption restrictions are in place over the life of the partnership. During the life of the partnerships, distributions are received as underlying partnership investments are realized. As of December 31,

2019, it is probable that all the investments in this type will be sold at an amount different from the NAV per share (or its equivalent) of URS's ownership interest in partners' capital. The fair values of these investments have been determined using estimates provided by the underlying partnerships using recent observable transactions information for similar investments.

- **Real Estate and Timber Funds** – This type includes 38 investments, which are invested primarily in apartments and retail space in the United States. *Timber* includes three funds, which invest in timber-related resources. *Agriculture* includes seven investments which operate in the production, processing, and distribution of high-value foods. Investments in these types can never be redeemed with the funds. Instead, the nature of these investments are that distributions from each investment will be received as the underlying investments are liquidated. Because it is probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of URS's ownership interest in partners' capital.

Utah Retirement Systems
(pension trust and defined contribution plans)
Investments Measured at the Net Asset Value (NAV) — Defined Contribution

At December 31, 2019

(expressed in thousands)

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Equity Securities				
Co-mingled Large Cap Equity Fund	\$ 599,616	\$ —	Daily	None
Co-mingled International Equity Fund	737,521	—	Daily	None
Co-mingled U.S. Small Cap Equity Fund	441,809	—	Daily	None
Co-mingled Russell 1000 Growth Equity Fund ...	23,944	—	Daily	None
Total Equity Securities	1,802,890	0		
Real Assets				
Co-mingled Real Estate Equity Fund	188,110	—	Quarterly	None
Co-mingled Commodities Fund	88,949	—	Daily	None
Total Real Asset	277,059	0		
Total Investments Measured at the NAV	\$ 2,079,949	\$ 0		

Defined Contribution

- **Co-Mingled Funds** – The fair values of the investments of this type have been determined using the NAV per share of the investments. The *co-mingled real estate equity fund* is comprised of institutional-quality commercial real estate across a broad range of real estate asset types. The *co-mingled commodities fund* invests mainly in bulk goods and raw materials. The other funds invest in securities indicative of their name.

Interest Rate Risk

Utah Retirement Systems (URS) (pension trust and defined contribution plans) manages its exposure to fair value loss arising from increasing interest rates by complying with the following policy:

- For domestic debt securities managers, an individual debt securities investment manager's portfolio will have an effective duration between 75 and 125 percent of the effective duration of the appropriate index.
- The international debt securities investment managers will maintain an effective duration of their portfolio between 80 and 120 percent of the appropriate index.

- The global debt securities investment managers will maintain an effective duration of their portfolio between 75 and 125 percent of the appropriate index.
- The global debt inflation-linked debt securities investment managers will maintain an effective duration of their portfolio between 80 and 120 percent of the appropriate index.
- Duration is a measure of a debt investment's exposure to fair value changes arising from changes in interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price.

URS compares an investment's effective duration against the Bloomberg Barclays US Aggregate Bond Index for domestic debt securities, the Bloomberg Barclays Global Aggregate Index (USD hedged) for global debt securities, and the Bloomberg Barclays World Government Inflation-Linked Investment Bond Index (USD hedged) for inflation-linked debt securities. The index duration range as of December 31, 2019, was 4.40 to 7.34 percent for domestic debt securities, 5.34 to 8.90 percent for global debt securities, and 9.81 to 14.71 percent for inflation-linked debt securities.

URS compares an investment's effective duration against the Bloomberg Barclays US Intermediate Aggregate Bond Index for domestic debt securities, the Bloomberg Barclays Global Aggregate ex-US Bond Index (USD hedged) for international debt securities, and the Bloomberg Barclays Global Inflation-Linked Bond Index 1-10 Year (USD hedged) for inflation-linked debt securities. The index duration range as of December 31,

2019, was 4.40 to 7.34 percent for domestic debt securities, 6.52 to 9.78 percent for international debt securities, and 4.06 to 6.08 percent for inflation-linked debt securities.

As of December 31, 2019, no individual debt securities investment manager's portfolio was outside of the policy guidelines.

As of December 31, 2019, the following table shows the investments by investment type, amount, and the effective weighted duration.

Utah Retirement Systems (pension trust and defined contribution plans) Debt Securities Investments At December 31, 2019 (dollars expressed in thousands)					
Investment	Defined Benefit Plans		Defined Contribution Plans		Total All Systems and Plans
	Fair Value	Effective Weighted Duration	Fair Value	Effective Weighted Duration	
Asset-backed Securities	\$ 217,520	2.00	\$ 49,980	0.28	\$ 267,500
Commercial Mortgage-backed	159,592	5.04	2,824	2.00	162,416
Corporate Bonds	1,978,504	3.65	311,991	6.24	2,290,495
Fixed Income Other	79,061	—	87,385	—	166,446
Government Agencies	73,579	5.66	21,858	8.18	95,437
Government Bonds	1,140,949	9.55	245,618	9.43	1,386,567
Government Mortgage-backed Securities	1,149,290	4.80	305,015	3.35	1,454,305
Index Linked Bonds	1,341,563	11.64	161,658	4.81	1,503,221
Non-government Backed C.M.O.s	36,440	3.00	991	1.20	37,431
Synthetic Guaranteed Investment Contracts – measured at contract value	—	—	977,157	—	977,157
Total Debt Securities Investments	<u>\$ 6,176,498</u>	6.56	<u>\$ 2,164,477</u>	5.68	<u>\$ 8,340,975</u>

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, URS will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. URS does not have an investment policy regarding custodial credit risk. As of December 31, 2019, there is \$79.436 million of cash and cash equivalents exposed to custodial credit risk and \$487.454 million of other assets where exposure to custodial credit risk is not determined. The \$79.436 million frictional cash and cash equivalents subject to custodial credit risk are in foreign banks in URS's name. Because it is in foreign banks, it is subject to custodial credit risk. URS does not have an investment policy regarding custodial credit risk for frictional cash in foreign banks.

Concentration of Credit Risk

URS expects investment managers to maintain diversified portfolios by sector and by issuer using the following guidelines:

- **AAA/Aaa Debt Securities** – No more than 5 percent of an investment manager's assets at market with a single issuer.
- **AA-/Aa3 Debt Securities or higher** – No more than 4 percent of an investment manager's assets at market with a single issuer.
- **A-/A3 Debt Securities or higher** – No more than 3 percent of an investment manager's assets at market with a single issuer.
- **BBB-/Baa3 Debt Securities or higher** – No more than 2 percent of an investment manager's assets at market with a single issuer.
- **Debt Securities** – No individual holding will constitute more than 10 percent of the fair value of outstanding debt of

a single issuer with the exception of the U.S. Government or its agencies, or collateralized mortgage obligations.

As of December 31, 2019, URS had no single issuer investments that exceeded the above guidelines.

Credit Risk of Debt Securities

URS expects its domestic debt securities investment managers to maintain diversified portfolios by sector and by issuer using the following guidelines:

- U.S. Government and Agency Securities – no restriction.
- Total portfolio quality will maintain a minimum overall rating of "A".
- Securities with a quality rating of below BBB- are considered below investment grade. No more than 5 percent of an investment manager's assets can be below investment grade and no more than 1 percent of an investment manager's assets can be with a single below investment grade issuer. No more than 15 percent of an investment manager's assets can be below investment grade.
- Upon approval, a domestic debt securities investment manager may invest up to 10 percent of the portfolio in non-U.S. dollar-denominated bonds.

The global debt securities investment managers may hold up to 25 percent of the fair value of their portfolios in securities rated below investment grade (below BBB-/Baa3). The remaining assets will have on average an investment grade rating. International debt securities investment managers may hold up to 20 percent of the fair value of their portfolios in securities rated below investment grade (below BBB-/Baa3). The remaining assets will have an investment grade rating.

URS's weighted quality rating average of the global debt securities, excluding pooled investments, as of December 31, 2019, was A+, and the fair value of below grade investments was \$111.816 million or 1.33 percent.

Corporation and \$919 thousand of Federal National Mortgage Association securities, which are implicitly guaranteed by the U.S. government.

The government mortgage-backed securities in URS that are not rated include \$301 thousand Federal Home Loan Mortgage

(Notes continue on next page.)

The following table presents URS's credit risk ratings as of December 31, 2019:

Utah Retirement Systems
(pension trust and defined contribution plans)
Credit Risk of Debt Securities at Fair Value
At December 31, 2019
(expressed in thousands)

Defined Benefit Plans										
Quality Rating	Total	Asset-backed	Commercial Mortgage-backed	Corporate Bonds	Fixed Income Other	Government Agencies	Government Bonds	Government Mortgage-backed	Index-linked Bonds	Non-Government Backed C.M.O.s
AAA	\$ 208,937	\$ 82,539	\$ 75,638	\$ 14,178	\$ —	\$ 10,797	\$ 6,394	\$ 3,029	\$ 7,533	\$ 8,829
AA+	78,886	6,524	5,829	30,215	—	20,225	2,307	—	13,588	198
AA	26,494	5,772	—	10,888	—	—	9,834	—	—	—
AA-	278,958	249	598	272,707	—	—	5,404	—	—	—
A+	294,173	4,936	—	283,613	—	2,034	3,550	—	—	40
A	377,029	1,026	—	372,535	—	—	1,891	—	—	1,577
A-	397,432	1,879	2,891	392,283	—	—	358	—	—	21
BBB+	270,638	—	—	234,260	—	8,535	27,733	—	—	110
BBB	216,239	311	—	191,281	—	—	23,784	—	—	863
BBB-	111,773	—	—	99,073	—	—	12,609	—	—	91
BB+	7,248	28	—	7,041	—	—	—	—	—	179
BB	4,798	—	—	4,528	—	—	—	—	—	270
BB-	2,016	173	—	1,843	—	—	—	—	—	—
B+	4,844	—	—	729	—	—	4,115	—	—	—
B	11,289	547	—	—	—	—	10,731	—	—	11
B-	15,413	—	—	8,674	—	—	5,981	—	—	758
CCC	558	—	—	—	—	—	—	—	—	558
CCC-	663	663	—	—	—	—	—	—	—	—
D	168	168	—	—	—	—	—	—	—	—
NR	2,672,768	112,705	74,636	54,656	84,055	31,978	463,425	966,969	861,409	22,935
Subtotal	4,980,324	\$ 217,520	\$ 159,592	\$1,978,504	\$ 84,055	\$ 73,569	\$ 578,116	\$ 969,998	\$ 882,530	\$ 36,440
U.S. Treasuries	1,021,888									
Explicit U.S. Government Agencies	179,292									
Total Debt Securities Investments	\$ 6,181,504									

Defined Contribution Plans										
Quality Rating	Total	Asset-backed	Commercial Mortgage-backed	Corporate Bonds	Fixed Income Other	Government Agencies	Government Bonds	Government Mortgage-backed	Index-linked Bonds	Non-Government Backed C.M.O.s
AAA	\$ 12,415	\$ 3,827	\$ 487	\$ 1,452	\$ —	\$ 3,402	\$ 2,310	\$ 110	\$ 26	\$ 801
AA+	42,696	40,219	—	1,463	—	—	—	—	1,014	—
AA	3,550	699	—	231	—	1,615	1,005	—	—	—
AA-	9,768	—	100	1,738	—	—	7,930	—	—	—
A+	10,778	—	—	6,785	—	412	3,581	—	—	—
A	6,119	205	—	5,914	—	—	—	—	—	—
A-	36,064	288	—	35,776	—	—	—	—	—	—
BBB+	72,442	—	—	57,221	—	14,677	544	—	—	—
BBB	71,889	61	—	64,917	—	—	6,911	—	—	—
BBB-	64,278	—	—	58,573	—	—	5,705	—	—	—
BB+	37,352	16	—	37,336	—	—	—	—	—	—
BB	7,578	—	—	7,578	—	—	—	—	—	—
BB-	14,822	—	—	14,822	—	—	—	—	—	—
B+	686	—	—	—	—	—	686	—	—	—
B	2,817	—	—	79	—	—	2,738	—	—	—
B-	1,561	—	—	81	—	—	1,480	—	—	—
NR	543,688	4,665	2,237	18,025	87,386	1,752	83,041	278,917	67,475	190
Subtotal	938,503	\$ 49,980	\$ 2,824	\$ 311,991	\$ 87,386	\$ 21,858	\$ 115,931	\$ 279,027	\$ 68,515	\$ 991
U.S. Treasuries	222,829									
Explicit U.S. Government Agencies	25,988									
Synthetic Guaranteed Investment Contracts	977,157									
Total Debt Securities Investments	\$ 2,164,477									

Foreign Currency Risk

URS expects the International Securities Investment Managers to maintain diversified portfolios by sector and by issuer using the following guidelines:

- International investment managers invest in fixed income instruments and equity instruments of corporations

headquartered outside of the United States unless specifically authorized within the investment managers' contract.

- Domestic investment managers are allowed to invest in international corporations traded in American Depository Receipts (ADRs).
- Portfolios should be adequately diversified to limit foreign currency and security risk.

Risk of loss arises from changes in currency exchange rates. URS's exposure to foreign currency risk is shown in the table below.

Utah Retirement Systems
(pension trust and defined contribution plans)
Foreign Currency Risk
International Investment Securities at Fair Value
At December 31, 2019
(expressed in thousands)

Currency	Defined Benefit Plans						Defined Contribution Plans			Total All Systems and Plans
	Short-term	Debt	Equity	Absolute Return	Private Equity	Total	Debt	Equity	Total	
Argentine peso	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 457	\$ 457	\$ 457
Australian dollar	1,407	24,731	197,048	—	2,925	226,111	15,172	33,762	48,934	275,045
Brazilian real	920	—	106,974	—	—	107,894	—	15,421	15,421	123,315
British pound sterling	3,298	361,680	688,203	7,126	65,723	1,126,030	26,713	82,306	109,019	1,235,049
Canadian dollar	990	48,549	366,797	—	—	416,336	13,001	49,422	62,423	478,759
Cayman Islands dollar	—	—	—	—	—	—	—	24	24	24
Chilean peso	126	3,078	8,962	—	—	12,166	507	1,518	2,025	14,191
Chinese yuan renminbi	343	27,039	38,017	—	—	65,399	7,701	61,969	69,670	135,069
Colombian peso	187	—	4,394	—	—	4,581	—	709	709	5,290
Czech koruna	94	—	1,480	—	—	1,574	—	260	260	1,834
Danish krone	53	2,139	43,235	—	—	45,427	318	8,962	9,280	54,707
Egyptian pound	—	—	1,438	—	—	1,438	—	333	333	1,771
European euro	12,021	444,012	1,190,417	431,546	172,574	2,250,570	89,552	151,228	240,780	2,491,350
Hong Kong dollar	689	—	556,685	—	—	557,374	—	15,546	15,546	572,920
Hungarian forint	71	—	13,797	—	—	13,868	—	555	555	14,423
Indian rupee	79	3,127	92,542	—	—	95,748	584	3,769	4,353	100,101
Indonesian rupiah	14	—	19,838	—	—	19,852	—	17,551	17,551	37,403
Japanese yen	42,573	163,824	1,127,927	9,027	—	1,343,351	60,691	123,447	184,138	1,527,489
Kuwaiti dinar	80	—	7,277	—	—	7,357	—	—	—	7,357
Malaysian ringgit	55	9,620	25,564	—	—	35,239	2,335	3,822	6,157	41,396
Mexican peso	315	—	70,190	40,373	—	110,878	—	4,525	4,525	115,403
Moroccan dirham	17	—	—	—	—	17	—	—	—	17
Israeli new shekel	179	1,084	13,958	—	—	15,221	308	3,645	3,953	19,174
New Taiwan dollar	845	—	148,317	—	—	149,162	—	24,570	24,570	173,732
New Zealand dollar	2,812	11,896	9,543	—	—	24,251	1,396	1,765	3,161	27,412
Norwegian krone	414	—	19,617	—	—	20,031	553	4,186	4,739	24,770
Pakistani rupee	—	—	—	—	—	—	—	172	172	172
Peruvian nuevo sol	26	—	—	—	—	26	—	599	599	625
Philippine peso	25	—	14,679	—	—	14,704	—	1,834	1,834	16,538
Polish zloty	247	—	9,326	—	—	9,573	—	1,772	1,772	11,345
Qatar riyal	70	—	10,162	—	—	10,232	—	1,809	1,809	12,041
Russian ruble	—	18,332	20,806	—	—	39,138	6,383	7,085	13,468	52,606
Saudi riyal	252	—	18,676	—	—	18,928	—	5,090	5,090	24,018
Singapore dollar	139	—	56,199	—	—	56,338	—	6,597	6,597	62,935
South African rand	632	—	61,078	—	—	61,710	—	9,267	9,267	70,977
South Korean won	754	17,990	227,406	—	—	246,150	3,762	23,725	27,487	273,637
Swedish krona	156	8,642	100,964	—	—	109,762	3,486	15,612	19,098	128,860
Swiss franc	574	—	330,712	—	—	331,286	—	42,655	42,655	373,941
Thai baht	209	12,779	40,638	—	—	53,626	4,679	5,276	9,955	63,581
Turkish lira	119	—	12,019	—	—	12,138	—	1,118	1,118	13,256
United Arab Emirates dirham	165	—	7,774	—	—	7,939	—	1,172	1,172	9,111
Total Securities Subject to Foreign Currency Risk	<u>\$ 70,950</u>	<u>\$ 1,158,522</u>	<u>\$ 5,662,659</u>	<u>\$ 488,072</u>	<u>\$ 241,222</u>	<u>\$ 7,621,425</u>	<u>\$ 237,141</u>	<u>\$ 733,535</u>	<u>\$ 970,676</u>	<u>\$ 8,592,101</u>

C. Primary Government – Trust Lands**Investments**

Trust Lands' (permanent fund) investments by type are presented below:

Trust Lands (permanent fund) Investments at Fair Value June 30, 2020 <i>(expressed in thousands)</i>	
Investment Category	Fair Value (with accruals)
Growth.....	\$ 948,953
Real Assets.....	455,260
Income.....	781,884
Defensive.....	260,405
Total Investments.....	<u>\$ 2,446,502</u>

Trust Lands investment securities are stated at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between two market participants at the measurement date. Purchase and sale transactions are recorded on the trade date.

Fair Value Measurements

Trust Lands measures and records 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 in Active Markets for Identical Assets.
- Level 2: Significant Other Observable Inputs.
- Level 3: Significant Unobservable Inputs.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Securities (cash, debt and equity securities, including registered investment companies/mutual funds with daily liquidity holding such securities) in the Investment Thematic categories classified in Level 1 are valued using prices quoted in active markets for those securities.

Securities (debt and equity securities, including derivative instruments and Trust Lands' proportionate share of securities held in commingled vehicles with regular liquidity which hold such securities) in the Investment Thematic categories classified in Level 2 are valued using the following approaches: Mid Evaluation, Bid Evaluation and Theory (a theoretical price calculated by applying a standardized formula to derive a price from a related security).

Securities (debt and equity securities, including derivative securities and the Trust Lands' proportionate share of securities held in commingled vehicles with regular liquidity holding such securities) in the Investment Thematic categories classified in Level 3 are valued using the following approaches: Bid Evaluation and other pricing indications which may be unobservable or with limited volume. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Debt securities classified in Level 3 are valued and priced using proprietary information, single source pricing and/or may have nominal value. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. Trust Lands has determined the fair value of these investments using the NAV per share of the investments (or its equivalent) as reported in current period audited statements of the manager, prior period audited statements of the manager adjusted for subsequent calls and distributions, current period unaudited statements or estimates provided by the underlying investments using recent observable transaction information for similar investments. The objectives and valuation approach for investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient are more fully described below.

(Notes continue on the next page.)

At June 30, 2020, Trust Lands had the following recurring fair value measurements:

Trust Lands (permanent fund)				
Investments Measured at Fair Value				
June 30, 2020				
(expressed in thousands)				
Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investments by Fair Value Level				
Growth				
US Equity	\$ 393,945	\$ 394,361	\$ (416)	\$ —
International Equity	194,937	194,472	197	268
Total Growth	588,882	588,833	(219)	268
Real Assets				
TIPS	38,293	38,293	—	—
Public Real Assets	133,131	128,442	67	4,622
Total Real Assets	171,424	166,735	67	4,622
Income				
Credit	109,133	25,071	83,925	137
Securitized	6,292	6,292	—	—
Non-U.S.	76,273	76,324	(51)	—
Total Income	191,698	107,687	83,874	137
Defensive				
Long US Treasury	\$ 80,393	\$ 81,044	\$ (651)	\$ —
Cash and Cash Equivalents	25,623	25,623	—	—
Total Defensive	106,016	106,667	(651)	0
Total Investments by Fair Value Level	1,058,020	\$ 969,922	\$ 83,071	\$ 5,027
Investments Measured at the Net Asset Value (NAV)				
Growth				
International Equity	\$ 231,301			
Private Equity	128,770			
Real Assets				
Private Real Estate	212,867			
Private Real Assets	70,969			
Income				
Credit	78,413			
Securitized	233,143			
Non-US	59,816			
Insurance-Linked Securities	87,081			
Private Debt	131,733			
Defensive				
Systematic Convexity	154,389			
Total Investments Measured at the NAV	\$ 1,388,482			
Total Investments Measured at Fair Value	\$ 2,446,502			

(Notes continue on the next page.)

Investments Measured at Net Asset Value (NAV)

The following table presents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for the alternative investments measured at NAV.

Trust Lands (permanent fund) Investments Measured at Net Asset Value (NAV) June 30, 2020 (expressed in thousands)				
Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Growth				
International Equity.....	\$ 231,301	\$ —	1-90 Days	90 Days
Private Equity.....	128,770	116,717	Limited	N/A
Total Growth.....	360,071	116,717		
Real Assets				
Private Real Estate.....	212,867	107,313	Limited	N/A
Private Real Assets.....	70,969	83,932	Quarterly, Limited	60 Days, N/A
Total Real Assets.....	283,836	191,245		
Income				
Credit.....	78,413	—	120-180 Days	180 Days
Securitized.....	233,143	—	Quarterly	30-90 Days
Non-US.....	59,816	—	30-120 Days	45-60 Days
Insurance-Linked Securities.....	87,081	34,688	Semi-Annual, Limited	180 Days, N/A
Private Debt.....	131,733	108,748	Limited	N/A
Total Income.....	590,186	143,436		
Defensive				
Systematic Convexity.....	154,389	—	5 Days	4 Days (30% investor gate)
Total Defensive.....	154,389	—		
Total Investments Measured at NAV.....	<u>\$ 1,388,482</u>	<u>\$ 451,398</u>		

The description of underlying holdings and valuation methodologies for investments measured at the NAV, detailed above, are described further as follows:

Growth–International Equity: Consists of three investment in a limited partnership with equity investments and one investment in units of a pooled investment fund. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of Trust Lands' investments held or ownership interest in partners' capital.

Growth–Private Equity: Consists of seventeen investments in private equity limited partnerships. Generally speaking, the types of strategies included in this portfolio include venture capital, growth equity, opportunistic real estate equity, buyouts and special situations. These investment commitments were made in 2016 onward and have an approximate life in excess of 10 years and are considered illiquid. Redemptions are restricted over the life of the partnership. During the life of the partnership, distributions are received as underlying partnership investments are realized. Trust Lands has no plans to liquidate the total portfolio. As of June 30, 2020, it is probable that all the investments in this type would be sold at an amount different from the NAV per share (or its equivalent) of Trust Lands' ownership interest in partners' capital.

Real Assets – Private Real Estate: Consists of thirteen investments in private real estate limited partnerships. Generally speaking, the types of strategies included in this portfolio include core and value-added property interests. These investment commitments were made over a period ranging from 2008 onward and have an approximate life in excess of 10 years and

are therefore considered illiquid. Redemptions are restricted over the life of the partnership. During the life of the partnership, distributions are received as underlying partnership investments are realized. Trust Lands has no plans to liquidate the total portfolio. As of June 30, 2020, it is probable that all the investments in this type would be sold at an amount different from the NAV per share (or its equivalent) of Trust Lands' ownership interest in partners' capital. This category also includes one investment in pooled investment funds with a focus on real estate property and property income. The fair value of the investment in this type have been determined using the NAV per share (or its equivalent) of Trust Lands' investments ownership interest in partners' capital.

Real Assets – Private Real Assets: Consists of thirteen investments in limited partnerships. Generally speaking, the types of strategies included in this portfolio include infrastructure/power generation and opportunistic natural resource investments, including co-investments. These investment commitments were made over a period ranging from 2016 onward and have an approximate life in excess of 10 years and are therefore considered illiquid. Redemptions are restricted over the life of the partnership. During the life of the partnerships distributions are received as underlying partnership investments are realized or co-investment holdings are sold. Trust Lands has no plans to liquidate the total portfolio. As of June 30, 2020, it is probable that all the investments in this type would be sold at an amount different from the NAV per share (or its equivalent) of the Trust Lands' ownership interest in partners' capital.

Income – Credit: Consists of two investments in limited partnerships with underlying credit/securitized fixed income investments

and associated investments. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the Trust Lands' ownership interest in partners' capital.

Income – Securitized: Consists of four investments in limited partnerships with underlying lower-quality credit/securitized fixed income investments and associated strategies. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of Trust Lands' ownership interest in partners' capital.

Income – Non US: Consists of two investment in a limited partnership with underlying global derivative instruments and associated strategies. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of Trust Lands' ownership interest in partners' capital.

Income – Insurance-Linked Securities: Consists of six investments in limited partnerships with underlying insurance-linked securities investments and associated strategies. The fair value of the investments in this type have been determined using the NAV per share (or its equivalent) of the Trust Lands' ownership interest in partners' capital.

Income – Private Debt: Consists of eleven investments in limited partnerships. Generally speaking, the types of strategies included in this portfolio include securitized credit, asset-backed/collateralized loan obligation, mezzanine debt and equity, distressed debt/special situations, co-investments and related investments. These investment commitments were made over a period ranging from 2016 onwards and have an approximate life, including lock-ups of three to nearly 10 years and are therefore considered illiquid. Trust Lands has no plans to liquidate the total portfolio. As of June 30, 2020, it is probable that all the investments in this type would be sold at an amount different from the NAV per share (or its equivalent) of Trust Lands' ownership interest in partners' capital.

Defensive – Systematic Convexity: Consists of one investment in a limited partnership with underlying investments in Commodity Trading Advisor/Systematic and associated investment strategies. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of Trust Lands' investments held or ownership interest in partners' capital.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Trust Lands

manages the exposure to fair value loss arising from increasing interest rates through prudent deployment, management, and oversight of investments with exposure to interest rate sensitivity. Trust Lands does not have a formal policy for interest rate risk.

As of June 30, 2020, Trust Lands' debt security investments (including the underlying portfolios of indirectly held investments, where available) had the following weighted average maturities:

Trust Lands (permanent fund) Debt Securities Investments June 30, 2020 <i>(dollars expressed in thousands)</i>		
Investment Category	Fair Value	Weighted Average Maturity (Years)
Bank Loans	\$ 11,780	4.90
Corporate Bonds	50,420	11.50
Corporate Convertible Bonds	4,861	29.17
Funds – Corporate Bond	6,292	0.37
Funds – Fixed Income ETF	114,296	5.66
Funds – Short-term Investment	29,571	0.25
Government Agencies	119	9.58
Government Bonds	80,456	24.79
Total Debt Securities Investments	<u>\$ 297,795</u>	11.53

As of June 30, 2020, Trust Lands held \$339.832 million in nine investments with a fixed income (or related) investment emphasis for which Weighted Average Maturity details were unavailable and not evaluated. These investments included Bank Loan investment funds with other assets held, and hedge fund strategies.

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Trust Lands manages the exposure to fair value loss arising from credit risk through prudent deployment, management, and oversight of investments. Trust Lands does not have a formal policy for credit risk.

As of June 30, 2020, the fair value of Trust Lands' debt security investments with exposure to credit risk had the following credit quality ratings (S&P rating is primary, if not available or not rated by S&P, corresponding Moody's rating is substituted).

(Notes continue on the next page.)

Trust Lands
(permanent fund)
Credit Risk of Debt Securities at Fair Value
June 30, 2020
(expressed in thousands)

Quality Rating	Total	Bank Loans	Corporate Bonds	Corporate Convertible Bonds	Funds— Corporate Bond	Funds— Government Bond	Funds— Short-term Investment *	Government Agencies	Government Bonds
AAA	\$ 355	\$ —	\$ 355	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
AA+	\$ 428	—	428	—	—	—	—	—	—
AA	\$ 294	—	58	—	—	—	—	—	236
AA-	\$ 500	—	500	—	—	—	—	—	—
A	\$ 1,309	—	1,309	—	—	—	—	—	—
A-	\$ 2,600	—	2,600	—	—	—	—	—	—
BBB+	\$ 3,023	—	3,023	—	—	—	—	—	—
BBB	\$ 7,101	—	6,982	—	—	—	—	119	—
BBB-	\$ 8,715	823	7,353	539	—	—	—	—	—
BB+	\$ 5,703	833	4,870	—	—	—	—	—	—
BB	\$ 7,520	404	6,426	690	—	—	—	—	—
BB-	\$ 7,655	1,636	4,257	1,762	—	—	—	—	—
B+	\$ 8,582	2,871	4,412	1,299	—	—	—	—	—
B	\$ 5,552	2,577	2,975	—	—	—	—	—	—
B-	\$ 2,852	829	2,023	—	—	—	—	—	—
CCC+	\$ 1,547	354	1,193	—	—	—	—	—	—
CCC	\$ 342	—	342	—	—	—	—	—	—
C	\$ 52	—	52	—	—	—	—	—	—
NR	\$ 153,445	1,452	1,262	572	6,292	114,296	29,571	—	—
Subtotal.....	217,575	<u>\$ 11,779</u>	<u>\$ 50,420</u>	<u>\$ 4,862</u>	<u>\$ 6,292</u>	<u>\$ 114,296</u>	<u>\$ 29,571</u>	<u>\$ 119</u>	<u>\$ 236</u>
U.S. Treasuries.....	80,220								
Total Debt Securities.....	<u>\$ 297,795</u>								

* As of June 30, 2020, the Trust Funds held \$29.571 million in the Northern Trust Institutional Funds Treasury Portfolio - Premier Class, a AAA-rated money market fund.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, Trust Lands will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Trust Lands does not have a formal policy for custodial credit risk. Investments are registered investments or held by Trust Lands, or by Trust Land's agent in Trust Land's name. The State Treasurer is the custodian of investments of Trust Lands, and the investments are held under a custodial safekeeping agreement with the Northern Trust Company.

As of June 30, 2020, the following investments, including accrued income/expense, have custodial credit risk:

- Cash and Cash Equivalents – The \$786 thousand frictional cash and cash equivalents subject to custodial credit risk are in foreign banks in the Trust Lands' name. Because it is in foreign banks, it is subject to custodial credit risk. Trust Lands does not have an investment policy regarding custodial credit risk for frictional cash in foreign banks.
- Other Assets – The \$559.692 million other assets represent the investments, including accrued income/expense, that have custodial credit risk which has not been determined.

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. Trust Lands manages exposure to fair value loss arising from concentrations of credit risk through prudent deployment, management, and oversight of investments. Trust Lands does not have a formal policy for concentrations of credit risk. As of June 30, 2020, Trust Lands does not hold any credit positions exceeding 5.00 percent of the total portfolio.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Trust Lands manages exposure to fair value loss arising from foreign currency risk through prudent deployment, management, and oversight of investments. The Trust Lands does not have a formal policy for foreign currency risk.

(Notes continue on the next page.)

Trust Lands' exposure to foreign currency (inclusive of pending foreign exchange purchases and sales) as of June 30, 2020, is as follows:

Trust Lands (permanent fund)					
Foreign Currency Risk June 30, 2020 (expressed in thousands)					
Currency	Alternative Investments	Debt	Short-term	Equity	Total
Australian dollar	\$ —	\$ —	\$ 32	\$ 17,042	\$ 17,074
British pound sterling	—	234	(152)	17,841	\$ 17,923
Canadian dollar	—	—	304	20,561	\$ 20,865
Danish krone	—	—	34	4,200	\$ 4,234
Euro	44,500	2,057	(943)	75,264	\$ 120,878
Hong Kong dollar	—	—	195	8,152	\$ 8,347
Japanese yen	—	—	303	25,344	\$ 25,647
New Israeli shekel	—	—	7	3,498	\$ 3,505
New Zealand dollar	—	—	3	1,941	\$ 1,944
Norwegian krone	—	—	8	4,131	\$ 4,139
Singapore dollar	—	—	48	3,938	\$ 3,986
Swedish krona	—	—	6	8,957	\$ 8,963
Swiss franc	—	—	119	17,724	\$ 17,843
Total Securities Subject to Foreign Currency Risk	<u>\$ 44,500</u>	<u>\$ 2,291</u>	<u>\$ (36)</u>	<u>\$ 208,593</u>	<u>\$ 255,348</u>

D. Discrete Component Units

Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the discrete component units' deposits may not be recovered.

The discrete component units follow the Utah Money Management Act by making deposits only in qualified depository institutions or in foreign depository institutions in accordance with rules of the State Money Management Council. Deposits with qualified depository institutions in excess of FDIC insurance limits amount are uninsured and uncollateralized. Deposits are neither collateralized nor are they required to be by state statute. The deposits for the discrete component units at June 30, 2020, were \$419.592 million. Of these, \$325.793 million were exposed to custodial credit risk as uninsured and uncollateralized and \$82.680 million were exposed to custodial credit risk as uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the discrete component units' names.

Investments

The discrete component units follow the applicable investing criteria described above for the primary government, with the exception of the Public Employees Health Program, which is exempt from the Money Management Act.

The Public Employees Health Program is administered by the Utah State Retirement Board (Board). Investments are in accordance with the "prudent person rule."

College and university funds from gifts, private grants, and the corpus of funds functioning as endowments are invested according to the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and State Board of Regents Management and Reporting of Institutional

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

The discrete component units' investments at June 30, 2020, are presented on the next page. The investments are presented at fair value and by investment type with debt securities presented by maturity.

Fair Value Measurements

The State categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Inputs are quoted prices for identical investments in active markets.
- Level 2: Observable inputs other than quoted market prices.
- Level 3: Unobservable inputs.

The following table presents the recurring fair value measurements at June 30, 2020, for the discrete component units:

**Discrete Component Units Debt Securities Investments
Investments and Derivative Instruments Measured at Fair Value**

At June 30, 2020

(expressed in thousands)

		Fair Value Measurements Using		
	Fair Value	Level 1	Level 2	Level 3
<u>Investments by Fair Value Level</u>				
Debt Securities				
U.S. Treasuries	\$ 384,211	\$ 2,979	\$ 381,232	\$ —
U.S. Agencies	856,448	805,676	50,558	214
Government Mortgage-backed Securities	117,506	—	105,010	12,496
Corporate Debt	847,979	—	847,881	98
Negotiable Certificates of Deposit	16,004	200	15,804	—
Money Market Mutual Funds	1,145,664	78,657	1,067,007	—
Municipal/Public Bonds	20,536	—	20,536	—
Asset-backed Securities	35,085	—	35,058	27
Bond Mutual Funds	262,299	7,103	225,831	29,365
Non-government-backed CMOs	264	—	—	264
Utah Public Treasurers’ Investment Fund	1,235,783	—	1,235,783	—
Total Debt Securities	4,921,779	894,615	3,984,700	42,464
Equity Securities				
Domestic Equity	673,772	27,219	576,291	70,262
Equity Securities	83,036	75,564	2,613	4,859
Total Equity Securities	756,808	102,783	578,904	75,121
Other Investments				
Real Estate	5,325	—	209	5,116
Total Other Investments	5,325	0	209	5,116
Total Investments by Fair Value Level	5,683,912	\$ 997,398	\$ 4,563,813	\$ 122,701
<u>Investments Measured at the Net Asset Value (NAV)</u>				
Credit Sensitive Fixed Income	39,194			
Diversifying Strategies	163,225			
Global Distressed	36			
Hedge Funds	85,194			
Other Real Assets	82,954			
Private Equity	56,995			
Private Equity Core Real Estate	8,312			
Private Equity Natural Resources	7,273			
Private Equity Partnerships	18,695			
Private Equity Real Estate	19,608			
Private Infrastructure	2,120			
Private Real Estate	18,045			
Secondary Partners	634			
Venture Capital Funds	59,632			
Total Investments Measured at the NAV	561,917			
Total Investments Measured at Fair Value	\$ 6,245,829			
<u>Invested Securities Lending Collateral</u>				
Debt Securities	\$ 9,834	\$ 0	\$ 9,834	\$ 0

Debt securities and Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. The Domestic Equity securities in Level 1 are valued using prices provided by the fund company.

Securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and International Equity are valued using quoted prices for identical securities in markets that are not active or using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

- Corporate Debt, Municipal/Public Bonds, Negotiable Certificates of Deposit, and Equity Securities are valued using quoted prices for similar securities in active markets or using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.
- Asset-backed Securities are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.
- Money Market Mutual Funds, Bond Mutual Funds, and Domestic Equity Funds are valued using published fair value per share (unit) for each fund.

- Government Mortgage-backed and Asset-backed are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.
- Unit Investment Trusts are valued using average published fair value of investments included in the UIT.
- Utah Public Treasurers' Investment Funds are valued using the application of the June 30, 2020, fair value factor, as calculated by the Utah State Treasurer, to the June 30, 2020 balance.

Debt Securities Lending Collateral classified in Level 2 are valued using market approaches that consider, as applicable, benchmark interest rates or foreign exchange rates.

Securities classified in Level 3 are valued using the following approaches:

- U.S. Agencies, Corporate Debt, and Government Mortgage-backed are valued using discounted cash flow techniques.
- Asset-backed Securities and Non-government-backed CMOs are valued using consensus pricing.
- Bond Mutual Funds, Domestic Equity, and Equity Securities are valued using various sources such as issuer, investment manager, client, etc., or default price if price is not provided.
- Real Estate is valued using current real estate market values.

Investments Measured at the Net Asset Value (NAV)

In order to mitigate market volatility and provide diversification to traditional investments, the State's colleges and universities, (discrete component units), have opted to invest portions of their portfolios in alternative assets, including private capital. Private capital partnerships utilize investments strategies that focuses on managers who buy and sell privately owned companies. The fair values of these "alternative investments" are measured at the NAV per share (or its equivalent) as they generally do not have readily obtainable fair values and often take the form of limited partnerships. The NAV is based on the values provided by the partnerships as well as their audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent capital calls and distributions. The following table presents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for the alternative investments measured at NAV:

Discrete Component Units Debt Securities Investments Measured at the Net Asset Value (NAV)

At June 30, 2020

(dollars expressed in thousands)

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Credit Sensitive Fixed Income.....	\$ 39,194	\$ 26,305	Quarterly	90 days
Diversifying Strategies.....	163,225	—	Daily, quarterly, annually	0 – 90 Days
Emerging Markets Equity.....	—	—	N/A	N/A
Global Distressed.....	36	76	N/A	N/A
Hedge Funds.....	7,261	—	Quarterly	100 Days
Hedge Funds.....	4,518	—	Daily, monthly, quarterly	1 – 90 Days
Hedge Funds.....	73,415	—	Monthly, quarterly	30 – 75 Days
Other Real Assets.....	82,954	42,508	N/A	N/A
Private Equity.....	56,995	22,832	N/A	N/A
Private Equity Core Real Estate.....	8,312	—	Quarterly	30 – 60 Days
Private Equity Natural Resources.....	7,273	6,616	N/A	N/A
Private Equity Partnerships.....	984	—	Quarterly	45 – 60 Days
Private Equity Partnerships.....	1	12	Initial 10 year with five 1-year extensions	60 Days
Private Equity Partnerships.....	17,710	22,190	N/A	N/A
Private Equity Real Estate.....	19,608	4,621	N/A	N/A
Private Infrastructure.....	2,120	5,759	N/A	N/A
Private Real Estate.....	18,045	7,770	N/A	N/A
Secondary Partners.....	634	800	N/A	N/A
Venture Capital Funds.....	59,632	31,858	N/A	N/A
Total Investments Measured at NAV.....	<u>\$ 561,917</u>	<u>\$ 171,347</u>		

(Notes continue on the next page.)

Interest Rate Risk

The following table presents the debt investments and maturities at June 30, 2020, for the discrete component units.

Discrete Component Units
Debt Investments at Fair Value
At June 30, 2020
(expressed in thousands)

Investment Type	Fair Value	Investment Maturities (in years)				
		Less Than 1	1-5	6-10	11-20	More Than 20
U.S. Treasuries	\$ 384,211	\$ 188,602	\$ 172,166	\$ 22,892	\$ 551	\$ —
U.S. Agencies	856,448	150,204	485,559	217,156	3,529	—
Government Mortgage-backed Securities	117,506	—	210	3,566	19,389	94,341
Corporate Debt	847,979	183,273	547,750	43,097	73,859	—
Negotiable Certificates of Deposit	16,004	3,903	12,101	—	—	—
Money Market Mutual Funds	1,145,664	1,145,664	—	—	—	—
Municipal/Public Bonds	20,536	2,256	5,492	7,800	4,988	—
Asset-backed Securities	35,085	—	2,704	33	13,008	19,340
Bond Mutual Funds	262,299	849	60,322	200,747	381	—
Non-government-backed CMOs	264	—	—	—	264	—
Securities Lending Cash Collateral Pool	9,834	9,834	—	—	—	—
Utah Public Treasurers' Investment Fund	1,235,783	1,235,783	—	—	—	—
Total Debt Investments	<u>\$ 4,931,613</u>	<u>\$ 2,920,368</u>	<u>\$ 1,286,304</u>	<u>\$ 495,291</u>	<u>\$ 115,969</u>	<u>\$ 113,681</u>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The discrete component units' policy in general for managing interest rate risk is the same as described above for the primary government and endowment funds complying with the State's Money Management Act or the UPMIFA and Rule 541, as applicable. For non-endowment funds, Section 51-7-11 of the Money Management 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 three 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.

For the fixed income portfolio, the Public Employees Health Program's (PEHP) (major discrete component unit) policy to manages its exposure to fair value loss arising from increasing interest rates is that the investment manager's portfolio will have an effective duration between 75 – 125 percent of the effective duration of the appropriate index.

Duration is a measure of a debt investment's exposure to fair value changes arising from changes in interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investments full price. PEHP compares an investment's effective duration against the Barclays U.S. Intermediate Aggregate Bond Index. The allowable duration range was 4.40 to 7.34 percent and the portfolio was within the policy guidelines.

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The discrete component units' policy for reducing its exposure to credit risk is to comply with the State's Money Management Act, the UPMIFA, and Rule 541, as previously discussed. The discrete component units' debt investments as of June 30, 2020, were rated by Standard and Poor's and/or an equivalent nationally recognized statistical rating organization and the ratings are presented below using Standard and Poor's rating scale.

(Table on next page)

Discrete Component Units
Debt Investments Quality Ratings
At June 30, 2020
(expressed in thousands)

Debt Investments	Fair Value	Quality Ratings							Not Rated
		AAA	AA	A	BBB	BB	B	CCC	
U.S. Agencies	\$ 855,838	\$ 133,074	\$ 483,444	\$ 6,368	\$ 5,554	\$ —	\$ —	\$ —	\$ 227,398
Government Mortgage-backed Securities	117,506	104,948	—	—	—	—	—	—	12,558
Corporate Debt	847,979	9,768	54,369	461,604	303,592	10,400	—	—	8,246
Negotiable Certificates of Deposit	16,004	529	1,230	3,810	1,342	—	—	—	9,093
Money Market Mutual Funds	1,145,664	861,448	—	—	—	—	—	—	284,216
Municipal/Public Bonds	20,536	13,405	5,589	651	791	—	—	—	100
Asset-backed Securities	35,085	3,705	28,671	—	—	—	2,591	—	118
Bond Mutual Funds	262,299	144	51,229	—	—	—	—	—	210,926
Non-government-backed CMOs	264	—	—	—	—	—	—	264	—
Securities Lending Cash Collateral Pool	9,834	—	—	—	—	—	—	—	9,834
Utah Public Treasurers' Investment Fund	1,235,783	—	—	—	—	—	—	—	1,235,783
Subtotal	\$ 4,546,792	\$ 1,127,021	\$ 624,532	\$ 472,433	\$ 311,279	\$ 10,400	\$ 2,591	\$ 264	\$ 1,998,272
U.S. Treasuries	384,211								
U.S. Agencies	610								
Total Debt Securities	<u>\$ 4,931,613</u>								

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the discrete component units will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The discrete component units do not have a formal policy for custodial credit risk.

The various discrete component units' investments at June 30, 2020, were held by the discrete component unit or in the name of the discrete component unit by the discrete component unit's custodial bank or trustee, except the following, which were uninsured, were not registered in the name of the discrete component unit, and were held by other entities, as listed below (expressed in thousands):

Counterparty

U.S. Treasuries	\$ 315,165
U.S. Agencies	\$ 823,123
Corporate Debt	\$ 431,489
Municipal/Public Bonds	\$ 20,375
Equity Securities	\$ 63,607
Investments Measured at the Net Asset Value	\$ 442

Counterparty's Trust Department or Agent

U.S. Agencies	\$ 22,144
Corporate Debt	\$ 149,134

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. Except for Public Employees Health Program (PEHP) (major discrete component unit), the discrete component units' policy for reducing this risk of loss is the same as described above for the primary government funds complying with the State's Money Management Act or as applicable for endowments the UPMIFA, Rule 541, or separate endowment investment policies, which have been approved by their boards of trustees and by the Board of Regents. Rule 17 of the Money Management Council limits non-endowment fund investments in a single issuer of commercial paper and corporate obligations between 5 – 10 percent

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

PEHP's policy limits the amount that may be invested in any one issuer to between 2 and 5 percent, depending on the credit rating of the security. There is no limit to investments in U.S. Government Securities. All investments are within policy limits.

The following discrete component units held more than 5 percent of total investments in a single issuer:

- The University of Utah held 7.80 percent and 5.30 percent of total investments in the Federal Home Loan Bank and the Federal Agricultural Mortgage Corporation, respectively.
- Of its total investments, Utah Valley University held 5.2 percent CitiGroup Inc., 6.0 percent in Bank of America, 5.4 percent in the Mizuho Financial Group, 6.9 percent in Wells Fargo Bank, and 6.0 percent in US Bank. These investments represent 29.5 percent the University's total investments.
- Salt Lake Community College held 5 percent of the College's total investments in the Federal Home Loan Mortgage Corporation.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The discrete component units do not have a formal policy to limit foreign currency risk.

The University of Utah's exposure to foreign currency risk in Private Real Estate investments that are held in Euro currency denominations is \$8.110 million.

E. Securities Lending

Utah Retirement Systems (URS) (pension trust and defined contribution plans), Public Employees Health Program (PEHP) (major discrete component unit) and Trust Lands (permanent fund) participate in security lending programs as authorized by their Boards. Under these programs, securities are transferred to an independent broker or dealer in exchange for collateral in the form of cash, government securities, and for URS and Trust Lands, irrevocable bank letters of credit equal to approximately 102 percent of the fair value of the domestic securities on loan and 105 percent of the fair value of the international securities on loan, and for PEHP 102 percent of the fair value of the domestic securities on loan, with simultaneous agreements to return the collateral for the same securities in the future. For all three state entities, their custodial bank is the agent for each of their securities lending programs. URS securities under loan are maintained in the financial records, and corresponding liabilities are recorded for the market value of the collateral received. PEHP and Trust Lands securities are classified as investments. For the state entities, a corresponding liability is recorded for the market value of the collateral received. For PEHP and Trust Lands, under provision of GASB Statement 28, collateral which cannot be pledged or sold is not recorded as investments nor is the related liability recorded in the financial statements. Pledged non-cash collateral was \$2.026 million and \$74.823 million for PEHP and Trust Lands, respectively.

At yearend, URS, PEHP and Trust Lands had no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The securities on loan at yearend for the entities were \$830.936 million for URS, \$9.199 million for PEHP, and \$127.032 million for Trust Lands. Collateral received for those securities on loan was \$884.172 million for URS, \$9.834 million for PEHP, and \$132.474 million for Trust Lands. Under the terms of the lending agreement, all three state entities are indemnified against loss should the lending agent be unable to recover borrowed securities and distributions due to borrower insolvency or failure of the lending agent to properly evaluate the credit worthiness of the borrower. In addition, they are indemnified against loss should the lending agent fail to demand adequate and appropriate collateral on a timely basis. All securities loaned can be terminated on demand by either the state entity or the borrower. Cash collateral is invested in the lending agent's short-term investment pool.

Regarding URS and PEHP, the short-term investment pool guidelines specify that a minimum of 20 percent of the invested cash collateral is to be available each business day and that the dollar-weighted average maturity of holdings should not exceed 60 days. The relationship between the maturities of the short-term investment pool and each of the state entities' loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the state entities cannot determine. Because the securities lending collateral is in a pool maintained by the custodial bank, the state entities do not have the ability to pledge or sell the securities, and it is not necessary to report the total income and expenses of securities lending. Trust Lands' average term of securities loans was 54 days.

F. Derivative Instruments**Utah Retirement Systems**

The Utah Retirement Systems (URS) (pension trust and defined contribution plans) invests in derivative instruments as authorized by Board policy. Derivative instruments are financial arrangements between two parties whose payments are based on, or "derived" from, the performance of some agreed-upon benchmark. All derivative instruments are considered investments. The fair value of all derivative instruments is reported in the Statements of Fiduciary Net Position—Pension and Other Employee Benefit Trust Funds. Within the investment asset class, swaptions are recorded in debt securities. By policy, portfolio liabilities associated with investments will be backed by cash equivalents or deliverable securities. URS does not have a policy regarding master netting arrangements. At December 31, 2019, URS had five types of derivative instruments: futures, currency forwards, options, swaps, and Synthetic Guaranteed Investment Contracts (SGIC).

Futures represent commitments to purchase (asset) or sell (liability) securities at a future date and at a specified price. Futures contracts are traded on organized exchanges (exchange traded) thereby minimizing URS' credit risk. The net change in the futures contracts value is settled daily in cash with the exchanges. Net gains or losses resulting from the daily settlements are included with trading account securities gains in the Statement of Changes in Fiduciary Net Position. At December 31, 2019, URS' investments had the following notional futures balances as shown in the following table:

Utah Retirement Systems
(pension trust and defined contribution plans)
Futures — Notional Market Value
At December 31, 2019
(expressed in thousands)

	Defined Benefit Plans	Defined Contribution Plans
Cash and Cash Equivalent		
Long.....	\$ 3,801	\$ —
Short.....	(73,586)	—
Equity		
Long.....	32,197	96,504
Short.....	(101,104)	—
Fixed Income		
Long.....	1,142,576	—
Short.....	(694,675)	—
Total Futures.....	<u>\$ 309,209</u>	<u>\$ 96,504</u>

Currency forwards represent forward foreign exchange contracts that are entered into in order to hedge the exposure to changes in foreign currency exchange rates on the foreign currency denominated portfolio holdings. A forward foreign exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts is included in net realized gains or losses on foreign currency related transactions in the Combining Statement of Fiduciary Net Position—Pension. At December 31, 2019, URS investments included the following currency forwards balances as shown in the following table:

(Table on next page)

Utah Retirement Systems
(pension trust and defined contribution plans)
Currency Forwards

December 31, 2019

(expressed in thousands)

Defined Benefit Plans					Defined Contribution Plans				
Currency	Notional Cost	Pending Foreign Exchange Purchases	Pending Foreign Exchange Sales	Fair Value	Currency	Notional Cost	Pending Foreign Exchange Purchases	Pending Foreign Exchange Sales	Fair Value
Australian dollar	\$ (30,175)	\$ 1,018	\$ (32,080)	\$ (31,062)	Australian dollar	\$ (10,131)	\$ —	\$ (10,374)	\$ (10,374)
Brazilian real	1,709	1,786	—	1,786	Brazilian real	430	449	—	449
British pound sterling	(364,101)	25,999	(399,094)	(373,095)	British pound sterling	(22,759)	354	(23,479)	(23,125)
Canadian dollar	(35,047)	15,494	(51,247)	(35,753)	Canadian dollar	(4,680)	1,597	(6,338)	(4,741)
Chinese Yuan Renminbi	(26,666)	700	(27,755)	(27,055)	Chinese Yuan Renminbi	(7,755)	—	(7,873)	(7,873)
Chilean peso	579	3,791	(3,097)	694	Chilean peso	401	937	(520)	417
Danish krone	(2,439)	—	(2,475)	(2,475)	Danish krone	(292)	—	(297)	(297)
Egyptian pound	1,943	1,976	—	1,976	Egyptian pound	455	463	—	463
Euro	(466,771)	10,352	(483,984)	(473,632)	Euro	(73,720)	540	(75,140)	(74,600)
Hong Kong dollar	1,395	9,120	(7,695)	1,425	Hong Kong dollar	(6)	1,742	(1,742)	—
Indian rupee	(1,392)	—	(1,401)	(1,401)	Indian rupee	(153)	—	(154)	(154)
Japanese yen	(193,582)	9,320	(203,709)	(194,389)	Japanese yen	(43,492)	765	(44,542)	(43,777)
Malaysian ringgit	(9,503)	—	(9,670)	(9,670)	Malaysian ringgit	(2,275)	—	(2,315)	(2,315)
Mexican peso	1,769	1,825	—	1,825	Mexican peso	447	461	—	461
Israeli new shekel	(496)	—	(507)	(507)	Israeli new shekel	(184)	—	(188)	(188)
New Zealand dollar	(18,603)	877	(20,312)	(19,435)	New Zealand dollar	(2,437)	—	(2,529)	(2,529)
Nigerian naira	1,872	1,886	—	1,886	Nigerian naira	434	437	—	437
Norwegian krone	8,936	9,147	—	9,147	Norwegian krone	1,612	1,650	—	1,650
Polish zloty	1,768	1,796	—	1,796	Polish zloty	455	462	—	462
Russian ruble	(15,603)	—	(16,149)	(16,149)	Russian ruble	(5,263)	—	(5,447)	(5,447)
Singapore dollar	10	705	(697)	8	Singapore dollar	—	—	—	—
South Korean won	(52,600)	9,862	(63,758)	(53,896)	South Korean won	(3,433)	2,274	(5,768)	(3,494)
Swedish krona	(15,615)	1,007	(16,732)	(15,725)	Swedish krona	(5,598)	—	(5,618)	(5,618)
Swiss franc	(5,078)	2,225	(7,378)	(5,153)	Swiss franc	(434)	517	(957)	(440)
Thai baht	(15,207)	383	(15,763)	(15,380)	Thai baht	(4,469)	—	(4,519)	(4,519)
United States dollar	1,232,897	1,339,442	(106,550)	1,232,892	United States dollar	\$ 182,847	\$ 195,188	\$ (12,339)	\$ 182,849
Total Forwards Subject to Foreign Currency Risk ..	<u>\$ 0</u>	<u>\$ 1,448,711</u>	<u>\$(1,470,053)</u>	<u>\$ (21,342)</u>	Total Forwards Subject to Foreign Currency Risk ..	<u>\$ 0</u>	<u>\$ 207,836</u>	<u>\$ (210,139)</u>	<u>\$ (2,303)</u>

At December 31, 2019, URS investments had the following option balances as shown in the table below.

Utah Retirement Systems
(pension trust and defined contribution plans)
Options

At December 31, 2019

(expressed in thousands)

	Defined Benefit Plans	Defined Contribution Plans
Cash and Cash Equivalent		
Call	\$ 271	\$ (9)
Put	215	51
Equity		
Call	—	—
Put	1,801	—
Fixed Income		
Call	67	17
Put	(56)	(15)
Swaptions		
Call	(9,062)	(250)
Put	(5,634)	(184)
Interest Rate Contracts	21	—
Total Options	<u>\$ (12,377)</u>	<u>\$ (390)</u>

Options represent or give buyers the right, but not the obligation, to buy (call) or sell (put) an asset at a preset price over a specified period. The option's price is usually a small percentage of the underlying asset's value. As a writer of financial options, URS receives a premium at the outset of the agreement and bears the risk of an unfavorable change in the price of the financial instrument underlying the option. As a purchaser of financial options, URS pays a premium at the outset of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option.

URS has entered into various inflation, credit default, and interest rate swap agreements in an attempt to manage their exposure to inflation, credit, and interest rate risk. Interest rate and inflation risk represents the exposure to fair value losses arising from the future changes in prevailing market interest rates. Credit risk is an investor's risk of loss arising from a borrower who does not make payments as promised. Swaps represent an agreement between two or more parties to exchange sequences of cash flows over a period in the future. In the most common type of interest rate swap arrangement, one party agrees to pay fixed interest payments on designated dates to a counter party who, in turn, agrees to make return interest payments that float with some reference rate. The real estate interest rate swaps allowed URS to effectively convert most of its long-term variable interest rate credit facility loans into fixed interest rate loans, thereby

mitigating some of its interest rate risk. All swap instruments contain collateral clauses. Gains and losses on swaps are determined based on fair values and are recorded in the Combining Statement of Fiduciary Net Position-Pension. Swap fair values are determined by an independent third party. As of December 31, 2019, URS' investments had the swap market value balances as shown in the following table:

Utah Retirement Systems
(pension trust and defined contribution plans)
Swaps

At December 31, 2019

(dollars expressed in thousands)

	Fair Value	
	Defined Benefit	Defined Contribution
Fixed Income Portfolio Swaps		
Interest Rate Swaps		
Pay Fixed Receive Variable....	\$ (3,232)	\$ (90)
Pay Variable Receive Fixed....	\$ 13,767	\$ 283
Retail Price Index		
Pay Fixed Receive Variable....	\$ (2,337)	\$ (22)
Pay Variable Receive Fixed....	\$ 1,930	\$ 38
Other	\$ 1,941	\$ 345
Real Estate Swaps		
Interest Rate Swaps		
Pay Fixed Receive Variable....	\$ (4,281)	\$ —
Total Swaps	<u>\$ 7,788</u>	<u>\$ 554</u>

Derivative instruments that are exchange traded are not subject to credit risk. No derivative instruments held are subject to custodial credit risk. The maximum loss that would be recognized as of December 31, 2019, if all counterparties fail to perform as contracted, was \$1.664 billion. Derivative instrument credit risk at fair value is shown in the next table.

This maximum exposure is reduced by \$1.686 billion of liabilities, resulting in \$0 exposure to credit risk. Credit ratings

for the wrap contracts associated with the Synthetic Guaranteed Investment Contracts (SGICs) are noted in a subsequent table. As of December 31, 2019, the counterparties' credit ratings for currency forwards, options, and swaps are subject to credit risk.

Utah Retirement Systems
(pension trust and defined contribution plans)
Credit Risk Derivative Instruments at Fair Value

At December 31, 2019

(expressed in thousands)

Quality Rating	Forwards	Options	Swaps	Total
AA-	\$ (2,614)	\$ —	\$ —	\$ (2,614)
A+	(10,835)	—	—	(10,835)
A	(930)	—	—	(930)
A-	(1,312)	(3,569)	415	(4,466)
BBB+	(7,705)	(8,556)	(457)	(16,718)
BBB	(249)	(2,816)	—	(3,065)
NA	—	2,174	(23)	2,151
Total Subject to Credit Risk.....	<u>\$ (23,645)</u>	<u>\$ (12,767)</u>	<u>\$ (65)</u>	<u>\$ (36,477)</u>

URS Defined Contribution Plans members are able to participate in SGICs. The SGICs are fully benefit responsive, which means that URS is prohibited from assigning and selling the contract or its proceeds to a third party without the consent of the issuer. Prospective interest crediting rate adjustments are provided to plan participants. The SGICs provide assurance that the probability of future rate adjustments resulting in an interest crediting rate less than zero is remote. The underlying investments are high credit quality averaging A+ and therefore credit loss is remote. The terms of the SGICs require all plan participants to initiate transactions within the fund at contract value. The contract value is the fair value (cost plus accrued interest). The fair value of these contracts as of December 31, 2019, was \$977.157 million and the market value was \$1.001 billion. Credit ratings for the wrap contracts associated with the SGICs are also noted below.

Utah Retirement Systems
(pension trust and defined contribution plans)
Synthetic Guaranteed Investment Contracts Underlying Investments

At December 31, 2019

(dollars expressed in thousands)

	1-5 Yr. Government/Credit Bond				Intermediate Government/Credit Bond				MetLife Separate Account				Total Underlying Investments	
	Fair Value	Market Value	Duration	Credit Rating	Fair Value	Market Value	Duration	Credit Rating	Fair Value	Market Value	Duration	Credit Rating	Fair Value	Market Value
Asset-backed Securities.....	\$105,434	\$108,147	0.91	AAA	\$ 55,303	\$ 56,726	1.13	AAA	\$ 40,615	\$ 41,465	1.06	AAA	\$201,352	\$ 206,338
Agencies.....	38,218	39,202	1.24	AA+	25,827	26,492	2.11	AA+	5,298	5,409	2.27	AA+	69,343	71,103
Corporates.....	162,427	166,606	3.87	A-	112,414	115,307	5.07	A-	58,539	59,764	2.14	A-	333,380	341,677
Government Mortgage-backed Securities.....	57,518	58,998	2.97	AA+	33,059	33,910	2.92	AA+	20,202	20,624	2.96	AA+	110,779	113,532
U.S. Treasuries.....	52,598	53,951	5.12	AA+	61,340	62,919	7.56	AA+	19,425	19,831	3.03	AA+	133,363	136,701
Commercial Mortgage-backed Securities.....	57,423	58,900	1.38	AA+	32,639	33,479	1.57	AAA	30,797	31,442	1.36	AA+	120,859	123,821
Cash.....	4,109	4,215	—	—	2,261	2,318	—	—	1,711	1,749	—	—	8,081	8,282
Total	<u>\$477,727</u>	<u>\$490,019</u>			<u>\$322,843</u>	<u>\$331,151</u>			<u>\$176,587</u>	<u>\$180,284</u>			<u>\$977,157</u>	<u>\$1,001,454</u>

Utah Retirement Systems
(pension trust and defined contribution plans)
Wrap Contracts

At December 31, 2019

(dollars expressed in thousands)

Contract Issuer	Fair Value	Market Value	Rate	Duration	Quality Ratings
American General	\$ 88,736	\$ 91,034	2.90%	3.16	A+
Lincoln National Life	121,744	124,557	2.75%	3.16	AA-
MetLife	176,587	180,284	3.18%	1.90	AA-
Transamerica	194,898	200,063	2.93%	3.16	AA-
RGA Reinsurance	25,034	25,624	1.93%	3.15	AA-
Pacific Life	211,482	216,414	2.78%	3.16	AA-
Royal Bank of Canada	158,676	163,478	2.47%	3.16	AA-
Subtotal Wrap Contracts	977,157	1,001,454			
Merrill Lynch Repurchase	75,800	75,800			
Total	<u>\$ 1,052,957</u>	<u>\$ 1,077,254</u>			

Trust Lands

Trust Lands (permanent fund) invests in derivative instruments through external investment managers retained by the Board and subject to investment management agreements and other policy requirements. Derivative instruments are financial arrangements between two parties whose payments are based on, or “derived” from, the performance of some agreed-upon benchmark. All derivative instruments are considered investments. The fair value of all derivative instruments is reported in the Statement of Net Position. Trust Lands does not have a formal policy for derivative instruments.

As of June 30, 2020, Trust Lands had the following exposure types classified within Derivative Instruments: Equity Rights/Warrants, Currency Forwards, Swaps, and Futures as shown in the table below.

Trust Lands
(permanent fund)
Derivative Financial Instruments
June 30, 2020
(expressed in thousands)

Risk Type	Gross Notional Value	Asset Fair Market Value	Liability Fair Market Value	Earnings (Losses)
Equity Rights/Warrants	\$ 623	\$ 70	\$ —	\$ (62)
Currency Forwards	2,232	11	(2)	(34)
SWAPs	4,750	29	—	(436)
Futures	5,827	—	—	10,606
Total	<u>\$ 13,432</u>	<u>\$ 110</u>	<u>\$ (2)</u>	<u>\$ 10,074</u>

Equity Rights are rights given to existing stockholders to purchase newly issued shares in proportion to their holdings at a specific date. Equity Warrants are certificates entitling the holder to acquire shares of stock at a certain price within a stated period. Warrants often are made part of the issuance of bonds or preferred or common stock. The balances of equity rights/warrants are included in the Statements of Changes in Net Position.

Currency forwards represent forward foreign exchange contracts that are entered into in order to hedge the exposure to changes in foreign currency exchange rates on the foreign currency denominated portfolio holdings. A forward foreign exchange contract is a commitment to purchase or sell a foreign currency at

a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts is included in the net realized gains or losses on foreign currency related transactions in the Statement of Changes in Net Position.

Swaps represent an agreement between two or more parties to exchange sequences of cash flows over a period in the future. In the most common type of interest rate swap arrangement, one party agrees to pay fixed interest payments on designated dates to a counterparty, who in turn agrees to make return interest payments that float with some reference rate. Gains and losses on swaps are determined based on market values and are recorded in the Statements of Changes in Net Position. Swap market values are determined by an independent third party.

Futures represent a financial contract obligating the buyer to purchase an asset or the seller to sell an asset, such as a physical commodity or a financial instrument, at a predetermined future date and price. Futures contracts are valued at their last reported sales price as of measurement date and are included in the Statements of Changes in Net Position.

Student Assistance Program

The following are disclosures for derivative instruments held by Student Assistance Program (major enterprise fund).

Objective – In order to protect against the potential of rising interest rates on its variable rate debt, the Student Assistance Program Board entered into an interest rate exchange (swap) agreement relating to the Board’s student loan revenue bonds, Series 2010 EE (“Series 2010 Bonds”) on December 21, 2010. The purpose of the swap is to create a variable rate cost of funds for the Series 2010 Bonds that will be lower than the variable rate cost achievable in the cash bond market. The Board accounts for the swap agreement as a fair value hedging derivative instrument and recognizes changes in fair values on the statement of Net Position as an asset or liability with a related deferred inflow or outflow of resources respectively. The terms of the swap agreement include:

(Table on next page)

Trade Date.....	December 21, 2010
Effective Date.....	December 30, 2010
Termination Date.....	November 1, 2030
Initial Notional Amount.....	\$364,150,000
June 30, 2019 Notional Amount.....	\$146,300,000
Board Pays Floating.....	3 Month LIBOR + 1.64905 percent
Counterparty Pays Fixed.....	Stepped fixed-rates ranging from 4.66 to 5.00 percent
Payment Dates.....	The 1 st day of May and November

Changes in the fair value of the swap agreement and the ending fair value of the swap agreement are summarized below:

**Student Assistance Program
Change in Fair Value
For Fiscal Years Ending June 30
(expressed in thousands)**

Derivative Instrument	Fair Value June 30, 2019	Fair Value June 30, 2020	Change in Fair Value
Interest Rate Exchange	\$ 10,293	\$ 16,849	\$ 6,556

The projected net cash flows of the swap agreement are summarized below (expressed in thousands):

Fiscal Year	Counterparty Swap Payment			Interest Payments to Bondholders	Total Payments
	To	From	Net		
2021	\$ (2,983)	\$ 7,583	\$ 4,600	\$ (7,583)	\$ (2,983)
2022	(1,851)	4,733	2,882	(4,733)	(1,851)
2023	(1,136)	2,903	1,767	(2,903)	(1,136)
2024	(245)	630	385	(630)	(245)
Total..	<u>\$ (6,215)</u>	<u>\$15,849</u>	<u>\$ 9,634</u>	<u>\$ (15,849)</u>	<u>\$ (6,215)</u>

Swaps are not normally valued through exchange-type markets with easily accessible quotation systems and procedures. The fair value was calculated using information obtained from generally recognized sources with respect to quotations, reporting of specific transactions and market conditions and based on accepted industry standards and methodologies. The swap agreement is considered to be Level 3 for GASB Statement 72 purposes (the different levels are discussed in [Note 3.A](#)).

Credit Risk – The risk of a change in the credit quality or credit rating of the Board and/or its counterparty. The counterparty's long-term ratings are "A2/Aa2", "AA-/A+" and "AA/AA-" by Moody's Investors Service, Standard & Poor's, and Fitch Ratings, respectively.

The Board is exposed to credit risk on hedging derivative instruments that are in asset positions. To minimize its exposure to loss related to credit risk, it is the Board's policy to require counterparty collateral posting provisions in its non-exchange-traded hedging derivative instruments. These terms require full collateralization of the fair value of hedging derivative instruments in asset positions (net of the effect of applicable netting arrangements) should the counterparties' short-term and long-term credit ratings fall below "A-1" and "A," respectively, as issued by Standard & Poor's, or below "Prime-1" and "A2," respectively, as issued by Moody's Investors Service. Collateral posted is to be in the form of cash, U.S. Treasury securities or agency securities held by a third-party custodian. The Board has never failed to access collateral when required.

It is the Board's policy to enter into netting arrangements whenever it has entered into more than one derivative instrument transaction with a counterparty. Under the terms of these arrangements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and net the transactions' fair values so that a single sum will be owed by, or owed to, the non-defaulting party.

Interest Rate Risk – The risk that the debt service costs associated with variable rate debt increases and negatively affects coverage ratios and cash flow margins. The Board is exposed to interest rate risk; as the 3-month LIBOR rate increases, the net payment on the swap agreement increases.

Basis Risk – The risk that arises when variable rates or prices of a swap agreement and a hedged item are based on different interest rate indexes. Because the swap agreement requires the Board to pay a variable rate to the counterparty, and the Board is receiving a fixed-rate payment in return, basis risk is not applicable.

Termination Risk – The risk that the swap must be terminated prior to its stated final cash flow date. Purposes for termination include the deterioration of the Board's own credit and the inability of the Board to obtain a replacement transaction with substantially similar terms. In such a circumstance, the Board would owe, or be owed, a termination payment. No termination events related to the swap agreement have occurred as of June 30, 2020.

Rollover Risk – The risk that the maturity of the swap contract is not coterminous with the maturity of the related bonds. The swap agreement and the underlying bonds have a final maturity date of November 1, 2030.

NOTE 4. INVESTMENT POOL

The Utah State Treasurer's Office operates the Utah Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer. Participation is not required and neither is a minimum balance nor a minimum/maximum transaction required. State agencies and funds that are authorized to earn interest also invest in the PTIF as an internal investment pool. No separate report as an external investment pool has been issued for the PTIF.

The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and regulated by the Utah Money Management Act, (Title 51, Chapter 7 of the *Utah Code*). The Act establishes the State Money Management Council, which oversees the activities of the State Treasurer and the PTIF. The Act lists the investments that are authorized which are high-grade securities and, therefore, minimizes credit risk except in the most unusual and unforeseen circumstances.

Deposits in the PTIF are neither insured nor otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports monthly statements to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated to participants monthly on the ratio of the participant's share to the total funds in the PTIF based on the participant's average daily balance. This method differs from the fair value method used to value investments in these financial statements because the amortized

cost method is not designed to distribute to participants all unrealized gains and losses in the fair values of the pool's investments. The total difference between the fair values of the investments in the pool and the values distributed to the pool participants using the amortized cost method described above is reported in the net position section of the following table as unrealized gains/losses. The PTIF may maintain an interest reserve to stabilize the monthly apportionment of interest.

The PTIF condensed financial statements, inclusive of external and internal participants along with the portfolio statistics for the fiscal year ended June 30, 2020, are shown in the tables below:

Utah Public Treasurers' Investment Fund Statement of Net Position June 30, 2020 (expressed in thousands)	
Assets	
Cash and Cash Equivalents	\$ 3,059,631
Investments	15,449,586
Total Assets	<u>\$ 18,509,217</u>
Liabilities	
Payable for Unsettled Trades	<u>\$ 20,267</u>
Net Position	
External Participant Account Balances:	
External Participants	10,997,948
Unrealized Gains/(Losses)	(2,586)
Total External Participants	<u>10,995,362</u>
Internal Participant Account Balances:	
Primary Government	6,216,833
Discrete Component Units	1,278,513
Unrealized Gains/(Losses)	(1,759)
Total Internal Participants	<u>7,493,587</u>
Total Net Position	<u>\$ 18,488,949</u>
Participant Account Balance Net Position Valuation Factor	1.00244845

Any balance maintained in the interest reserve is reflected in the fair value valuation factor discussed below. The PTIF allocates income and issues statements on a monthly basis. Twice a year, at June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value, and participants are informed of the fair value valuation factor that enables them to adjust their statement balances to fair value.

Utah Public Treasurers' Investment Fund Statement of Changes in Net Position For the Fiscal Year Ended June 30, 2020 (expressed in thousands)	
Additions	
Pool Participant Deposits	<u>\$ 19,588,783</u>
Investment Income:	
Investment Earnings	349,732
Fair Value Increases (Decreases)	(21,623)
Total Investment Income	<u>328,109</u>
Less Administrative Expenses	(782)
Net Investment Income	<u>327,327</u>
Total Additions	<u>19,916,110</u>
Deductions	
Pool Participant Withdrawals	17,085,898
Earnings Distributions	<u>347,927</u>
Total Deductions	<u>17,433,825</u>
Net Increase/(Decrease) From Operations	<u>2,482,285</u>
Net Position	
Beginning of Year	<u>16,006,664</u>
Net Position – End of Year	<u>\$ 18,488,949</u>

**Utah Public Treasurers' Investment Fund
Portfolio Statistics
At June 30, 2020**

	Range of Yields	Weighted Average Maturity
U.S. Treasuries	0.13% – 0.18%	87.22 days
Money Market Mutual Funds	0.08% – 0.39%	1 day
Corporate Bonds and Notes	0.37% – 2.05%	44.04 days
	Weighted Average Yield	Weighted Average Maturity
Total Investment Fund	0.83%	39.84 days

Deposits and Investments

The following disclosure of deposits and investments is for the PTIF, which includes external and internal participants. These assets are also included in the [Note 3](#) disclosures of deposits and investments for the primary government. To avoid duplication, some of the detailed information in [Note 3](#) has not been repeated in this note.

Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, the PTIF's deposits may not be recovered. The PTIF follows the Money Management Act by making deposits only in qualified financial institutions in accordance with the Act.

The deposits in the bank in excess of the insured amount are uninsured and uncollateralized. Deposits are neither collateralized nor are they required to be by state statute. The PTIF did not have any deposits at June 30, 2020.

Fair Value Measurements of Investments

The PTIF categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Inputs are quoted prices for identical investments in active markets.

- Level 2: Observable inputs other than quoted market prices.
- Level 3: Unobservable inputs.

The following table presents the recurring fair value measurements at June 30, 2020, for the PTIF:

Utah Public Treasurers' Investment Fund
Investments Measured at Fair Value

At June 30, 2020

(expressed in thousands)

Investments by Fair Value Level	Fair Value	Fair Value Measurements Using	
		Level 1	Level 2
Debt Securities			
U.S. Treasuries	\$ 1,149,592	\$ 1,149,592	\$ —
Corporate Bonds and Notes	14,358,561	—	14,358,561
Money Market Mutual Funds	2,951,447	2,951,447	—
Total Debt Securities ..	<u>\$18,459,600</u>	<u>\$ 4,101,039</u>	<u>\$ 14,358,561</u>

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

- Corporate Bonds and Notes are valued using quoted prices for identical securities in markets that are not active.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The PTIF's policy for managing interest rate risk is to comply with the State's Money Management Act. See [Note 3](#) for information on requirements of the Act related to interest rate risk.

The majority of the PTIF's corporate debt securities are variable-rate securities, most of which reset every three months to the

market interest rate. Because these securities frequently re-price to prevailing market rates, interest rate risk is substantially reduced at each periodic reset date. In the table below, variable-rate securities are presented according to the length of time until the next reset date rather than the stated maturity.

The PTIF follows the Money Management Act by investing only in securities authorized in the Act. See [Note 3](#) for information on authorized investments.

The PTIF investments at June 30, 2020, are presented on the following table:

Utah Public Treasurers' Investment Fund

At June 30, 2020

(expressed in thousands)

		Investment Maturities (in years)
Investment Type	Fair Value	Less Than 1
Debt Securities		
U.S. Treasuries	\$ 1,149,592	\$ 1,149,592
Corporate Bonds and Notes	14,358,561	14,358,561
Money Market Mutual Funds	2,951,447	2,951,447
Total Debt Securities	<u>\$ 18,459,600</u>	<u>\$ 18,459,600</u>

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The PTIF follows the Money Management Act as its policy for reducing exposure to investment credit risk. The PTIF's rated debt investments as of June 30, 2020, were rated by Standard and Poor's and/or an equivalent nationally recognized statistical rating organization and the ratings are presented below using the Standard and Poor's rating scale.

Utah Public Treasurers' Investment Fund
Rated Debt Investments

At June 30, 2020

(expressed in thousands)

	Fair Value	Quality Ratings			
		AA	A	BBB	Not Rated
Corporate Bonds and Notes.....	\$ 14,358,561	\$ 985,080	\$ 11,013,295	\$ 2,360,186	\$ —
Money Market Mutual Funds.....	2,951,447	—	—	—	2,951,447
Subtotal.....	<u>\$ 17,310,008</u>	<u>\$ 985,080</u>	<u>\$ 11,013,295</u>	<u>\$ 2,360,186</u>	<u>\$ 2,951,447</u>
U.S. Treasuries.....	1,149,592				
Total Debt Securities.....	<u>\$18,459,600</u>				

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the PTIF will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The PTIF does not have a formal policy for custodial credit risk.

The PTIF's investments at June 30, 2020, were held by the State or in the State's name by the State's custodial bank.

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 PTIF's policy for reducing this risk of loss is to comply with the Rules of the State Money Management Council. Rule 17 of the State Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5 percent of the total dollar amount held in the portfolio. The State Money Management Council limitations do not apply to securities issued by the U.S. government and its agencies. The PTIF had no debt securities investments at June 30, 2020, with more than 5 percent of the total investments in a single issuer.

NOTE 5. RECEIVABLES

Accounts receivable balances are an aggregation of amounts due from the federal government, customers, and others. Receivables from customers include charges for services to local governments, fees and fines issued by the courts and corrections, employer contributions for unemployment benefits, and receivables as a result of overpayments to individuals receiving state assistance.

The majority of receivables for Trust Lands (permanent fund) represent unsettled trades from brokers, dealers, and clearing organizations.

Receivables for Fiduciary Funds listed below represent amounts due from fiduciary funds that were reclassified as external

receivables on the government-wide Statement of Net Position. Other adjustments are due to differences in the presentation and the basis of accounting between the fund financial statements and the government-wide Statement of Net Position.

Aggregated receivables for major and nonmajor discrete component units at June 30, 2020, were \$1.075 billion and \$142.098 million, respectively. These receivables are net of an allowance for doubtful accounts of \$403.607 million and \$18.319 million, respectively.

Receivables as of June 30, 2020, consisted of the following (in thousands):

	Accounts Receivable					Notes/ Mortgages
	Federal	Customer	Other	Interest	Taxes	
Governmental Activities:						
General Fund.....	\$ 275,959	\$ 325,517	\$ 32,617	\$ 31	\$ 356,199	\$ 15,053
Education Fund.....	171,895	—	820	86	2,069,895	9,121
Transportation Fund.....	80,569	2,405	12,398	—	62,769	—
Transportation Investment Fund.....	—	—	—	—	78,718	—
Trust Lands Fund.....	—	—	37,660	241	—	1,444
Nonmajor Funds.....	—	33,740	—	6,541	10,857	—
Internal Service Funds.....	—	5,065	—	—	—	—
Adjustments:						
Fiduciary Funds.....	—	—	57	—	—	—
Total Receivables.....	<u>528,423</u>	<u>366,727</u>	<u>83,552</u>	<u>6,899</u>	<u>2,578,438</u>	<u>25,618</u>
Less Allowance for Uncollectibles:						
General Fund.....	—	(71,154)	—	—	(11,278)	(941)
Education Fund.....	—	—	—	—	(213,847)	—
Transportation Fund.....	—	(200)	—	—	(1,150)	—
Transportation Investment Fund.....	—	—	—	—	(2,955)	—
Nonmajor Funds.....	—	—	—	—	(19)	—
Receivables, net.....	<u>528,423</u>	<u>295,373</u>	<u>83,552</u>	<u>6,899</u>	<u>2,349,189</u>	<u>24,677</u>
Current Receivables.....	528,423	263,428	77,269	6,899	2,168,172	2,729
Noncurrent Receivables.....	—	31,945	6,283	—	181,017	21,948
Total Receivables, net.....	<u>\$ 528,423</u>	<u>\$ 295,373</u>	<u>\$ 83,552</u>	<u>\$ 6,899</u>	<u>\$ 2,349,189</u>	<u>\$ 24,677</u>
Business-type Activities:						
Student Assistance Programs.....	\$ 1,170	\$ 7,017	\$ 725	\$ 37,643	\$ —	\$ 1,244,158
Unemployment Compensation.....	80,310	117,370	—	—	—	—
Water Loan Programs.....	—	1,233	—	7,835	4,520	775,576
Community Impact Loan Fund.....	—	—	—	5,258	—	461,495
Nonmajor Funds.....	498	5,385	—	4,470	—	228,051
Total Receivables.....	<u>81,978</u>	<u>131,005</u>	<u>725</u>	<u>55,206</u>	<u>4,520</u>	<u>2,709,280</u>
Less Allowance for Uncollectibles:						
Student Assistance Programs.....	—	—	—	—	—	(6,766)
Unemployment Compensation.....	—	(49,207)	—	—	—	—
Total Receivables, net.....	<u>\$ 81,978</u>	<u>\$ 81,798</u>	<u>\$ 725</u>	<u>\$ 55,206</u>	<u>\$ 4,520</u>	<u>\$ 2,702,514</u>

NOTE 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities as of June 30, 2020, consisted of the following (in thousands):

	Salaries/ Benefits	Service Providers	Vendors/ Other	Government	Tax Refunds/ Credits	Interest	Total
Governmental Activities:							
General Fund.....	\$ 78,378	\$ 352,974	\$ 81,881	\$ 111,810	\$ 12,221	\$ —	\$ 637,264
Education Fund.....	1,781	2,697	15,098	177,394	98,345	—	295,315
Transportation Fund.....	7,728	2	220,926	33,271	884	—	262,811
Trust Lands Fund.....	—	—	17,163	—	—	—	17,163
Nonmajor Governmental Funds.....	404	—	137,095	6,300	539	47,754	192,092
Internal Service Funds.....	7,748	—	16,639	—	—	—	24,387
Adjustments:							
Fiduciary Funds.....	—	—	—	398	—	—	398
Other.....	—	—	—	—	—	1,027	1,027
Total Governmental Activities.....	<u>\$ 96,039</u>	<u>\$ 355,673</u>	<u>\$ 488,802</u>	<u>\$ 329,173</u>	<u>\$ 111,989</u>	<u>\$ 48,781</u>	<u>\$ 1,430,457</u>
Business-type Activities:							
Student Assistance Programs.....	\$ 2,471	\$ —	\$ 4,119	\$ 7,837	\$ —	\$ 1,573	\$ 16,000
Unemployment Compensation Fund.....	—	6,036	—	4,050	—	—	10,086
Water Loan Programs.....	—	—	2,157	—	—	—	2,157
Nonmajor Enterprise Funds.....	2,711	664	18,105	8	64	488	22,040
Total Business-type Activities.....	<u>\$ 5,182</u>	<u>\$ 6,700</u>	<u>\$ 24,381</u>	<u>\$ 11,895</u>	<u>\$ 64</u>	<u>\$ 2,061</u>	<u>\$ 50,283</u>

Accounts payable and accrued liability balances are an aggregation of amounts due to: (1) state employees for salaries/benefits; (2) service providers for childcare, job and health services; (3) vendors, miscellaneous suppliers, brokers, dealers, and clearing organizations for unsettled investment trades (Trust Lands Fund); (4) local and federal governments for services; (5) individuals and others as a result of tax overpayments or credits issued; and (6) interest due on bonds and other obligations.

Adjustments for fiduciary funds listed above represent amounts due to fiduciary funds that were reclassified as external payables on the government-wide Statement of Net Position. Other adjustments are due to differences in the presentation and the basis of accounting between the fund financial statements and the government-wide Statement of Net Position.

(Notes continue on the next page.)

NOTE 7. INTERFUND BALANCES AND LOANS**Interfund Balances**

Interfund balances at June 30, 2020, consisted of the following (in thousands):

Due to General Fund from:

Education Fund	\$ 372
Transportation Fund	1,246
Trust Lands Fund	48
Nonmajor Governmental Funds	1,540
Unemployment Compensation Fund	6,203
Water Loan Programs	55
Nonmajor Enterprise Funds	36,996
Internal Service Funds	1,061
Total due to General Fund from other funds	<u>\$ 47,521</u>

Due to Education Fund from:

General Fund	\$ 952
Unemployment Compensation Fund	12,280
Trust Lands Fund	22,207
Nonmajor Enterprise Funds	2
Internal Service Funds	4
Total due to Education Fund from other funds	<u>\$ 35,445</u>

Due to Transportation Fund from:

General Fund	\$ 60
Nonmajor Governmental Funds	172
Internal Service Funds	50
Total due to Transportation Fund from other funds	<u>\$ 282</u>

Due to Trust Lands from:

General Fund	\$ 113
Nonmajor Enterprise Funds	216
Total due to Trust Lands from other funds	<u>\$ 329</u>

Due to Nonmajor Governmental Funds from:

General Fund	\$ 4,156
Transportation Fund	23
Nonmajor Enterprise Funds	45
Internal Service Funds	854
Fiduciary Funds	22
Total due to Nonmajor Governmental Funds from other funds	<u>\$ 5,100</u>

Due to Water Loan Programs from:

Trust Lands Fund	\$ 72
Nonmajor Governmental Funds	12,142
Total due to Water Loan Programs from other funds	<u>\$ 12,214</u>

Due to Nonmajor Enterprise Funds from:

General Fund	\$ 676
Trust Lands Fund	1,047
Nonmajor Governmental Funds	24,980
Internal Service Funds	115
Total due to Nonmajor Enterprise Funds from other funds	<u>\$ 26,818</u>

Due to Internal Service Funds from:

General Fund	\$ 28,506
Education Fund	144
Transportation Fund	3,550
Nonmajor Governmental Funds	1,552
Nonmajor Enterprise Funds	1,071
Internal Service Funds	1,416
Fiduciary Funds	38
Total due to Internal Service Funds from other funds	<u>\$ 36,277</u>

Due to Fiduciary Funds from:

General Fund	\$ 180
Nonmajor Governmental Funds	218
Total due to Fiduciary Funds from other funds	<u>\$ 398</u>
Total Due to/Due froms	<u>\$ 164,384</u>

These balances resulted from the time lags between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made.

Interfund Loans

At June 30, 2020, interfund loans receivable/payable balances consist of \$24.891 million revolving loans payable to the General Fund from Internal Service Funds. The balance payable to the General Fund from Internal Service Funds of \$24.891 million includes \$9.388 million that is not expected to be repaid within one year and is classified as nonspendable fund balance.

(Notes continue on the next page.)

NOTE 8. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows (in thousands):

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets Not Depreciated/Amortized:				
Land and Related Assets	\$ 2,187,779	\$ 173,817	\$ (13,182)	\$ 2,348,414
Infrastructure	14,520,394	138,128	(2,092)	14,656,430
Construction in Progress	1,236,466	826,220	(335,405)	1,727,281
Total Capital Assets Not Depreciated/Amortized	17,944,639	1,138,165	(350,679)	18,732,125
Capital Assets Depreciated/Amortized:				
Buildings and Improvements	2,335,512	61,286	(142)	2,396,656
Infrastructure	75,751	59	(362)	75,448
Machinery and Equipment	526,474	45,664	(36,160)	535,978
Intangible Assets—Software	322,060	22,843	(1,213)	343,690
Total Capital Assets Depreciated/Amortized	3,259,797	129,852	(37,877)	3,351,772
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	(1,023,093)	(65,910)	115	(1,088,888)
Infrastructure	(38,743)	(2,644)	10	(41,377)
Machinery and Equipment	(324,719)	(34,618)	27,247	(332,090)
Intangible Assets—Software	(244,080)	(28,969)	1,130	(271,919)
Total Accumulated Depreciation/Amortization	(1,630,635)	(132,141)	28,502	(1,734,274)
Total Capital Assets Depreciated/Amortized, Net	1,629,162	(2,289)	(9,375)	1,617,498
Capital Assets, Net	<u>\$ 19,573,801</u>	<u>\$ 1,135,876</u>	<u>\$ (360,054)</u>	<u>\$ 20,349,623</u>
Business-type Activities:				
Capital Assets Not Depreciated/Amortized:				
Land and Related Assets	\$ 27,683	\$ 11,696	\$ (263)	\$ 39,116
Construction in Progress	2,993	3,184	(2,852)	3,325
Total Capital Assets Not Depreciated/Amortized	30,676	14,880	(3,115)	42,441
Capital Assets Depreciated/Amortized:				
Buildings and Improvements	101,721	3,540	(233)	105,028
Infrastructure	430	—	—	430
Machinery and Equipment	18,877	1,107	(683)	19,301
Intangible Assets—Software	4,122	30	—	4,152
Total Capital Assets Depreciated/Amortized	125,150	4,677	(916)	128,911
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	(41,961)	(3,545)	—	(45,506)
Infrastructure	(161)	(13)	—	(174)
Machinery and Equipment	(13,894)	(1,145)	636	(14,403)
Intangible Assets—Software	(2,992)	(454)	—	(3,446)
Total Accumulated Depreciation/Amortization	(59,008)	(5,157)	636	(63,529)
Total Capital Assets Depreciated/Amortized, Net	66,142	(480)	(280)	65,382
Capital Assets, Net	<u>\$ 96,818</u>	<u>\$ 14,400</u>	<u>\$ (3,395)</u>	<u>\$ 107,823</u>

Construction in progress of governmental activities includes amounts for buildings the State is constructing for colleges and universities and other discrete component units that are funded by state appropriations or state bond proceeds. As the buildings are completed, the applicable amounts are deleted from construction in progress of governmental activities and “transferred” to the colleges and universities and other discrete component units. For

fiscal year 2020, \$77.271 million of buildings were completed for colleges and universities. On the government-wide statement of activities, the building “transfers” are reported as higher education expenses of governmental activities and as program revenues of discrete component units.

Depreciation expense of governmental activities was charged to functions as follows (in thousands):

General Government.....	\$ 16,608
Human Services and Juvenile Justice Services.....	10,488
Corrections.....	8,436
Public Safety.....	18,158
Courts.....	9,594
Health and Environmental Quality.....	5,432
Employment and Family Services.....	13,106
Natural Resources.....	11,007
Heritage and Arts.....	561
Business, Labor, and Agriculture.....	1,296
Public Education.....	828
Transportation.....	19,259
Depreciation on capital assets of the State's internal service funds is charged to the various functions based on their usage of services provided.....	17,368
Total Depreciation Expense.....	<u>\$ 132,141</u>

Discrete Component Units

The following table summarizes net capital assets reported by the discrete component units (in thousands):

	Public Employees Health Program	University of Utah	Utah State University	Utah Transit Authority	Nonmajor Component Units	Total
Capital Assets Not Depreciated/Amortized:						
Land and Related Assets.....	\$ —	\$ 84,924	\$ 44,188	\$ 408,225	\$ 161,581	\$ 698,918
Art and Special Collections.....	—	93,965	50,415	—	10,838	155,218
Construction in Progress.....	—	381,628	57,867	139,699	84,345	663,539
Total Capital Assets Not Depreciated/Amortized.....	0	560,517	152,470	547,924	256,764	1,517,675
Capital Assets Depreciated/Amortized:						
Building and Improvements.....	—	4,205,855	1,293,656	245,183	2,388,149	8,132,843
Infrastructure.....	—	516,229	—	2,690,098	127,242	3,333,569
Machinery and Equipment.....	452	1,430,885	288,236	898,035	339,451	2,957,059
Total Capital Assets Depreciated/Amortized.....	452	6,152,969	1,581,892	3,833,316	2,854,842	14,423,471
Less Accumulated Depreciation/Amortization.....	(408)	(2,916,708)	(735,517)	(1,431,848)	(1,142,765)	(6,227,246)
Total Capital Assets Depreciated/Amortized, Net.....	44	3,236,261	846,375	2,401,468	1,712,077	8,196,225
Discrete Component Units – Capital Assets, Net.....	<u>\$ 44</u>	<u>\$3,796,778</u>	<u>\$ 998,845</u>	<u>\$2,949,392</u>	<u>\$1,968,841</u>	<u>\$9,713,900</u>

NOTE 9. LEASE COMMITMENTS

The State leases office buildings along with office and computer equipment. Although the lease terms vary, most leases are subject to annual appropriations from the State Legislature to continue the lease obligations. If an appropriation is reasonably assured, leases are considered noncancellable for financial reporting purposes.

Leases, that in substance are purchases, are reported as capital lease obligations. In the government-wide financial statements and proprietary fund financial statements, assets and liabilities resulting from capital leases are recorded at the inception of the lease at either the lower of fair value or the present value of the future minimum lease payments. The principal portion of lease payments reduces the liability, and the interest portion is expensed. On the governmental fund financial statements, both the principal and interest portions of capital lease payments are recorded as expenditures of the applicable governmental function.

The primary government's capital lease payments were \$2.626 million in principal and \$895 thousand in interest for fiscal year 2020. As of June 30, 2020, the historical cost of the

primary government's assets acquired through capital leases was \$55.832 million of which \$55.063 million was buildings and land and \$769 thousand was equipment and other depreciable assets. As of June 30, 2020, the accumulated depreciation of the primary government's assets acquired through capital leases was \$21.098 million of which \$20.329 million was buildings and \$769 thousand was equipment and other depreciable assets. Of the \$227.892 million in discrete component unit present value of future minimum lease payments noted below, \$57.630 million relates to capital lease arrangements between the primary government and certain colleges and universities (discrete component units).

Operating leases contain various renewal options, as well as some purchase options. However, due to the nature of the leases, they do not qualify as capital leases and the related assets and liabilities are not recorded. Any escalation clauses, sublease rentals, and contingent rents were considered immaterial to the future minimum lease payments and current rental expenditures. Operating lease payments are recorded as expenditures or expenses when paid or incurred.

Operating lease expenditures for fiscal year 2020 were \$59.196 million for the primary government and \$40.871 million

for discrete component units. For fiscal year 2019, the operating lease expenditures were \$45.844 million for the primary government \$43.210 million for discrete component units. Future minimum lease commitments for non-cancellable operating leases

and capital leases as of June 30, 2020, and for Utah Transit Authority (major discrete component unit) as of December 31, 2019, were as follows:

Future Minimum Lease Commitments

Operating Leases

(expressed in thousands)

Fiscal Year	Primary Government	Discrete Component Units
2021.....	\$ 19,157	\$ 39,275
2022.....	16,381	34,064
2023.....	13,426	29,095
2024.....	9,645	26,503
2025.....	7,101	23,583
2026-2030.....	11,058	50,136
2031-2035.....	1,316	18,204
2036-2040.....	1,241	15,181
2041-2045.....	758	15,345
2046-2050.....	11	13,148
2051-2055.....	10	410
2056-2060.....	4	—
Total Future Minimum Lease Payments.....	<u>\$ 80,108</u>	<u>\$ 264,944</u>

Future Minimum Lease Commitments

Capital Leases

(expressed in thousands)

Fiscal Year	Primary Government			Discrete Component Units		
	Total Future Minimum Lease Payments	Less Amounts Representing Interest	Present Value of Future Minimum Lease Payments	Total Future Minimum Lease Payments	Less Amounts Representing Interest	Present Value of Future Minimum Lease Payments
2021.....	\$ 338	\$ 58	\$ 280	\$ 43,582	\$ 6,373	\$ 37,209
2022.....	327	50	277	40,978	5,462	35,516
2023.....	317	41	276	36,903	4,566	32,337
2024.....	317	33	284	23,091	3,860	19,231
2025.....	317	25	292	21,275	3,277	17,998
2026-2030.....	854	56	798	88,970	8,761	80,209
2031-2035.....	330	6	324	3,531	686	2,845
2036-2040.....	—	—	—	2,648	101	2,547
Total.....	<u>\$ 2,800</u>	<u>\$ 269</u>	<u>\$ 2,531</u>	<u>\$ 260,978</u>	<u>\$ 33,086</u>	<u>\$ 227,892</u>

Future Minimum Lease Commitments

Capital Leases - Direct Borrowings

(expressed in thousands)

Fiscal Year	Primary Government			Discrete Component Units		
	Total Future Minimum Lease Payments	Less Amounts Representing Interest	Present Value of Future Minimum Lease Payments	Total Future Minimum Lease Payments	Less Amounts Representing Interest	Present Value of Future Minimum Lease Payments
2021.....	\$ 3,222	\$ 745	\$ 2,477	\$ 8,669	\$ 1,169	\$ 7,500
2022.....	3,262	655	2,607	7,673	1,016	6,657
2023.....	2,871	560	2,311	6,609	874	5,735
2024.....	2,032	480	1,552	5,789	746	5,043
2025.....	2,032	437	1,595	5,183	631	4,552
2026-2030.....	7,304	1,605	5,699	22,325	1,569	20,756
2031-2035.....	5,513	1,058	4,455	1,979	35	1,944
2036-2040.....	4,158	527	3,631	—	—	—
2041-2045.....	1,588	66	1,522	—	—	—
Total.....	<u>\$ 31,982</u>	<u>\$ 6,133</u>	<u>\$ 25,849</u>	<u>\$ 58,227</u>	<u>\$ 6,040</u>	<u>\$ 52,187</u>

NOTE 10. LONG-TERM LIABILITIES**A. Changes in Long-term Debt and Other Long-term Liabilities**

Changes in long-term debt and other long-term liabilities for the year ended June 30, 2020 are presented in the following table. Changes for Utah Transit Authority and PEHP (major discrete component units) are included as of year ended December 31, 2019. As referenced below, certain long-term debt and other long-term liabilities are discussed in other notes to the Financial Statements.

Long-term Debt and Other Long-term Liabilities
(expressed in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Long-term Debt:					
General Obligation Bonds	\$ 2,155,675	\$ 895,745	\$ (346,780)	\$ 2,704,640	\$ 306,715
General Obligation Bonds - Direct Placement	117,600	—	(1,300)	116,300	1,300
State Building Ownership Authority (SBOA) Lease Revenue Bonds	174,076	—	(7,383)	166,693	7,422
SBOA Lease Revenue Bonds - Direct Placement	25,910	—	(4,805)	21,105	5,120
Net Unamortized Premiums	106,066	173,585	(36,531)	243,120	47,953
Capital Leases (Note 9) - Direct Borrowing	28,203	—	(2,354)	25,849	2,477
Notes Payable - Direct Borrowing	227	—	(44)	183	49
Other Long-term Liabilities:					
Capital Leases (Note 9)	2,803	—	(272)	2,531	280
Compensated Absences (Note 1) **	211,138	95,480	(95,807)	210,811	97,464
Claims Liability (Note 19) **	63,558	15,318	(5,254)	73,622	32,079
Pollution Remediation Obligation **	5,324	510	(526)	5,308	307
Settlement Obligations **	227	972	(86)	1,113	87
Net Pension Liability (Note 17) *	1,140,766	—	(421,058)	719,708	—
Net OPEB Liability (Note 18) *	68,335	—	(49,925)	18,410	—
Arbitrage Liability (Note 1)	544	220	(346)	418	—
Total Governmental Long-term Debt and Liabilities	<u>\$ 4,100,452</u>	<u>\$ 1,181,830</u>	<u>\$ (972,471)</u>	<u>\$ 4,309,811</u>	<u>\$ 501,253</u>
Business-type Activities					
Long-term Debt:					
Student Assistance Revenue Bonds	\$ 1,265,880	\$ —	\$ (184,719)	\$ 1,081,161	\$ 214,072
State Building Ownership Authority Lease Revenue Bonds	72,549	18,865	(5,802)	85,612	6,503
Water Loan Recapitalization Revenue Bonds	25,520	—	(5,955)	19,565	6,220
Net Unamortized Premiums/(Discounts)	(8,000)	2,314	(1,125)	(6,811)	538
Notes Payable - Direct Borrowing	618	—	(618)	—	—
Other Long-term Liabilities:					
Claims and Uninsured Liabilities	3,279	1,152,794	(1,076,284)	79,789	79,789
Net Pension Liability (Note 17) *	19,065	—	(8,001)	11,064	—
Net OPEB Liability (Note 18) *	1,108	—	(758)	350	—
Total Business-type Long-term Debt and Liabilities	<u>\$ 1,380,019</u>	<u>\$ 1,173,973</u>	<u>\$ (1,283,262)</u>	<u>\$ 1,270,730</u>	<u>\$ 307,122</u>
Discrete Component Units					
Long-term Debt:					
Revenue Bonds	\$ 3,549,587	\$ 791,376	\$ (364,140)	\$ 3,976,823	\$ 101,170
Net Unamortized Premiums/(Discounts)	184,668	24,214	(47,347)	161,535	1,215
Capital Leases (Note 9) - Direct Borrowing	49,412	9,880	(7,105)	52,187	7,493
Notes Payable - Direct Borrowings	37,367	47,120	(9,014)	75,473	11,050
Other Long-term Liabilities:					
Capital Leases/Contracts Payable (Notes 9 and 10)	219,337	50,141	(36,926)	232,552	36,223
Claims Liability (Note 19)	148,169	769,405	(765,163)	152,411	77,479
Leave/Termination Benefits (Note 1)	181,653	154,114	(126,900)	208,867	122,318
Capital Assets Held for Others	12,520	—	(404)	12,116	404
Net Pension Liability (Note 17) *	496,585	—	(207,924)	288,661	—
Net OPEB Liability (Note 18) *	645	—	(587)	58	—
Total Discrete Component Long-term Debt and Liabilities	<u>\$ 4,879,943</u>	<u>\$ 1,846,250</u>	<u>\$ (1,565,510)</u>	<u>\$ 5,160,683</u>	<u>\$ 357,352</u>

* The Net Pension Liability and Net Other Postemployment Benefit (OPEB) Liability of governmental activities are liquidated in the General Fund, Education Fund, or Transportation Fund according to the applicable employing state agency. The changes in these liabilities are either netted as additions or reductions for this schedule since that information is not readily available for inclusion. See [Note 17](#) and [Note 18](#) for further information.

** Compensated Absences of governmental activities are liquidated in the General Fund, Education Fund, or Transportation Fund according to the applicable employing state agency. Claims Liability of governmental activities are liquidated in the Risk Management Internal Service Fund. Settlement Obligations of governmental activities are liquidated in the Crime Victim Reparation Fund (nonmajor governmental fund). The Pollution Remediation Obligations of the governmental activities are liquidated in the Environmental Reclamation Fund (nonmajor governmental fund).

Differences in Net Pension Liability – The Net Pension Liability (NPL) ending balances for governmental activities of \$719.708 million and for business-type activities of \$11.064 million differ from the NPL for the primary government of \$737.079 million as reported in [Note 17](#) due to the following: the NPL for Student Assistance Programs of \$558 thousand and Utah Dairy Commission of \$189 thousand are included in business-type activities, but are excluded from the primary government NPL reported in [Note 17](#), and the Utah Schools for the Deaf and the Blind (nonmajor discrete component unit) of \$6.794 million is excluded from the business-type and governmental activities reported above, but is included in the NPL for the primary government in [Note 17](#).

These differences are due to the way Utah Retirement Systems (pension trust and defined contribution plans) combine and report the State's retirement plans for [Note 17](#), which is different than how the State reports the NPL by fund type in accordance with generally accepted accounting principles.

B. General Obligation Bonds

The State issues general obligation bonds to provide funds for acquisition, construction, and renovation of major capital facilities and for highway construction. In addition, general obligation bonds have been issued to refund general obligation bonds, revenue bonds, and capitalized leases. General obligation bonds are secured by the full faith and credit of the State. Debt service requirements are provided by legislative appropriation from the State's general tax revenues. As of June 30, 2020, the State had \$8.975 million of unissued general obligation highway bond authorizations remaining, and \$4.050 million of unissued general obligation building bond authorizations remaining.

During fiscal year 2020, the State issued \$448.430 million Series 2020 highway bonds and \$447.315 million Series 2020 B highway and prison bonds. These general obligation bonds will fund transportation and capital building projects.

General obligation bonds payable information is presented below.

General Obligation Bonds Payable (expressed in thousands)

Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2020
2009 D Highway Issue	09/29/09	2019, 2024	4.15%, 4.55%	\$ 491,760	\$ 417,615
2010 B Highway Issue	09/30/10	2019 – 2025	3.19% – 3.54%	\$ 621,980	592,510
2011 A Highway/Capital Facility Issue	07/06/11	2012 – 2021	2.00% – 5.00%	\$ 609,920	87,980
2013 Highway Issue	07/30/13	2014 – 2028	3.00% – 5.00%	\$ 226,175	44,850
2015 Refunding Issue	04/29/15	2019 – 2026	3.50% – 5.00%	\$ 220,980	117,785
2017 Highway/Prison Issue	07/10/17	2018 – 2032	3.00% – 5.00%	\$ 142,070	124,855
2017 Refunding Issue	12/15/17	2018 – 2028	2.21%	\$ 118,700	116,300
2018 Highway/Prison Issue	02/28/18	2018 – 2032	3.13% – 5.00%	\$ 343,155	302,010
2019 Highway Issue	01/15/19	2019 – 2033	5.00%	\$ 127,715	121,290
2020 Highway Issue	02/11/20	2020 – 2034	3.00 % – 5.00 %	\$ 448,430	448,430
2020B Highway/Prison Issue	05/14/20	2020 - 2034	3.00 % – 5.00 %	\$ 447,315	447,315
Total General Obligation Bonds Outstanding					2,820,940
Plus Unamortized Bond Premium					239,852
Total General Obligation Bonds Payable					<u>\$ 3,060,792</u>

General Obligation Bond Issues Debt Service Requirements to Maturity For the Fiscal Year Ended June 30, 2020 (expressed in thousands)

Fiscal Year	Principal						
	2009D Highway Bonds	2010B Highway Bonds	2011A Highway/Capital Bonds	2013 Highway Bonds	2015 Refunding Bonds	2017 Highway/Prison Bonds	2017 Refunding - Direct Placement
2021	\$ 87,715	\$ 101,775	\$ 43,990	\$ 14,200	\$ —	\$ 11,225	\$ 1,300
2022	86,740	102,480	43,990	14,950	—	11,825	1,400
2023	90,825	103,250	—	15,700	39,290	12,400	1,400
2024	64,420	104,160	—	—	39,260	13,050	17,700
2025	87,915	104,430	—	—	39,235	13,700	18,100
2026-2030	—	76,415	—	—	—	52,030	76,400
2031-2035	—	—	—	—	—	10,625	—
Total	<u>\$ 417,615</u>	<u>\$ 592,510</u>	<u>\$ 87,980</u>	<u>\$ 44,850</u>	<u>\$ 117,785</u>	<u>\$ 124,855</u>	<u>\$ 116,300</u>

Continues

Continued

Fiscal Year	Principal				Total Principal Required	Total Interest Required	Total Amount Required
	2018 Highway/ Prison Bonds	2019 Highway Bonds	2020 Highway Bonds	2020B Highway/ Prison Bonds			
2021.....	\$ 21,925	\$ 6,135	\$ 19,750	\$ —	\$ 308,015	\$ 110,883	\$ 418,898
2022.....	23,005	6,450	17,975	\$ 41,395	\$ 350,210	\$ 93,794	\$ 444,004
2023.....	24,180	6,780	18,900	\$ 43,600	\$ 356,325	\$ 77,931	\$ 434,256
2024.....	25,385	7,125	19,875	\$ 45,905	\$ 336,880	\$ 63,416	\$ 400,296
2025.....	26,705	7,490	20,900	\$ 48,335	\$ 366,810	\$ 47,499	\$ 414,309
2026-2030.....	115,205	43,630	196,155	\$ 203,380	\$ 763,215	\$ 115,388	\$ 878,603
2031-2035.....	65,605	43,680	154,875	\$ 64,700	\$ 339,485	\$ 21,361	\$ 360,846
Total.....	<u>\$ 302,010</u>	<u>\$ 121,290</u>	<u>\$ 448,430</u>	<u>\$ 447,315</u>	<u>\$ 2,820,940</u>	<u>\$ 530,272</u>	<u>\$ 3,351,212</u>

C. Revenue Bonds

Revenue bonds payable consist of those issued by the Utah State Building Ownership Authority, the Utah State Board of Regents Student Loan Purchase Programs, the State's Water Loan Programs, and various colleges and universities. These bonds are not considered general obligations of the State.

Governmental Activities

The Utah State Building Ownership Authority (SBOA) has issued bonds for the purchase and construction of facilities to be leased to state agencies and other organizations. The bonds are secured by the facilities, and repayment is made from lease income appropriated by the Legislature and is not considered pledged revenue of the State. The outstanding bonds payable at June 30, 2020, are reported as a long-term liability of the governmental activities, except for \$90.403 million and \$836 thousand, which are reported in the Alcoholic Beverage Control Fund and the Utah Correctional Industries Fund (nonmajor enterprise funds), respectively. These portions are reported as liabilities of the business-type activities on the government-wide Statement of Net Position.

Business-type Activities

The Utah State Board of Regents Student Loan Purchase Programs' (Student Assistance Programs) bonds were issued to provide funds for student loans and are secured by all assets of the Board of Regents Revenue Bond Funds and by the revenues and receipts derived from such assets. The Board of Regents has also issued a revenue bond for an office facility secured by funds within the Board of Regents budget that would otherwise be expended for rent.

The Student Assistance Programs include \$148.280 million of fixed-rate bonds, \$67.911 million of bonds at a rate set at the 3-month LIBOR plus spread, and \$825.870 million of bonds at a rate set at the 1-month LIBOR plus rates from 0.55 to 1.50 percent. The Programs' bonds also include adjustable rate bonds that are set by an auction procedure every 28 days in the amount of \$39.100 million.

The Student Assistance Programs' bonds issued under the 1993 Trust Estate are limited obligations of the Board, secured by and payable solely from the Trust Estate established by the indenture. The bonds and notes were issued to finance eligible student loans. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the bonds and notes, and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay \$253.311 million of outstanding student loan revenue bonds and student loan backed notes, which are payable through 2046. Principal and interest paid for the current year and total net

revenues before interest expense were \$48.289 million and \$7.016 million, respectively.

The Student Assistance Programs' notes issued under the 2012 Trust Estate are special limited obligations of the Board, secured by and payable solely from the Trust Estate established by the indenture. The notes were issued to refinance eligible student loans and retire outstanding funding notes of the Board. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the notes and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay \$132.942 million of outstanding student loan backed notes which are payable through 2032. Principal and interest paid for the current year and total net revenue before interest expense were \$24.727 million and \$3.742 million, respectively.

The notes issued under the 2014 Trust Estate are limited obligations of the Board, secured by and payable solely from the Trust Estate established by the indenture. The notes were issued to retire outstanding student loan revenue bonds of the Board. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the notes and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay \$100.598 million of outstanding student loan backed notes, which are payable through 2039. Principal and interest paid for the current year and total net revenues before interest expense were \$17.633 million and \$3.360 million, respectively.

The notes issued under the 2015 Trust Estate are special limited obligations of the Board, secured by and payable solely from the Trust Estate established by the indenture. The notes were issued to retire a portion of the outstanding advances from the Warehouse Facility to the Board. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the notes and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay \$141.079 million of outstanding student loan backed notes, which are payable through 2043. Principal and interest paid for the current year and total net revenue before interest expense were \$32.059 million and \$3.814 million, respectively.

The notes issued under the 2016 Trust Estate are special limited obligations of the Board, secured by and payable solely from the Trust Estate established by the indenture. The notes were issued to retire a portion of the outstanding advances from the Warehouse Facility to the Board. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the notes and net revenues in the funds and accounts, and any other

property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay \$224.550 million of outstanding student loan backed notes, which are payable through 2057. Principal and interest paid for the current year and total net revenue before interest expense were \$45.318 million and \$5.332 million, respectively.

The notes issued under the 2017 Trust Estate are limited obligations of the Board, secured by and payable solely from the Trust Estate established by the indenture. The notes were issued to retire a portion of the outstanding advances from the Warehouse Facility to the Board. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the notes and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay \$226.701 million of outstanding student loan backed notes, which are payable through 2057. Principal and interest paid for the current year and total net revenue before interest expense were \$46.694 million and \$5.516 million, respectively.

The bonds issued under the Office Facility Bond fund are limited obligations of the Board, secured solely by a pledge of the proceeds from the sale of the bonds and the monies and revenues in the fund and accounts held by the Trustee under the indenture. No other money, revenue or income of the Board is pledged to the repayment of the Office Facility Bonds. The bonds were issued to refund the Series 2002 and Series 2004 Bonds. The Board has pledged these assets and net revenues to repay \$1.980 million of outstanding Office Facility Bonds, which are payable through 2024. Principal and interest paid for the current fiscal year and total net revenues before interest expense were \$813 thousand and \$717 thousand, respectively.

The State's Water Loan Programs have issued recapitalization revenue bonds to provide additional capital for the State's revolving water resources loan programs. The bonds are secured by and repayments are made from the pledged principal and interest payments (pledged revenues) of specific revolving water resources loan funds. These pledged revenues will not be available for other purposes until the end of fiscal year 2023 when the bonds are completely paid off. Pledged revenues were projected to produce 150 percent of debt service requirements over the life of the bonds. The total principal and interest remaining to be paid on the bonds is \$20.522 million. For the current year, principal and interest paid was \$6.863 million and total repayment from pledged revenues was \$11.306 million. Of the bonds payable outstanding at June 30, 2020, \$19.565 million are reported in the Water Loan Programs Fund (major enterprise fund). These portions are reported as liabilities of the business-type activities on the government-wide Statement of Net Position.

Discrete Component Units

University of Utah, Utah State University and nonmajor discrete component units issued revenue bonds for various capital purposes including student housing, special events centers, student union centers, and hospital and research facilities. The bonds are secured by pledged student building fees and other income of certain college activities.

Utah Transit Authority issued revenue bonds to partially finance the purchase and construction of various capital assets, and to refund other outstanding bond issues. The bonds are secured by a pledge of sales tax revenues and other revenues of the Authority.

Information on pledged revenues for discrete component units for the fiscal year ended June 30, 2020, is presented below.

Pledged Revenue — Discrete Component Units (dollars expressed in thousands)

	University of Utah	Utah State University	Utah Transit Authority	Nonmajor Component Units
Type of Revenue Pledged *	A, B, C	A, B	D	A
Amount of Pledged Revenue	\$1,596,740	\$498,416	\$3,715,061	\$305,951
Term of Commitment	Thru 2045	Thru 2052	Thru 2044	Thru 2049
Percent of Revenue Pledged	100.00%	100.00%	100.00%	100.00%
Current Year Pledged Revenue	\$278,334	\$71,368	\$307,706	\$22,249
Current Year Principal and Interest Paid	\$106,643	\$15,532	\$106,393	\$15,868

* Type of Revenue Pledged:

- A. Student and housing fees, auxiliary net revenues from bookstores, parking, stadium and event centers, and other campus generated charges and fees.
- B. Research net revenue generated from the recovery of allocated facilities and administrative rates to grants and contracts.
- C. Hospital and clinic net revenues from providing various health and psychiatric services to the community.
- D. Sales tax revenues and other transit revenues.

Revenue Bonds Payable — Primary Government
Governmental Activities
(dollars expressed in thousands)

Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2020
SBOA Lease Revenue Bonds:					
Series 2009 E.....	09/09/09	2018 – 2030	4.62% – 5.77%	\$ 89,470	\$ 57,690
Series 2010.....	11/30/10	2011 – 2024	2.00% – 5.00%	\$ 24,555	8,094
Series 2011.....	10/25/11	2012 – 2031	2.13% – 4.00%	\$ 5,250	1,960
Series 2012 A.....	11/20/12	2017 – 2027	1.50% – 5.00%	\$ 11,755	8,135
Series 2012 B.....	11/20/12	2013 – 2022	1.50% – 2.25%	\$ 9,100	759
Series 2015.....	04/29/15	2016 – 2030	3.00% – 5.00%	\$ 785	55
Series 2016.....	04/05/16	2016 – 2038	2.25% – 5.00%	\$ 93,625	87,175
Series 2017 – Direct Placement.....	12/15/17	2020 – 2024	5.00%	\$ 25,910	21,105
Series 2018.....	02/21/18	2020 – 2039	3.00% – 5.00%	\$ 2,920	2,825
Total Lease Revenue Bonds Outstanding.....					187,798
Plus Unamortized Bond Premium.....					3,268
Total Lease Revenue Bonds Payable.....					<u>\$ 191,066</u>

Business-type Activities
(dollars expressed in thousands)

Student Assistance Programs:

1993 Trust Estate Student Loan Indentures.....	1999 – 2011	2030 – 2046	Variable and Fixed	\$ 1,337,655	\$ 253,311
2012 Trust Estate Student Loan Indentures.....	2012	2032	Variable	\$ 518,700	132,942
2014 Trust Estate Student Loan Indentures.....	2014	2039	Variable	\$ 277,000	100,598
2015 Trust Estate Student Loan Indentures.....	2015	2043	Variable	\$ 415,500	141,079
2016 Trust Estate Student Loan Indentures.....	2016	2057	Variable	\$ 452,250	224,550
2017 Trust Estate Student Loan Indentures.....	2017	2057	Variable	\$ 420,000	226,701
SLPP Office Facility Bond Fund.....	2012	2014 – 2024	2.00% – 5.00%	\$ 7,295	1,980
Total Revenue Bonds Outstanding.....					1,081,161
Plus Unamortized Bond Discount.....					(12,438)
Total Revenue Bonds Payable.....					<u>\$ 1,068,723</u>

SBOA Lease Revenue Bonds:

Series 2009 C.....	09/09/09	2024, 2029	5.29 %, 5.77 %	\$ 16,715	\$ 15,410
Series 2010.....	11/30/10	2011 – 2024	2.00% – 5.00%	\$ 12,180	4,476
Series 2012 A.....	11/20/12	2017 – 2027	1.50% – 5.00%	\$ 3,855	2,545
Series 2012 B.....	11/20/12	2013 – 2022	1.50% – 2.25%	\$ 2,600	121
Series 2015.....	04/29/15	2016 – 2030	3.00% – 5.00%	\$ 29,230	25,095
Series 2016.....	04/05/16	2016 – 2038	2.25% – 5.00%	\$ 4,525	4,050
Series 2018.....	02/21/18	2020 – 2039	3.00% – 5.00%	\$ 15,545	15,050
Series 2020.....	02/27/20	2021 – 2039	2.00% – 5.00%	\$ 18,865	18,865
Total Lease Revenue Bonds Outstanding.....					85,612
Plus Unamortized Bond Premium.....					5,627
Total Lease Revenue Bonds Payable.....					<u>\$ 91,239</u>

Water Loan Programs:

Series 2010 C Recapitalization Revenue Bonds.....	02/23/10	2018 – 2022	4.19% – 4.79%	\$ 31,225	\$ 19,565
Total Recapitalization Revenue Bonds Outstanding.....					19,565
Plus Unamortized Bond Premium.....					—
Total Recapitalization Revenue Bonds Payable.....					<u>\$ 19,565</u>
Total Revenue/Lease Revenue/Recapitalization Revenue Bonds Payable.....					<u>\$ 1,370,593</u>

**Revenue Bond Issues — Primary Government
Debt Service Requirements to Maturity
For Fiscal Years Ended June 30
(expressed in thousands)**

Principal								
Fiscal Year	1993 Trust Estate Student Loan Indentures	2012 Trust Estate Student Loan Indentures	2014 Trust Estate Student Loan Indentures	2015 Trust Estate Student Loan Indentures	2016 Trust Estate Student Loan Indentures	2017 Trust Estate Student Loan Indentures	SLPP Office Facility Bond Fund	2009C SBOA Bonds
2021	\$ 70,700	\$ 25,350	\$ 14,225	\$ 26,853	\$ 38,912	\$ 37,307	\$ 725	\$ 1,370
2022	42,800	25,660	14,087	26,509	39,130	37,878	765	1,445
2023	45,000	24,665	13,764	24,984	33,027	32,431	240	1,520
2024	42,800	18,742	11,093	18,483	27,071	27,081	250	1,605
2025	37,911	17,469	10,587	17,674	26,273	26,393	—	1,685
2026-2030	14,100	21,056	36,842	26,576	60,137	65,611	—	7,785
2031-2035	—	—	—	—	—	—	—	—
2036-2040	—	—	—	—	—	—	—	—
Total	<u>\$ 253,311</u>	<u>\$ 132,942</u>	<u>\$ 100,598</u>	<u>\$ 141,079</u>	<u>\$ 224,550</u>	<u>\$ 226,701</u>	<u>\$ 1,980</u>	<u>\$ 15,410</u>

Principal								
Fiscal Year	2009E SBOA Bonds	2010 SBOA Bonds	2011 SBOA Bonds	2012A SBOA Bonds	2012B SBOA Bonds	2015 SBOA Bonds	2016 SBOA Bonds	2017 Direct Placement SBOA Bonds
2021	\$ —	\$ 3,145	\$ 430	\$ 1,555	\$ 665	\$ 2,020	\$ 3,625	\$ 5,120
2022	—	3,275	440	1,630	215	2,115	3,800	5,460
2023	—	3,445	455	1,710	—	2,220	4,025	5,085
2024	—	2,705	70	1,230	—	2,875	4,200	5,440
2025	6,015	—	70	2,850	—	3,005	4,400	—
2026-2030	51,675	—	405	1,705	—	12,915	24,400	—
2031-2035	—	—	90	—	—	—	28,100	—
2036-2040	—	—	—	—	—	—	18,675	—
Total	<u>\$ 57,690</u>	<u>\$ 12,570</u>	<u>\$ 1,960</u>	<u>\$ 10,680</u>	<u>\$ 880</u>	<u>\$ 25,150</u>	<u>\$ 91,225</u>	<u>\$ 21,105</u>

Principal						
Fiscal Year	2018 SBOA Bonds	2020 SBOA Bonds	2010C Water Loan Recap Bond	Total Principal Amount Required	Total Interest Amount Required	Total Amount Required
2021	\$ 610	\$ 515	\$ 6,220	\$ 239,347	\$ 23,101	\$ 262,448
2022	645	700	6,515	213,069	19,407	\$ 232,476
2023	675	735	6,830	200,811	16,045	\$ 216,856
2024	720	770	—	165,135	13,305	\$ 178,440
2025	745	805	—	155,882	10,652	\$ 166,534
2026-2030	4,320	4,685	—	332,212	27,072	\$ 359,284
2031-2035	5,235	5,635	—	39,060	6,937	\$ 45,997
2036-2040	4,925	5,020	—	28,620	1,608	\$ 30,228
Total	<u>\$ 17,875</u>	<u>\$ 18,865</u>	<u>\$ 19,565</u>	<u>\$ 1,374,136</u>	<u>\$ 118,127</u>	<u>\$ 1,492,263</u>

**Revenue Bonds Payable — Discrete Component Units
(dollars expressed in thousands)**

Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2020
University of Utah Revenue Bonds	1998 – 2020	2018 – 2044	0.58% – 6.28%	\$ 1,627,195	\$ 1,167,227
Utah State University Revenue Bonds	2007 – 2019	2007 – 2052	1.03% – 5.25%	\$ 395,185	326,960
Utah Transit Authority	2005 – 2019	2009 – 2044	3.00% – 5.94%	\$ 3,475,152	2,263,782
Nonmajor Component Units Revenue Bonds	2008 – 2019	2013 – 2051	1.75% – 5.00%	\$ 301,825	218,854
Total Revenue Bonds Outstanding					3,976,823
Plus Unamortized Bond Premium					161,535
Total Revenue Bonds Payable					<u>\$ 4,138,358</u>

Revenue Bond Issues — Discrete Component Units
Debt Service Requirements to Maturity
For Fiscal Years Ended June 30
(expressed in thousands)

Fiscal Year	Principal				Total Principal Required	Interest Required	Total Amount Required
	University of Utah	Utah State University	Utah Transit Authority	Nonmajor Component Units			
2021.....	\$ 57,764	\$ 7,700	\$ 25,920	\$ 9,786	\$ 101,170	\$ 170,253	\$ 271,423
2022.....	65,025	8,220	35,075	10,944	119,264	165,986	285,250
2023.....	72,904	10,345	44,020	11,423	138,692	160,082	298,774
2024.....	76,688	10,785	55,090	10,871	153,434	153,159	306,593
2025.....	73,867	11,250	109,005	11,285	205,407	284,848	490,255
2026-2030.....	352,860	58,880	484,147	58,157	954,044	616,401	1,570,445
2031-2035.....	265,114	62,425	484,370	41,698	853,607	382,338	1,235,945
2036-2040.....	168,465	52,550	714,610	29,070	964,695	160,201	1,124,896
2041-2045.....	34,540	56,415	311,545	18,155	420,655	48,143	468,798
2046-2050.....	—	38,175	—	15,340	53,515	6,161	59,676
2051-2055.....	—	10,215	—	2,125	12,340	388	12,728
Total.....	<u>\$ 1,167,227</u>	<u>\$ 326,960</u>	<u>\$ 2,263,782</u>	<u>\$ 218,854</u>	<u>\$ 3,976,823</u>	<u>\$ 2,147,960</u>	<u>\$ 6,124,783</u>

D. Conduit Debt Obligations

The Utah Charter School Finance Authority (nonmajor discrete component unit) issued conduit debt obligations on behalf of various charter schools. The debt is the responsibility of the charter schools, and neither the State nor any political subdivision of the State is obligated in any manner for repayment of the debt. Accordingly, this debt has not been reported in the accompanying financial statements. The outstanding balance at June 30, 2020, is \$384.389 million in taxable and tax-exempt conduit debt.

E. Defeased Bonds and Bond Refunding

Primary Government

On February 26, 2020, the State cash defeased \$78.430 million of Series 2015 general obligation refunding bonds at a net cost of \$89.495 million. These funds were paid to an escrow agent to be placed in an irrevocable trust account to provide for the debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Statement of Net Assets.

In prior years, the State defeased certain general obligation and revenue bonds by placing the proceeds of new bonds and other monies available for debt service in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Statement of Net Position. At June 30, 2020, the total amount outstanding of defeased general obligation bonds was \$387.210 million. At June 30, 2020, there were no outstanding defeased lease revenue bonds.

Component Units

In November 2019, Utah Transit Authority (UTA) (major discrete component unit) issued the federally taxable \$188.810 million Series 2019B Senior Sales Tax Revenue Refunding Bond to:

- Defease a portion of the original debt service for the Series 2012A bond. This resulted in a cash flow savings of \$14.762 million and an economic gain (difference between the present value of the old and new debt service payments) of \$28.096 million;
-

- Refund the then outstanding balance of its \$171.600 million Series 2012 Subordinated Sales Tax Revenue and Refunding Bonds in the amount of \$98.000 million;
- Defease a portion of the original debt service for the Series 2015A revenue bond. This resulted in a negative cash flow of \$1.113 million and an economic loss of \$32.722 million;
- Retire the then outstanding balance of its \$192.005 million Series 2015A Subordinated Sales Tax Revenue Refunding Bonds, in the amount of \$75.000 million.

In November 2019, UTA issued the federally taxable \$59.070 million Series 2019B Subordinate Sales Tax Revenue Bond to:

- Defease a portion of the original debt service for the Series 2015A revenue bond. This resulted in a negative cash flow of \$1.952 million and an economic loss of \$20.662 million;
- Refund the then outstanding balance of its \$192.005 million Series 2015A Subordinated Sales Tax Revenue Refunding Bonds in the amount of \$50.135 million.

In October 2019, Utah State University (USU) (major discrete component unit) issued \$5.745 million Series 2019A Research Revenue Refunding Bonds for the purpose of refunding the Series 2018A Research Revenue Bonds that were issued to provide funding for the acquisition of a building and associated land in Salt Lake County, Utah. This refunding resulted in a reduction in the future debt service payments of \$305 thousand and an economic gain of \$220 thousand.

In December of 2019, USU issued \$61.865 million Series 2019B Research Revenue and Refunding Bonds for the purpose of financing the construction of two research facilities for the Space Dynamics Laboratory located on the USU Innovation Campus; paying capitalized interest; funding a debt service reserve account; paying the costs associated with the issuance of the 2019B Bonds; and refunding a portion of the Series 2016 Research Revenue Bonds that were issued to provide funding for the construction of another research facility on the USU Innovation Campus. This refunding resulted in a reduction in the future debt service payments of \$239 thousand and an economic gain of \$169 thousand.

In prior years, discrete component units defeased certain revenue bonds by placing the proceeds of new bonds and various bond reserves in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the component unit column on the Statement of Net Position. At June 30, 2020, \$404.805 million of colleges and universities' bonds outstanding are considered defeased.

F. Contracts Payable

Discrete component units capital leases/contracts payable include \$4.903 million in life annuity contracts.

G. Pollution Remediation Obligations

Under the federal Superfund law, the State is responsible for sharing remediation costs at sites where the Environmental Protection Agency expends Superfund trust monies for cleanup.

Currently there are five sites in various stages of cleanup, from initial assessment to cleanup activities. The pollution remediation liabilities associated with these sites were measured using the actual contract cost, where no changes in cost are expected, or the expected cash flow technique. Liability estimates are subject to change due to price increases or reductions, technology, or changes in applicable laws or regulations governing the remediation efforts. As of June 30, 2020, the liability is \$5.308 million. The State does not anticipate recovering reimbursements from the parties who caused the pollution.

H. Notes Payable

The notes payable balance consists of notes issued by discrete component units for the purchase of buildings and equipment. The notes bear various interest rates and will be repaid over the next 19 years. They are secured by the related assets. Payment information on notes payable is presented below.

Notes Payable Debt Service Requirements to Maturity Discrete Component Units

For the Fiscal Year Ended June 30

(expressed in thousands)

Fiscal Year	Principal			Total Principal Required	Interest Required	Total Amount Required
	University of Utah	Utah State University	Nonmajor Component Units			
2021.....	\$ 4,782	\$ 2,253	\$ 2,156	\$ 9,191	\$ 2,418	\$ 11,609
2022.....	5,649	1,881	1,675	9,205	2,569	11,774
2023.....	2,803	1,278	1,421	5,502	1,919	7,421
2024.....	4,531	1,066	11,030	16,627	1,409	18,036
2025.....	2,643	90	2,597	5,330	2,296	7,626
2026-2030.....	9,973	345	11,562	21,880	2,382	24,262
2031-2035.....	—	—	7,674	7,674	692	8,366
2036-2040.....	—	—	63	63	10	73
Total.....	<u>\$ 30,381</u>	<u>\$ 6,913</u>	<u>\$ 38,178</u>	<u>\$ 75,472</u>	<u>\$ 13,695</u>	<u>\$ 89,167</u>

I. Debt Service Requirements for Derivative Instruments

Business-type Activities

As explained in [Note 3.F.](#), the Student Assistance Programs (major enterprise fund) Board had issued on December 30, 2010, the Series

2010 EE bonds for the purpose of refinancing certain outstanding bonds in the 1993 indentures. As part of this issuance, the Board entered into an interest rate exchange (swap) agreement relating to the Board's student loan revenue bonds. The projected net cash flows of the swap agreement are summarized below.

Student Assistance Programs Swap Payments and Associated Debt

For Fiscal Years Ending June 30

(expressed in thousands)

Fiscal Year	Counterparty Swap Payment			Interest Payments to Bondholders	Total Payments
	To	From	Net		
2021.....	\$ (2,983)	\$ 7,583	\$ 4,600	\$ (7,583)	\$ (2,983)
2022.....	(1,851)	4,733	2,882	(4,733)	(1,851)
2023.....	(1,136)	2,903	1,767	(2,903)	(1,136)
2024.....	(245)	630	385	(630)	(245)
Total.....	<u>\$ (6,215)</u>	<u>\$ 15,849</u>	<u>\$ 9,634</u>	<u>\$ (15,849)</u>	<u>\$ (6,215)</u>

NOTE 11. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred Outflows and Inflows of Resources reported on the Statement of Net Position as of June 30, 2020, consisted of the following:

Deferred Outflows and Inflows of Resources
(expressed in thousands)

	Primary Government		Discrete Component Units
	Governmental Activities	Business-type Activities	
Deferred Outflows:			
Deferred Amount on Refundings of Bonded Debt.....	\$ 12,654	\$ 2,334	\$ 108,000
Relating to Pensions.....	189,124	4,380	177,189
Relating to Other Postemployment Benefits.....	18,197	294	343
Total Deferred Outflows.....	<u>\$ 219,975</u>	<u>\$ 7,008</u>	<u>\$ 285,532</u>
Deferred Inflows:			
Deferred Revenue.....	\$ 9,785	\$ —	\$ 144
Relating to Beneficial Interests.....	—	—	15,993
Deferred Amount on Refundings of Bonded Debt.....	—	7,399	1,837
Fair Value of Interest Rate Swap Agreements.....	—	16,849	—
Relating to Pensions.....	256,079	4,482	105,754
Relating to Other Postemployment Benefits.....	46,203	714	1,063
Total Deferred Inflows.....	<u>\$ 312,067</u>	<u>\$ 29,444</u>	<u>\$ 124,791</u>

Of the \$219.975 million deferred outflows of resources reported in the governmental activities column on the government-wide Statement of Net Position, \$189.124 million represent deferred outflows relating to pensions, of which \$15.162 million are reported in the Internal Service Funds; and \$18.197 million represent deferred outflows relating to other postemployment, of which \$1.251 million are reported in the Internal Service Funds. The remaining \$12.654 million represent deferred amount on refundings of bonded debt.

Of the \$312.067 million deferred inflows of resources reported in the governmental activities column on the government-wide Statement of Net Position, \$256.079 million represent deferred inflows relating to pensions, of which \$19.187 million are reported in the Internal Service Funds; and \$46.203 million represent deferred inflows relating to other postemployment, of which \$3.142 million are reported in the Internal Service Funds. The remaining \$9.785 million in deferred revenue represent imposed fees received before the period when those resources are permitted to be used.

Deferred outflows and inflows of resources for governmental funds, proprietary funds, and discrete component units are reported in detail in their respective fund statements.

Under the modified accrual basis of accounting, governmental fund financial statements reported deferred inflows of resources of \$687.042 million in unavailable revenue. This was comprised of \$551.346 million from various taxes and \$135.696 million from other sources.

The deferred outflows of resources relating to pensions for governmental activities of \$189.124 million and for business-type

activities of \$4.380 million differ from the deferred outflows of resources for the primary government of \$194.734 million as reported in [Note 17](#) due to the following: Student Assistance Programs of \$719 thousand and Utah Dairy Commission of \$64 thousand are included in business-type activities, but are excluded in the deferred outflows of resources reported for the primary government; the Utah Schools for the Deaf and the Blind (nonmajor discrete component unit) of \$2.012 million is excluded from presentation in the governmental and business-type activities reported above, but is included in the deferred outflows of resources reported for the primary government.

The deferred inflows of resources relating to pensions for governmental activities of \$256.079 million and for business-type activities of \$4.482 million differ from the deferred inflows of resources for the primary government of \$263.233 million in [Note 17](#) due to the following: Student Assistance Programs of \$449 thousand and Utah Dairy Commission of \$214 thousand are included in business-type activities, but are excluded in the deferred inflows of resources reported for the primary government; the Utah Schools for the Deaf and the Blind (nonmajor discrete component unit) of \$3.331 million is excluded from presentation in the governmental and business-type activities reported above, but is included in the deferred inflows of resources reported for the primary government.

These differences are due to the way in which Utah Retirement Systems (pension trust and defined contribution plans) combine and report the State's retirement plans for [Note 17](#), which is different than how the State reports the deferred outflows and inflows of resources by fund type in accordance with generally accepted accounting principles.

**NOTE 12. GOVERNMENTAL FUND BALANCES, BUDGET STABILIZATION ACCOUNTS, AND NET POSITION
RESTRICTED BY ENABLING LEGISLATION****A. Governmental Fund Balances – Restricted, Committed and Assigned**

The State's fund balances represent: (1) **Restricted Purposes**, which include balances that are legally restricted for specific purposes due to constraints that are imposed by law through constitutional provisions or are externally imposed by creditors, grantors, contributors, or laws or regulations of other

governments; (2) **Committed Purposes**, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislature; (3) **Assigned Purposes**, which include balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. A summary of the nature and purpose of these reserves by fund type at June 30, 2020, follows:

Governmental Fund Balances (expressed in thousands)			
	Restricted Purposes	Committed Purposes	Assigned Purposes
General Fund:			
General Government:			
Legislature.....	\$ —	\$ 3,692	\$ —
Elected Officials.....	201	1,634	—
Governor's Office.....	15	35,884	—
Administrative Services.....	12,274	18,324	—
Revenue Assessments and Collections.....	—	14,401	—
Human Services.....	7	29,573	—
Corrections.....	—	13,065	—
Public Safety.....	10,402	36,442	—
Courts.....	—	9,410	—
Health.....	151	28,237	—
Environmental Quality.....	49	16,999	—
Employment and Family Services.....	546	26,135	—
Natural Resources.....	22,482	149,995	—
Heritage and Arts.....	12	6,126	—
Business, Labor, and Agriculture.....	75	56,793	—
Budget Reserve (Rainy Day) Account.....	—	251,222	—
Medicaid Budget Stabilization Account.....	—	74,819	—
Industrial Assistance.....	—	23,633	—
Tax Accruals and Other Liabilities.....	—	—	83,641
Fiscal Year 2021 Appropriations:			
Line Item Appropriations.....	—	—	210,614
Other Purposes.....	23,152	59,541	—
Total.....	<u>\$ 69,366</u>	<u>\$ 855,925</u>	<u>\$ 294,255</u>
Education Fund:			
Minimum School Program.....	\$ 56,318	\$ —	\$ —
State Office of Education.....	99,475	—	—
School Building Program.....	29,667	—	—
School LAND Trust Program.....	92,474	—	—
Education Budget Reserve Account.....	488,700	—	—
Tax Accruals and Other Purposes *.....	1,073,254	—	—
Fiscal Year 2021 Appropriations:			
Line Item Appropriations.....	19,173	—	—
Available for Appropriation.....	59,369	—	—
Other Purposes.....	1,285	—	—
Total.....	<u>\$ 1,919,715</u>	<u>\$ 0</u>	<u>\$ 0</u>
Transportation Fund:			
Transportation – Construction/Maintenance.....	\$ 364,104	\$ —	\$ 6,429
Public Safety.....	30,775	—	—
Corridor Preservation.....	8,584	—	—

Continues

Governmental Fund Balances
(expressed in thousands)

	Restricted Purposes	Committed Purposes	Assigned Purposes
<i>Continued</i>			
Aeronautical Programs.....	6,939	—	—
Tax Accruals and Other Purposes *.....	56,940	—	—
Total.....	\$ 467,342	\$ 0	\$ 6,429
Transportation Investment Fund:			
Transportation Investment Capacity Projects.....	\$ 492,224	\$ 396,126	\$ —
Other Purposes.....	—	69,635	—
Total.....	\$ 492,224	\$ 465,761	\$ 0
Permanent Fund - Trust Lands:			
Public Education System*.....	\$ 654,707	\$ —	\$ —
Higher Education and Other Purposes.....	29,091	—	—
Total.....	\$ 683,798	\$ 0	\$ 0
Nonmajor Governmental Funds:			
Capital Projects.....	\$ 407,939	\$ —	\$ 140,218
Debt Service.....	—	—	25,048
State Endowment Fund.....	—	260,080	—
Environmental Reclamation.....	42,872	6,448	—
Rural Development.....	—	24,179	—
Medicaid Expansion.....	—	76,785	32,532
Other Purposes.....	31,366	41,336	902
Total.....	\$ 482,177	\$ 408,828	\$ 198,700

* Resources restricted through constitutional provisions.

B. Budget Stabilization Accounts

In accordance with Sections 63J-1-312 and 313 of the *Utah Code*, the State maintains the General Fund Budget Reserve Account in the General Fund (the “Rainy Day Fund”) and an Education Fund Budget Reserve Account in the Education Fund (the “Education Reserve”). These stabilization balances can generally only be used for specific purposes detailed in Section 63J-1-312 and 313, upon appropriation by the Legislature. State law requires 25 percent of any revenue surplus in the General Fund to be deposited in the Rainy Day Fund after any required Medicaid growth savings transfer is made (see Medicaid Budget Sustainability Account discussion below) and 25 percent of any revenue surplus in the Education Fund to be deposited in the Education Reserve, in each case up to a statutory limit. State law limits the totals of the Rainy Day Fund and Education Reserve to 9 and 11 percent of appropriations from the General Fund and Education Fund, respectively, for the fiscal year in which the surplus occurred.

The Rainy Day Fund and Education Reserve are available only under specific circumstances detailed in the *Utah Code*. Historically, resources from the Rainy Day Fund or Education Reserve have only been expended during recessionary periods to cover overall budget shortfalls after the Legislature has exhausted other budgetary measures. In two instances, resources from the Rainy Day Fund were also appropriated for state settlement agreements.

Section 63J-1-217 of the *Utah Code* requires the State to maintain a balanced budget. If a budget shortfall is expected, the Governor is required to direct state agencies to reduce commitments and expenditures by an amount proportionate to any revenue shortfall until the Legislature is able to take action to rectify the shortfall. The Legislature utilizes funding reallocations, spending cuts, and

reserve funds to address a shortfall. If these measures do not rectify the shortfall, the Legislature may use the stabilization funds in extreme cases. Over the past 16 years, the Rainy Day Fund has been used three times, once for a budget shortfall and twice to pay state settlement agreements. Over the same period of time, the Education reserve has been used twice for budget shortfalls.

The Rainy Day Fund and the Education Reserve ended the year with balances of \$251.222 million and \$488.700 million, respectively. For the fiscal year ended June 30, 2020, \$6.856 million was transferred into the Rainy Day Fund as a result of a revenue surplus. The Education Reserve received \$16.792 million as a result of a revenue surplus.

In accordance with Section 63J-1-315 of the *Utah Code*, the State maintains the Medicaid Growth Reduction and Budget Stabilization Restricted Account (“Medicaid Budget Stabilization Account”). The account can only be used for specific purposes detailed in Section 63J-1-315, upon appropriation by the Legislature. The Legislature may appropriate money from the account only if Medicaid program expenditures are estimated to be 108 percent or more of Medicaid program expenditures for the previous year. This is not expected to occur routinely, as the state has implemented reforms in the Medicaid Program to bring Medicaid growth more in line with overall state revenue growth. In the eight years since the fund was created, there have been no appropriations from the fund. The account is funded in a fiscal year when there are savings in the Medicaid Program and a General Fund revenue surplus. For the fiscal year ended June 30, 2020, there was no transfer to the Medicaid Budget Stabilization Account because there was no revenue surplus, as defined by law. The account ended the year with a balance of \$74.819 million.

C. Minimum Fund Balance Policies

Statutorily, the State established a minimum fund balance policy for two funds, the Disaster Recovery Restricted Account and the Local Government Emergency Response Loan Fund. In accordance with Section 53-2a-603 of the *Utah Code*, under certain circumstances, the Disaster Recovery Restricted Account may be used to provide short-term loans to a member state of the Emergency Management Assistance Compact. Loans may be issued from the account as long as the fund maintains a minimum fund balance of \$10 million. Section 53-2a-607 of the *Utah Code*, requires the Local Government Emergency Response Loan Fund to provide short-term, low-interest loans to local government entities. The amount loaned may not be more than 50 percent of the total fund balance available, or an amount that will leave the fund balance at less than \$10 million.

D. Net Position Restricted by Enabling Legislation

The State's net position restricted by enabling legislation represents resources which a party external to a government—such as citizens, public interest groups, or the judiciary—can compel the government to use only for the purpose specified by the legislation. The government-wide Statement of Net Position reports \$7.672 billion of restricted net position, of which \$23.428 million is restricted by enabling legislation.

NOTE 13. DEFICIT NET POSITION AND FUND BALANCE

Funds reporting a deficit total net position at June 30, 2020, are (in thousands):

Private Purpose Trust Funds:

Petroleum Storage Tank	\$	(4,863)
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Internal Service Funds:

Technology Services	\$	(14,996)
Human Resource Management	\$	(3,579)
Attorney General Legal Services	\$	(10,488)

The Petroleum Storage Tank Trust covers the cleanup costs of leaks from state-approved underground petroleum storage tanks. The assets in the fund are more than adequate to pay current claims. Unfunded future claims will be funded solely by future trust revenues.

The deficit net positions in the Technology Services, Human Resource Management, and Attorney General Legal Services Funds are the result of recording the funds' portions of pensions and other postemployment benefits (OPEB) as required by GASB Statements. These Statements require the recognition and reporting of the net pension liability, net OPEB liability, and related transactions, often resulting in a deficit net position. The Technology Services, Human Resource Management, and Attorney General Legal Services Funds also reported a \$22.422 million deficit, a \$5.092 million deficit, and a \$10.488 million deficit respectively, in the unrestricted portions of their net positions at June 30, 2020, primarily as a result of recording the fund's portions of pension and OPEB.

Other than noted above, funds reporting a deficit position in the unrestricted portion of their net position at June 30, 2020, are (in thousands):

Internal Service Funds:

Fleet Operations	\$	(19,370)
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Enterprise Funds:

Alcoholic Beverage Control	\$	(18,280)
Utah Correctional Industries	\$	(1,287)

The deficit in the Fleet Operations Internal Service Fund is mainly due to the significant investment in capital assets required for these operations.

The deficit in the Alcoholic Beverage Control Enterprise Fund and Utah Correctional Industries is due to recording the funds' portions of pensions and OPEB.

NOTE 14. INTERFUND TRANSFERS

Transfers between funds occur when one fund collects revenue and transfers the assets to another fund for expenditure or when one fund provides working capital to another fund. All transfers must be legally authorized by the Legislature through statute or an *Appropriation Act*. Interfund transfers for the fiscal year ended June 30, 2020, are as follows (in thousands):

Transferred From	Transferred To									Total
	Governmental Funds						Enterprise Funds			
	General Fund	Education Fund	Transportation Fund	Transportation Investment Fund	Trust Lands Fund	Nonmajor Governmental Funds	Water Loan Programs	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ —	\$ 9,611	\$ 6,464	\$ —	\$ 15	\$ 124,164	\$ 2,359	\$ 3,279	\$ 4,628	\$ 150,520
Education Fund	705,091	—	—	—	—	72,551	—	—	—	777,642
Transportation Fund	54,644	—	—	40,434	—	23,108	—	—	—	118,186
Transportation Investment Fund.....	—	—	10,032	—	—	398,743	—	7,000	—	415,775
Trust Lands Fund	—	88,829	—	—	—	—	—	—	—	88,829
Nonmajor Governmental Funds	202,506	—	—	—	—	—	—	—	85	202,591
Unemployment Compensation Fund.....	6,231	—	—	—	—	—	—	—	—	6,231
Water Loan Programs	7,873	—	—	—	—	—	—	—	—	7,873
Community Impact Loan Fund	23,586	—	—	—	—	—	—	—	—	23,586
Nonmajor Enterprise Funds	124,331	1,750	—	—	—	—	—	—	—	126,081
Total	\$ 1,124,262	\$ 100,190	\$ 16,496	\$ 40,434	\$ 15	\$ 618,566	\$ 2,359	\$ 10,279	\$ 4,713	\$ 1,917,314

Transfers from major governmental funds to nonmajor governmental funds are primarily for debt service expenditures and capital facility construction. Transfers from nonmajor enterprise funds to the General Fund are mostly liquor profits from the Alcoholic Beverage Control Fund that are required by statute to be deposited in the General Fund. Transfers of Trust Lands Fund (permanent fund) investment earnings are required by State constitution and statute to be deposited in the Education Fund (major governmental fund). All other transfers are made to finance various programs as authorized by the Legislature.

In addition, the Legislature authorized payments of \$1.159 billion to discrete component units. Payments to discrete component units are reported as expenditures in both the General Fund governmental fund statements and the governmental activities column of the Statement of Activities. They are also reported as revenues in the component units column of the Statement of Activities.

NOTE 15. TAX ABATEMENTS

The State provides tax abatements through a number of programs administered by the Governor's Office of Economic Development (GOED): the Economic Development Tax Increment Financing (EDTIF) program, the Motion Picture Incentive Program (MPIP), the New Markets Tax Credit program (NMTC), and the Utah Rural Jobs Act program (URJA). These programs offer post-performance tax abatements of corporate and individual tax revenues, which would otherwise fund education, in exchange for specific actions that are intended to benefit the State or its citizens. GOED also administers the New Convention Facility Development Incentives program (NCFDI). This program offers tax abatement of sales tax revenues, which would otherwise fund government services, in exchange for specific actions that are intended to benefit the State or its citizens.

The EDTIF program provides incentives in the form of a refundable tax credit to accelerate business growth, job creation, and to encourage economic development within specific economic development zones. A business entity must enter into an incentive agreement with GOED, which specifies performance milestones on a commercial project. According to Section 63N-2-1 of the *Utah Code*, the project must: (1) be within the development zone; (2) include direct investment in the zone; (3) bring new incremental jobs to Utah; (4) create high-paying jobs and significant capital investment in the State or significant purchases from vendors, contractors, or service providers in the State; (5) generate new State revenues; and (6) meet the procedural eligibility requirements to qualify for a tax credit.

Each year, a business entity must apply to GOED for a tax credit certificate. GOED reviews the results of the commercial project for compliance before a credit is issued. A tax credit may not exceed 30 percent of new state tax revenues from the new project over the lesser of the life of the project or 20 years. A tax credit of up to 60 percent of new state tax revenues is allowed if a minimum \$1.5 billion capital investment is made. A tax credit may not exceed 50 percent of new state tax revenues from the new project in a given year. If a business entity should fail to meet its obligations or has received more EDTIF refundable tax credits than it is entitled to, the excess amount must be returned and any future claim for credit may be denied and/or the contract may be nullified.

The MPIP provides tax credits to encourage television and movie producers to film in the State of Utah. This refundable tax credit provides financial incentives to qualified, pre-approved

participants in the film industry to develop a strong motion picture presence in the State and boost the State's economy. Section 63N-8-104 of the *Utah Code* allows up to a 20 percent refundable tax credit, and an additional 5 percent, not to exceed 25 percent of the dollars left in the state by the motion picture company, if the applicant: (1) employs a significant percentage of cast and crew locally; (2) highlights Utah and the Utah Film Commission in the motion picture credits; and (3) meets other agreed-upon promotion requirements. The tax credit certificates are issued after the company completes production, pays in full all Utah-based vendors, and provides an independently reviewed financial report for verification. Each fiscal year, GOED may issue up to \$6.794 million in tax credit certificates, or more if there are remaining unissued tax credits from a prior year.

The NMTC program provides incentives in the form of nonrefundable tax credits to Community Development Entities (CDE) that make qualified equity investments in small businesses. Similar to the federal program of the same name, the State NMTC program was designed to use \$50 million raised by Private Community Investment Firms to bolster the most severely distressed, low-income areas of the State. According to Section 63N-2-603 of the *Utah Code*, a CDE that seeks to have an equity investment or long-term debt security certified as a qualified equity investment and as eligible for tax credits, must submit an application to GOED. Within 45 days of receiving notice of certification, the applicant must: (1) issue the qualified equity investment; (2) receive cash in the amount of the certified amount; and (3) if applicable, designate the required amount of qualified equity investment authority as federal qualified equity investments.

An entity may claim a tax credit if the entity makes a qualified equity investment and if the entity obtains a tax credit certificate. The entity may claim a portion of the tax credit during the calendar year that includes the credit allowance date. GOED calculates the tax credit amount, by multiplying the purchase price of the investment by the applicable percentage at each credit allowance date. The credit allowance percentages are: 0 percent on the first and second credit allowance dates; 12 percent on the third through fifth credit allowance dates; and 11 percent on the sixth and seventh credit allowance dates. As authorized by 63N-2-604 of the *Utah Code*, the credit may be recaptured in the following situations: (1) If any amount of the federal tax credit available is recaptured; (2) If the Qualified Community Development Entity (QCDE) redeems or makes principal repayment of a qualified equity investment before the seventh anniversary of the issuance of the qualified equity investment; (3) If the QCDE fails to invest at least 85 percent of the purchase price of the qualified equity investment in qualified low-income community investments in Utah within one year of the issuance of the qualified equity investment and fails to maintain the required investment in Utah until the last credit allowance date; and (4) If the QCDE violates the provisions of sections 63N-2-607 or 609 of the *Utah Code*.

The NCFDI program was created in order to spur the development of a co-located Utah hotel and convention space to attract larger conventions that will benefit the State by bringing in tax revenue and contributing to the economy. This tax abatement provides financial incentives to a qualified, pre-approved hotel owner or host local government. Section 63N-2-503 of the *Utah Code* allows a refund of sales tax up to a maximum annual amount based on a maximum percentage specified in the agreement, and limited to \$75 million in the aggregate for the eligibility period, if the applicant develops a qualified hotel on or

after July 1, 2014 that meets the following requirements: (1) the project requires a significant capital investment; (2) includes at least 85 square feet of convention, exhibit, and meeting space per guest room; and (3) is located within 1,000 feet of a convention center that contains at least 500,000 square feet of convention, exhibit, and meeting space. A qualified hotel owner or host local government that wishes to qualify for the convention incentive must submit a written claim that includes all required components described in 63N-2-505 of the *Utah Code*.

GOED entered into an agreement with a qualified hotel owner during fiscal year 2019. While the eligibility period has commenced with beginning construction of the qualified hotel, GOED has not abated any taxes related to this project during fiscal year 2020.

The URJA program enables an eligible small business located in a rural county to expand and create high-paying jobs by providing flexible and affordable capital. This tax abatement provides financial incentives to a qualified claimant in a rural investment company that makes a credit-eligible investment of cash. Section 63N-4-304 of the *Utah Code* allows a tax credit equal to 25 percent of the claimant's total credit-eligible capital contribution in each of the taxable years that include the fourth through the seventh anniversaries of the closing date. According to Section 63N-4-303 of the *Utah Code*, a Rural Investment Company (RIC) must submit an application that includes the following: (1) a copy of a license as a federally licensed rural business investment company or as a federally licensed small business investment company; (2) evidence that before the date the application is submitted, the applicant has invested at least \$50 million in nonpublic companies located in counties in the U.S. with fewer than 50,000 inhabitants; (3) a signed affidavit from each claimant stating the amount of the commitment; and (4) the sum of all credit-eligible contribution commitments, which must equal 58 percent of the total investment authority sought by the applicant. In addition, an RIC must perform the following within sixty five days of approval: (1) collect the total amount of committed credit-eligible capital contributions from each claimant included in the application; (2) collect one or more cash equity investments contributed by affiliates of the RIC; and (3) collect one or more cash investments when combined with collections in (1) and (2) equal the RICs investment authority.

As authorized by 63N-4-305 of the *Utah Code*, the credit may be recaptured in the following situations: (1) if the RIC fails to invest 100 percent of its investment authority until the seventh anniversary of the closing date; (2) if the RIC fails to maintain growth investments in this state equal to 100 percent of its investment authority until the seventh anniversary of the closing date; (3) if the RIC makes a distribution or payment that results in the RIC having less than 100 percent of its investment authority invested in growth investments in this state or available for growth investments and held in cash and other marketable securities; (4) if the RIC fails to maintain growth investments equal to 70 percent of its investment authority in eligible small businesses that maintain their principal business operations in a rural county; (5) if the RIC invests more than \$5 million from its investment authority in the same eligible small business; and (6) if the RIC makes a growth investment in an eligible small business that owns or has the right to acquire an ownership interest in the RIC or makes a loan to or an investment in the RIC.

Three RICs have been given investment authority of \$42 million. The applications were approved in calendar year 2017. Credits can only be claimed in taxable years that include the fourth

through the seventh anniversary of the closing date; therefore, no credits will be claimed until 2022.

The gross dollar amounts, on an accrual basis, by which the State's revenues were reduced for the fiscal year ended June 30, 2020 are:

Tax Abatement Programs
(expressed in thousands)

Program	Amount of Taxes Abated
Motion Picture Incentive Program	\$ 12,063
Economic Development Tax Increment Financing	5,753
New Markets Tax Credit Program	5,500
Total	<u>\$ 23,316</u>

The State has other recently enacted tax abatement programs where tax abatement agreements have not been entered into or the total tax abatement for these programs is less than 10 percent of the total taxes abated during the fiscal year. The State has no tax abatements that are entered into by other governments that reduce the State's tax revenues. In addition, the State has other various tax credit incentives that are not defined as tax abatements under generally accepted accounting principles and therefore are not described and included here. See [Note 16.C](#) for commitments related to the tax abatements.

NOTE 16. LITIGATION, CONTINGENCIES, AND COMMITMENTS

A. Litigation

- The State is involved in various legal actions arising in the ordinary course of business. The State is vigorously contesting all of these matters, but as of this date it is not possible to determine the outcome of these proceedings. In the opinion of the Attorney General and management, the ultimate disposition of these matters will not have a material adverse effect on the State's financial position.
- In addition to the items above, the State is contesting other legal actions totaling over \$62.700 million plus attorneys' fees and interest and other cases where the amount of potential loss is indeterminable. Some portions of the amounts sought have been paid by the State or placed in escrow.

B. Contingencies

- The State receives a significant amount of funding from the federal government. Funds flowing from the federal government to the State are subject to changes to federal laws and appropriations. Based on the financial position of the federal government, it is reasonably possible that events will occur in the near term that will significantly affect the flow of federal funds to the State. The State is taking action to identify and address the impact a significant reduction of federal funds will have on the programs and operations of the State, including requiring contingency plans from state agencies.
- Financial and compliance audits (Single Audit) of federal grants, contracts, and agreements were conducted under the provisions of the Federal Office of Management and Budget's circulars. As a result of the audits, identified questioned costs are immaterial. In addition, program compliance audits by the federal government are conducted periodically; however, an estimate of any potential disallowances on these audits and findings on other audits on

noncompliance cannot be estimated as to the potential liability. The Single Audit for the fiscal year ended June 30, 2020, will be available in the Spring of 2021.

- Management's estimated liability for the Petroleum Storage Tank Trust (private purpose trust fund) is highly sensitive to change based on the short period of historical data and the uncertainty in estimating costs. Since it is not possible to determine the occurrence date of a leak in an underground storage tank, it is not possible to estimate the number or the associated costs of leaks that have not been detected.
- The Utah Fund of Funds (UFOF) (legally separate entity) was created by the passage of the Utah Venture Capital Enhancement Act in fiscal year 2003 to mobilize private investments and enhance the venture capital culture and infrastructure within the State. The State's involvement in this program is limited to public oversight of the UFOF primarily in the form of approving the issuance of contingent tax credit certificates, ensuring that the UFOF is achieving its statutory purposes of spurring economic development and protecting against the redemption of contingent tax credits. The aggregate outstanding tax certificates available to the program cannot exceed: (1) \$130 million of contingent tax credits used as collateral or a guarantee on loans for the debt-based financing of investments initiated before July 1, 2014; or (2) \$120 million of contingent tax credits for a loan refinanced using debt-based or equity-based financing; and (3) \$100 million used as an incentive for equity investments in the UFOF. The tax certificates are structured so that not more than \$20 million of contingent tax credits for each \$100 million increment of contingent tax liability may be redeemable in any fiscal year. At December 31, 2019, a \$17 million note payable was outstanding and invested in venture capital and private equity funds. The note will mature in 2021. Under certain circumstances, the holder of a certificate is entitled to a refundable tax credit against tax liabilities imposed by Section 59-7, "Corporate Franchise and Income Taxes," or Section 59-10, "Individual Income Tax Act" of the *Utah Code*. To date, the State has not had to place any contingent tax credits into the program, and it does not anticipate the use of tax credits any time in the near future.
- The State is self-insured for liability claims up to \$1 million per claim, plus an annual \$2 million corridor deductible, augmented by excess liability insurance with a per claim limit of \$10 million. The State is self-insured for property claims up to \$1 million per occurrence, with an annual aggregate of \$3.5 million. According to an actuarial study and other known factors, \$73.622 million exists as either incurred but unfiled or unpaid claims. This amount is reported as a liability of the Department of Administrative Services' Risk Management Fund (internal service fund).
- The Utah School Bond Guaranty Act (Sections 53G-4-801 to 808 of the *Utah Code*), which took effect on January 1, 1997, pledges the full faith, credit, and unlimited taxing power of the State to guaranty full and timely payment of the principal and interest on general obligation bonds issued by qualifying local school boards. The primary purpose of the Guaranty Act is to reduce borrowing costs for local school boards by providing credit enhancement for Guaranteed Bonds. The local school boards do not meet the criteria for inclusion as part of the State's reporting entity.

In the event a school board is unable to make the scheduled debt service payments on its Guaranteed Bonds, the State is required to make such payments in a timely manner. For this

purpose, the State may use any available monies, may use short-term borrowing from the State Permanent School Fund (part of the permanent Trust Lands Fund), or may issue short-term general obligation notes. The local school board remains liable to the State for any such payments on Guaranteed Bonds. Reimbursements to the State may be obtained by intercepting payment of state funds intended for the local school board. The State may also compel the local school board to levy a tax sufficient to reimburse the State for any guaranty payments.

The State Superintendent of Public Instruction is charged with monitoring the financial condition of local school boards and reporting, at least annually, its conclusions to the Governor, the Legislature, and the State Treasurer. The State Superintendent must report immediately any circumstances that suggest a local school board may not be able to pay its debt service obligations when due. The State has not advanced any monies for the payment of debt service on Guaranteed Bonds and does not expect that it will be required to advance monies for any significant period of time.

Local school boards have \$3.527 billion principal amount of Guaranteed Bonds outstanding at June 30, 2020, with the last maturity date being 2040. The State cannot predict the amount of bonds that may be guaranteed in future years, but no limitation is currently imposed by the Guaranty Act.

- The Charter School Credit Enhancement Program (Program) (Sections 53A-20b-201 to 204 of the *Utah Code*) was established to reduce borrowing costs for qualifying charter schools by providing credit enhancement on bonds issued on behalf of those schools. Bonds issued under this Program are not legal obligations of the State, and neither the State nor any political subdivision of the State is obligated in any manner for repayment of the bonds. If a charter school with bonds issued under the Program draws on its debt service reserve fund, state law requires the Governor to request an appropriation from the Legislature to restore the school's debt service reserve fund to its required level or to meet any principal or interest payment deficiency. However, the Legislature is not required to make any such appropriations. A charter school is required to repay the State any appropriations it receives to restore its debt service reserves at the time and in the manner required by the Utah Charter School Finance Authority (Authority) (nonmajor discrete component unit).

When bonds are issued under the Program, the qualifying school pays up-front and ongoing fees at rates determined by the Authority. These fees are deposited into a restricted reserve account that was funded initially with a \$3 million appropriation. These monies may be appropriated by the Legislature to replenish any deficiency in the debt service reserve fund of a charter school under the Program.

The Authority is the conduit issuer of Credit Enhancement Program bonds and responsible for developing criteria by which a charter school qualifies to participate in the Program. The Authority is also charged with monitoring the financial condition of qualifying charter schools and certifying, at least annually, the amount required to restore amounts on deposit in the debt service reserve funds of charter schools participating in the Program. The total amount of charter school debt enhanced by the Program is limited by formula. As of June 30, 2020, \$366.060 million of debt was outstanding under the Program.

- At June 30, 2020, the Utah Higher Education Assistance Authority Student Loan Guarantee Program (Student Assistance Programs, major enterprise fund) had guaranteed student loans outstanding with a current principal and interest balance of \$617.890 million.
- The Attorney General of the State sued the tobacco industry for medical costs related to smoking. The State of Utah has signed on to a master settlement agreement along with 45 other states. The major tobacco manufacturers and most of the smaller manufacturers have joined the agreement. The State received \$26.050 million from tobacco companies in fiscal year 2020 and expects to receive approximately \$25.500 million in fiscal year 2021. Annual payments will be adjusted for factors, such as inflation, decreased sales volume, previously settled lawsuits, disputed payments, and legal fees.
- The Utah School Readiness Initiative (Title 35A Chapter 15 of the *Utah Code*) created the School Readiness Board (the Board) and enabled the Board to provide grants and enter into contracts with private entities in order to improve early childhood education for at-risk students. Under the terms of the contract, private investors fund the program using a social impact bond financial model. This bond offers the investors a return on investment only if students in the program meet specific education benchmarks. The maximum number of students the program will pay on is 404 per year for each of the remaining 5 years. As of June 30, 2020, the State of Utah has reserved a total of \$5.860 million to cover student evaluations and any repayment of the social impact bond. The program has repaid \$3.010 million to investors as of June 30, 2020. The Board authorized an additional payment to investors of \$1.167 million at the September 2020 board meeting. It is anticipated the State of Utah will commit additional funds in future years as necessary.

C. Commitments

- At June 30, 2020, the Industrial Assistance Program of the General Fund had grant commitments of \$20.721 million, contingent on participating companies meeting certain performance criteria.
- At June 30, 2020, the Economic Development Tax Increment Financing incentive program had outstanding long-term contract commitments for General Fund cash rebates of \$82.461 million and Education Fund tax credits (tax abatements) of \$589.794 million. These cash rebates and tax credits are contingent on participating companies meeting certain economic development performance criteria.
- At June 30, 2020, the Motion Picture Incentive Program had outstanding contract commitments for General Fund cash rebates of \$1.858 million and Education Fund tax credits (tax abatements) of \$16.928 million. These cash rebates and credits are contingent upon participating motion picture companies meeting certain within-the-state production criteria.
- At June 30, 2020, the New Markets Tax Credit program had outstanding contract commitments for Education Fund tax credits (tax abatements) of \$29 million. These tax credits are contingent on the participating entities meeting a statutorily required amount of investment in Utah companies.
- At June 30, 2020, the New Convention Facilities Development Incentives program had outstanding contract commitments for General Fund tax credits (tax abatements) of \$75 million. These tax credits are contingent on the participating entities meeting certain statutorily required construction criteria.
- At June 30, 2020, the Utah Rural Jobs Act program had outstanding commitments for Education Fund tax credits (tax abatements) of \$24.360 million. These tax credits are contingent on the participating entities meeting statutorily required construction criteria.
- At June 30, 2020, the Utah Department of Transportation had construction and other contract commitments of \$1.210 billion, of which \$395.188 million is for Transportation Fund (major fund) and \$814.499 million is for projects within the Transportation Investment Fund (major capital projects fund) highway projects. These commitments will be funded with future appropriations in the Transportation Fund and through proceeds of general obligation bonds and future appropriations in the Transportation Investment Fund.
- As of June 30, 2020, the permanent Trust Lands Fund had contractual commitments of \$1.224 billion to various investments. Of this amount, an estimated \$451.398 million remained unfunded and subject to call by the funds.
- At June 30, 2020, the capital projects funds had construction commitments of \$838.341 million. These commitments will be funded with legislative appropriations, intergovernmental revenues, and proceeds of general obligation and lease revenue bonds.
- At June 30, 2020, the enterprise funds had loan commitments of approximately \$302.612 million and grant commitments of approximately \$37.096 million.
- At its yearend December 31, 2019, the Utah Retirement Systems (pension trust and defined contribution plans) had committed to fund certain private equity partnerships, absolute return, and real asset funds projects for an amount of \$12.431 billion. Funding of \$9.630 billion had been provided by December 31, 2019, leaving an unfunded commitment of \$2.801 billion.
- At June 30, 2020, the University of Utah (major discrete component unit) had outstanding commitments for the construction and remodeling of its buildings of approximately \$48.900 million.
- The University of Utah, under the terms of various limited partnership agreements approved by the Board of Trustees or University officers, is obligated to make periodic payments for advance commitments to venture capital and private equity investments. As of June 30, 2020, the University had committed, but not paid, a total of \$121.040 million in funding for these alternative investments.
- At June 30, 2020, Utah State University (major discrete component unit) had outstanding commitments for the construction and remodeling of its buildings of approximately \$76.200 million.
- Utah State University, under the terms of various limited partnership agreements approved by the Board of Trustees or by University officers, is obligated to make periodic payments for advance commitments to venture capital, natural resource, and private equity investments. As of June 30, 2020, the University had committed, but not paid, a total of \$27.992 million in funding for these alternative investments.

- At its yearend of December 31, 2019, the Utah Transit Authority (major discrete component unit) had outstanding purchasing commitments of approximately \$58.100 million for several capital projects.

NOTE 17. PENSION PLANS

Utah Retirement Systems (URS) was established by Title 49 of the *Utah Code*. URS administers the pension systems and plans under the direction of the URS Board whose members are appointed by the Governor. URS has a separate accounting system and prepares a separately issued financial report covering all retirement systems and deferred compensation plans it administers. URS maintains records and prepares financial statements using fund accounting principles and the accrual basis of accounting, under which benefits and expenses are recognized when due and payable, and revenues are recorded in the accounting period in which they are earned and become measurable. URS reports on a calendar yearend. The December 31, 2019, financial report has been included in this Comprehensive Annual Financial Report as a pension trust fund for URS within the fiduciary funds. Copies of the separately issued financial report, which includes financial statements and required supplemental information, may be obtained by writing to Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102-2044, or online at www.urs.org. Utah Transit Authority (major discrete component unit) does not participate in URS. See [Note 17.B](#) for a description of Utah Transit Authority pension plans.

URS operations are comprised of the following groups of systems/plans covering employees of the State and participating local government and public education entities:

- The Public Employees Noncontributory Retirement System (Noncontributory System); the Public Employees Contributory Retirement System (Contributory System); and the Firefighters Retirement System (Firefighters System),

which are defined-benefit multiple-employer, cost-sharing, public employee retirement systems;

- The Public Safety Retirement System (Public Safety System), which is a defined-benefit mixed agent and cost-sharing, multiple-employer public employee retirement system;
- The Judges Retirement System (Judges System) and the Utah Governors and Legislators Retirement Plan, which are single-employer service-employee retirement systems;
- The Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); and the Tier 2 Public Safety and Firefighters Contributory System (Tier 2 Public Safety and Firefighters System), which are defined-benefit multiple-employer, cost-sharing, public employee retirement systems;
- Four defined contribution plans comprised of the 401(k) Plan, 457 Plan, and Roth and Traditional IRA Plans.

The Tier 2 Public Employees System and Tier 2 Public Safety and Firefighters 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 Systems.

A. Defined Benefit Plans - Utah Retirement Systems

Retirement benefits are specified by Title 49 of the *Utah Code*. The retirement systems are defined-benefit plans wherein the benefits are based on age and/or years of service and highest average salary. Various plan options within the systems may be selected by retiring members. Some of the options require actuarial reductions based on attained age, age of spouse, and similar actuarial factors. A brief summary of eligibility for and benefits of the systems is provided in the following table:

Summary of Benefits by System

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System
Final Average Salary...	Highest 3 Years	Highest 5 Years	Highest 3 Years	Highest 3 Years	Highest 2 Years	Highest 5 Years	Highest 5 Years
	30 years any age	30 years any age	20 years any age	20 years any age	25 years any age	35 years any age	25 years any age
	25 years any age*	20 years age 60*	10 years age 60	10 years age 60	20 years age 55*	20 years age 60*	20 years age 60*
Years of Service Required and/or Age Eligible for Benefit.....	20 years age 60*	10 years age 62*	4 years age 65	4 years age 65	10 years age 62	10 years age 62*	10 years age 62*
	10 years age 62*	4 years age 65	6 years age 70	6 years age 70	4 years age 65	4 years age 65	4 years age 65
	4 years age 65						
Benefit Percent per Year of Service**	2.00% per year all years	1.25% per year to June 1975 2.00% per year July 1975 to present	2.50% per year up to 20 years 2.00% per year over 20 years	2.50% per year up to 20 years 2.00% per year over 20 years	5.00% first 10 years 2.25% second 10 years 1.00% over 20 years	1.50% per year all years	1.50% per year all years
COLA***	Up to 4.00% annually	Up to 4.00% annually	Up to 2.50% or 4.00% annually depending on the employer	Up to 4.00% annually	Up to 4.00% compounded annually	Up to 2.50% annually	Up to 2.50% annually

Note: The Utah Governors and Legislators Retirement Plan benefits are explained below.

* With actuarial reductions.

** For members and retirees in the systems, prior to January 1, 1989, there may be a 3.00 percent benefit enhancement.

*** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding 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.

Former governors at age 65 receive \$1,420 per month per term. Legislators with four or more years of service receive a benefit at age 65 at the rate of \$30.80 per month per year of service. Legislators retiring at age 62 with ten or more years of service will receive an actuarial reduction. Both the governors' and legislators' benefits are adjusted based on the Consumer Price Index (CPI), limited to 4 percent of the base benefit per year.

Death benefits for active and retired employees are in accordance

with retirement statutes. Upon termination of employment, members of the Systems may leave their retirement account intact for future benefits based on vesting qualification, or withdraw the accumulated funds in their individual member account and forfeit service credits and rights to future benefits upon which the contributions were based.

At December 31, 2019, the following number of employees were covered by the State's (primary government) single-employer plans:

Single-employer Plans Covered Employees
December 31, 2019

	Judges System	Governors and Legislators Retirement Plan
Inactive Employees or Beneficiaries Currently Receiving Benefits ..	155	250
Inactive Employees Entitled to But Not Yet Receiving Benefits	3	91
Active Employees	116	52
Total Single-employer Plans Covered Employees	<u>274</u>	<u>393</u>

Contribution Rates

As a condition of participation in the Defined Benefit Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS 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. For the Utah Governors and Legislators plan, an annual appropriation is statutorily required to maintain this plan on a financially and actuarially sound basis. The State paid 100 percent of the contractually and statutorily required contributions. Contribution rates and contributions for the fiscal year ended June 30, 2020, are presented in the following table (dollars expressed in thousands):

Contributions

Systems/Plan	Employee Paid	Paid by Employer for Employee	Employer Paid	Primary Government	Discrete Component Units (except UTA)
Noncontributory Public Employees	\$ —	— %	22.19 %	\$ 124,841	\$ 53,578
Contributory:					
Contributory Public Employees	\$ —	6.00 %	17.70 %	\$ 671	\$ 889
Tier 2 Public Employees *	\$ —	— %	18.99 %	\$ 51,492	\$ 11,709
Public Safety:					
Contributory Public Safety	\$ —	— %	— %	\$ —	
Noncontributory Public Safety	\$ —	— %	41.35 %	\$ 40,972	\$ 1,384
Tier 2 Public Safety *	\$ —	— %	29.84 %	\$ 11,361	\$ 356
Firefighters:					
Contributory Firefighters	\$ —	15.05 %	4.61 %	\$ 50	\$ —
Tier 2 Firefighters *	\$ —	— %	11.38 %	\$ 45	\$ —
Judges	\$ —	— %	43.75 %	\$ 8,800	\$ —
Utah Governors and Legislators		Annual Appropriation		\$ 369	

* Tier 2 plans provide a statutory required contribution (0.08 to 18.54 percent amortization rate) to finance the unfunded actuarial accrued liability of the non-Tier 2 plans.

In addition to the contributions noted above, the primary government and discrete component units (except UTA) also paid to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements of \$390 thousand and \$301 thousand, respectively.

(Notes continue on next page.)

Below are the changes in net pension liability for the State's (primary government) single-employer system and plan:

Single-employer Plans Changes in Net Pension Liability and Related Ratios Increases (Decreases) For the Fiscal Year Ended December 31, 2019 <i>(dollars expressed in thousands)</i>		
	Judges System	Utah Governors and Legislators Retirement Plan
Total Pension Liability		
Service Cost	\$ 6,054	\$ 59
Interest	16,649	882
Difference between Actual and Expected Experience	7,617	(53)
Assumption Changes	—	—
Benefit Payments	(15,346)	(1,013)
Net Change in Total Pension Liability	14,974	(125)
Total Pension Liability – Beginning	244,050	13,116
Total Pension Liability – Ending	A \$ 259,024	\$ 12,991
Plan Fiduciary Net Position		
Contributions – Employee	\$ —	\$ —
Contributions – Employer	8,500	384
Court Fees *	1,536	—
Net Investment Income	27,775	1,481
Benefit Payments	(15,346)	(1,012)
Administrative Expense	(81)	(4)
Net Transfers with Affiliated Systems	2,339	(42)
Net Change in Plan Fiduciary Net Position	24,723	807
Plan Fiduciary Net Position – Beginning	195,570	10,537
Plan Fiduciary Net Position – Ending	B \$ 220,293	\$ 11,344
Net Pension Liability / (Asset) – Ending (A – B)	\$ 38,731	\$ 1,647
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.05 %	87.32 %
Covered Payroll	\$ 19,596	\$ 639
Net Pension Liability as a Percentage of Covered Payroll	197.65 %	257.75 %

* These court fees were recognized as revenue for support provided by non-employer contributing entities.

(Notes continue on next page.)

Proportionate Share of Net Pension Asset and Liability

Utah Retirement Systems (URS) (pension trust and defined contribution plans) provides retirement benefits to employees of the primary government and its discrete component units (except UTA) as well as to public education and other political subdivisions of the State. At December 31, 2019, the net pension asset and the net pension liability for all URS systems is \$80.572

million and \$3.278 billion, respectively. The plan's fiduciary net position as a percent of the total pension liability is 92 percent. At December 31, 2019, the primary government's net pension asset and net pension liability is \$476 thousand and \$737.079 million, respectively. The following table summarizes the State's (primary government) net pension asset and liability by plan.

**Primary Government
Net Pension Asset and Liability**

December 31, 2019

(dollars expressed in thousands)

System	Net Pension Asset	Net Pension Liability	Proportionate Share		
			2019	2018	Change
Noncontributory System - State and School Division..	\$ —	\$ 544,490	24.51 %	23.02 %	1.49 %
Contributory System - State and School Division.....	—	2,590	37.51 %	28.85 %	8.66 %
Public Safety System - State of Utah Division.....	—	143,463	97.15 %	97.56 %	(0.41)%
Firefighters System - Other Division A.....	476	—	3.84 %	3.80 %	0.04 %
Judges System.....	—	38,731	100.00 %	100.00 %	— %
Utah Governors and Legislators Retirement Plan.....	—	1,647	100.00 %	100.00 %	— %
Tier 2 Public Employees System.....	—	4,085	18.16 %	18.15 %	0.01 %
Tier 2 Public Safety and Firefighters System.....	—	2,073	22.04 %	24.07 %	(2.03)%
Total Net Pension Asset / Liability.....	<u>\$ 476</u>	<u>\$ 737,079</u>			

At December 31, 2019, the net pension asset and the net pension liability for the discrete component units (except UTA) is \$5.405 million and \$184.796 million, respectively. The following table summarizes the discrete component unit's net pension asset and liability by system.

**Discrete Component Units (except UTA)
Net Pension Asset and Liability**

December 31, 2019

(dollars expressed in thousands)

System	Net Pension Asset	Net Pension Liability	Proportionate Share		
			2019	2018	Change
Noncontributory System - Higher Education Division..	\$ —	\$ 121,590	100.00 %	100.00 %	— %
Noncontributory System - State and School Division...	—	57,748	1.55 %	1.53 %	0.02 %
Contributory System - Higher Education Division.....	5,405	—	100.00 %	100.00 %	— %
Public Safety System - State of Utah Division.....	—	4,246	2.85 %	2.46 %	0.39 %
Tier 2 Public Employees System.....	—	1,155	4.46 %	5.28 %	(0.82)%
Tier 2 Public Safety and Firefighters System.....	—	57	0.60 %	0.49 %	0.11 %
Total Net Pension Asset / Liability.....	<u>\$ 5,405</u>	<u>\$ 184,796</u>			

Deferred Outflows and Inflows of Resources

The net pension asset and liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

At December 31, 2019, the State (primary government) recognized pension expense of \$289.788 million. The State's discrete component units (except UTA) recognized pension expense of \$115.819 million. Deferred outflows of resources and deferred inflows of resources related to the recognition of pension expense are from the following sources:

(Notes continue on next page.)

Deferred Outflows and Inflows of Resources *
Related to Pensions
December 31, 2019
(expressed in thousands)

System	Source	Primary Government	
		Deferred Outflows of Resources	Deferred Inflows of Resources
Noncontributory System	Differences between Expected and Actual Experience	\$ 8,465	\$ 3,340
	Changes in Assumptions	31,562	—
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	—	168,571
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	722	20,779
	Contributions Subsequent to the Measurement Date	61,715	—
	Total	<u>\$ 102,464</u>	<u>\$ 192,690</u>
Contributory System	Differences between Expected and Actual Experience	\$ —	\$ —
	Changes in Assumptions	—	—
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	—	10,318
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	—	—
	Contributions Subsequent to the Measurement Date	309	—
	Total	<u>\$ 309</u>	<u>\$ 10,318</u>
Public Safety System	Differences between Expected and Actual Experience	\$ 6,058	\$ 2,408
	Changes in Assumptions	2,527	—
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	—	44,225
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	277	49
	Contributions Subsequent to the Measurement Date	19,976	—
	Total	<u>\$ 28,838</u>	<u>\$ 46,682</u>
Firefighters System	Differences between Expected and Actual Experience	\$ 93	\$ 67
	Changes in Assumptions	203	38
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	—	312
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	13	17
	Contributions Subsequent to the Measurement Date	22	—
	Total	<u>\$ 331</u>	<u>\$ 434</u>
Judges Retirement System	Differences between Expected and Actual Experience	\$ 9,974	\$ —
	Changes in Assumptions	3,237	—
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	—	7,503
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	—	—
	Contributions Subsequent to the Measurement Date	4,421	—
	Total	<u>\$ 17,632</u>	<u>\$ 7,503</u>
Governor & Legislators Plan	Differences between Expected and Actual Experience	\$ —	\$ —
	Changes in Assumptions	—	—
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	—	418
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	—	—
	Contributions Subsequent to the Measurement Date	—	—
	Total	<u>\$ —</u>	<u>\$ 418</u>

Continues

Deferred Outflows and Inflows of Resources *
Related to Pensions
December 31, 2019
(expressed in thousands)

System	Source	Primary Government	
		Deferred Outflows of Resources	Deferred Inflows of Resources
Tier 2 Public Employees System	Differences between Expected and Actual Experience	\$ 1,143	\$ 1,402
	Changes in Assumptions	1,744	117
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	—	3,140
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	2,917	—
	Contributions Subsequent to the Measurement Date	31,269	—
	Total	<u>\$ 37,073</u>	<u>\$ 4,659</u>
Tier 2 Public Safety and Firefighters System	Differences between Expected and Actual Experience	\$ 620	\$ 1
	Changes in Assumptions	492	19
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	—	509
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	508	—
	Contributions Subsequent to the Measurement Date	6,467	—
	Total	<u>\$ 8,087</u>	<u>\$ 529</u>
Grand Total	Differences between Expected and Actual Experience	\$ 26,353	\$ 7,218
	Changes in Assumptions	39,765	174
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	—	234,996
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	4,437	20,845
	Contributions Subsequent to the Measurement Date	124,179	—
	Total	<u>\$ 194,734</u>	<u>\$ 263,233</u>

* Before amounts allocated for financial statement presentation.

Deferred Outflows and Inflows of Resources *
Related to Pensions
December 31, 2019
(expressed in thousands)

Source	Discrete Component Units (except UTA)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 94,847	\$ 5,599
Changes in Assumptions	16,418	30
Net Differences between Projected and Actual Earnings on Pension Plan Investments	10,456	74,680
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	5,753	13,793
Contributions Subsequent to the Measurement Date	36,255	—
Total	<u>\$ 163,729</u>	<u>\$ 94,102</u>

* Before amounts allocated for financial statement presentation.

The \$124.179 million and \$36.255 million reported as deferred outflows of resources by the primary government and discrete component units (except UTA), respectively, are the result of contributions subsequent to the measurement date of December 31, 2019. These contributions will be recognized as a reduction of

the net pension liability in the subsequent fiscal year. Other amounts reported above as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Recognition of Remaining Deferred Outflows and (Inflows) of Resources

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges Retirement System
Year Ended December 31	Primary Government	Primary Government	Primary Government	Primary Government	Primary Government
2020	\$ (38,763)	\$ (3,443)	\$ (11,028)	\$ (67)	\$ 4,655
2021	\$ (50,060)	\$ (2,911)	\$ (10,141)	\$ (49)	\$ 1,637
2022	\$ 1,367	\$ (454)	\$ 191	\$ 70	\$ 1,923
2023	\$ (64,485)	\$ (3,510)	\$ (16,842)	\$ (85)	\$ (2,507)
2024	\$ —	\$ —	\$ —	\$ 6	\$ —
Thereafter	\$ —	\$ —	\$ —	\$ —	\$ —

	Governors & Legislators Plan	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System	Grand Total	Discrete Component Units (except UTA)
Year Ended December 31	Primary Government	Primary Government	Primary Government	Primary Government	Discrete Component Units (except UTA)
2020	\$ (149)	\$ (445)	\$ (31)	\$ (49,271)	\$ 46,477
2021	\$ (120)	\$ (384)	\$ (22)	\$ (62,050)	\$ 10,481
2022	\$ 5	\$ 153	\$ 56	\$ 3,311	\$ 133
2023	\$ (154)	\$ (853)	\$ (96)	\$ (88,532)	\$ (24,205)
2024	\$ —	\$ 402	\$ 104	\$ 512	\$ 85
Thereafter	\$ —	\$ 2,272	\$ 1,080	\$ 3,352	\$ 401

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Summary of Actuarial Assumptions

	Non-contributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Utah Governors and Legislators Retirement Plan	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System
Valuation Date	01/01/19	01/01/19	01/01/19	01/01/19	01/01/19	01/01/19	01/01/19	01/01/19
Measurement Date	12/31/19	12/31/19	12/31/19	12/31/19	12/31/19	12/31/19	12/31/19	12/31/19
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Actuarial Assumptions: Investment Rate of Return	6.95%	6.95%	6.95%	6.95%	6.95%	6.95%	6.95%	6.95%
Projected Salary Increases	3.25–9.75%	3.25–9.75%	3.25–7.25%	3.25–8.75%	3.25%	None	3.25–9.75%	3.25–8.75%
Inflation Rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Post-retirement Cost-of-living Adjustment	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

Note: All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual CPI increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

The actuarial assumptions used in the January 1, 2019, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016. Mortality rates were developed from actual experience and mortality tables, based on gender, occupation, and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

Target Allocations

The long-term expected rate of return on pension plan investments was determined using a building-block method in

which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of December 31, 2019, are summarized in the table below:

Target Allocations
Expected Return Arithmetic Basis

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return*
Equity Securities	40.00 %	6.15 %	2.46 %
Debt Securities	20.00 %	0.40 %	0.08 %
Real Assets	15.00 %	5.75 %	0.86 %
Private Equity	9.00 %	9.95 %	0.89 %
Absolute Return	16.00 %	2.85 %	0.46 %
Cash and Cash Equivalents	0.00 %	0.00 %	0.00 %
Total Asset Classes	<u>100.00 %</u>		<u>4.75 %</u>
Inflation			<u>2.50 %</u>
Expected Arithmetic Nominal Return			<u>7.25 %</u>

* The total URS Defined Benefit long-term expected rate of return is 6.95 percent. It is comprised of a 2.50 percent inflation rate, a real long-term expected rate of return of 4.45 percent that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 6.95 percent. 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 URS 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 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 State's (primary government) net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.95 percent) or 1 percentage-point higher (7.95 percent) than the current rate:

Primary Government
Changes in Discount Rate
Net Pension Liability / (Asset)
(expressed in thousands)

System	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 1,228,306	\$ 544,490	\$ (28,721)
Contributory System	25,225	2,590	(16,815)
Public Safety System	335,648	143,463	(14,680)
Firefighters System	974	(476)	(1,653)
Judges System	67,418	38,731	14,594
Utah Governors and Legislators Retirement Plan	2,958	1,647	646
Tier 2 Public Employees System	35,226	4,085	(19,982)
Tier 2 Public Safety and Firefighters System	7,324	2,073	(1,825)
Total Net Pension Liability / (Asset)	<u>\$ 1,703,079</u>	<u>\$ 736,603</u>	<u>\$ (68,436)</u>

Changes in Assumptions

As a result Senate Bill 129 in the 2019 General Session, the retirement rates for members in the Tier 2 Public Safety and Firefighter Hybrid System have been modified to be the same as the assumption used to model the retirement pattern in the Tier 1 Public Safety and Firefighter Systems, except for a 10 percent load at first eligibility for unreduced retirement prior to age 65.

B. Defined Benefit Plans - Utah Transit Authority

Utah Transit Authority (UTA) (major discrete component unit) offers its employees a single employer non-contributory defined benefit pension plan, The Utah Transit Authority Retirement Plan and Trust (Plan), which includes all employees of UTA who are

eligible and who have completed six months of service. The Plan is a qualified government plan and is not subject to all of the provisions of ERISA. As a defined benefit pension plan, UTA contributes such amounts as are necessary, on an actuarially sound basis, to provide assets sufficient to meet the benefits to be paid. Required employee contributions were discontinued effective June 1, 1992. Participants may make voluntary contributions as described below. Interest on existing account balances is credited at 5.00 percent per year.

Although UTA has not expressed any intention to do so, UTA has the right under the Plan to discontinue its contributions at any time and to terminate the Plan. In the event the Plan terminates,

the trustee will liquidate all assets of the Plan and will determine the value of the trust fund as of the next business day following the date of such termination. The trustee will allocate assets of the Plan among the participants and beneficiaries as required by law.

The Plan is administered by the Pension Committee that consists of five (5) members, three (3) appointed by UTA and two (2) appointed by the Amalgamated Transit Union Local 382 in accordance with a collective bargaining agreement. The members of the Pension Committee may (but need not) be participants in the Plan. In the absence of a Pension Committee, the Plan Administrator assumes the powers, duties and responsibilities of the Pension Committee with respect to the administration of the Plan. U.S. Bank serves as the administrator and custodian of the Plan, with Cambridge Associates, LLC (CA) serving as a third-party investment manager.

The Plan prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, under which benefits and expenses are recognized when due and payable and revenues are recorded in the accounting period in which they are earned and become measurable in accordance with the terms of the Plan. Accordingly, the valuation of investments is shown at fair value and both realized and unrealized gains (losses) are included in net appreciation and depreciation in fair value of investments. The Plan does not issue a publicly available financial report, but is reported in UTA's financial statements as a component unit.

Retirement Benefits

Employees with five or more years of service are entitled to annual pension benefits beginning at normal retirement age 65, or any age with 37.5 years of service in the Plan. For participants who began participating in the Administrative Plan prior to January 1, 1994, the annual benefit is based on a retirement benefit formula equal to:

- 2.30 percent of average compensation multiplied by the participant's years of service (not exceeding 20 years), plus
- 1.50 percent of the average compensation multiplied by the participant's years of service in excess of 20 years (but such excess not to exceed 9 years of service), plus
- 0.50 percent for one year plus 2.00 percent for years in excess of 30 years not to exceed 75 percent of average compensation.

For all other active participants, the annual benefit is based on a retirement benefit formula equal to 2.00 percent of average compensation multiplied by the participant's years of service (not to exceed 37.5 years or 75 percent of average compensation).

Upon termination of employment, members may leave their retirement account intact for future benefits based on vesting qualification or withdraw the accumulated funds in their individual member account and forfeit service credits and rights to future benefits upon which the contributions were based. If employees terminate employment before rendering five years of service, they forfeit the right to receive their non-vested accrued plan benefits.

Early Retirement Benefits

The Plan allows for early retirement benefits if the participant has not reached the age of 65 but is at least age 55 with a vested benefit. Benefits under early retirement are equal to the value of the accrued pension, if the participant had retired at the age of 65, reduced 5.00 percent per year if the payments begin before age 65.

Disability Benefits

The Plan allows for disability benefits. A member who becomes permanently disabled after 5 years of service will immediately receive the greater of the actuarially-reduced monthly accrued benefit or \$90 per month, reduced by any UTA sponsored disability plans. Payment of the disability benefit ends at age 65.

Death Benefits

If a participant's death occurs before age 55, but after 5 years of service, the present value of the participant's accrued vested benefit is payable to the participant's beneficiary in the form of a single lump sum regardless of the amount. If a participant's death occurs after age 55 and 5 years of service, the participant's beneficiary can elect to receive a benefit equal to the greater of:

- (1) A survivor's pension as if the participant had retired on the date before the death with a 100 percent joint and survivor annuity in effect, or
- (2) The present value of the survivor's pension, or
- (3) If a spouse of 2 or more years or a minor child, the participant's contribution with interest, plus 50 percent of the average compensation, payable in the form of a lump sum, or
- (4) A 10-year term certain.

A participant may elect a joint and survivor annuity with 100, 75 or 50 percent to be continued to the beneficiary upon the death of the participant.

Lump Sum Distributions

Payment in a lump sum, regardless of amount, may be made with the participant's written consent. Effective September 1, 2012, a participant who has not previously received benefits may elect a partial lump sum payment with the remaining part to be paid in the same manner as the traditional annuity. During calendar year 2019, 33 participants in each respective year elected to receive their benefit in the form of lump sum distribution. Lump sum distributions collectively totaled \$5.302 million for 2019. Individuals are removed from the Plan's membership if they choose to take all of their benefit as a lump sum distribution.

As of December 31, 2019, the Plan's membership consisted of:

Utah Transit Authority Retirement Plan and Trust Membership December 31, 2019

Active participants.....	2,256
Inactive participants not receiving benefits.....	368
Retirees and beneficiaries receiving benefits.....	668
Total.....	<u>3,292</u>

Contributions

Employer Contribution Requirements

UTA's contribution rates are determined by the Pension Committee and approved by the Board of Trustees based on the current collective bargaining agreement and the minimum and maximum funding levels recommended by the Plan's actuary. The Authority's contribution rate consists of (1) an amount for normal cost, the estimated amount necessary to finance benefits earned by participants during the current year, and (2) an amount for amortization of the unfunded or excess funded actuarial accrued liability over the service life of the vested participants. The rates are determined using the entry age actuarial cost method. The Authority's Board of Trustees adopted a contribution rate policy of 16.30 percent for calendar year 2019. Employer contributions in calendar year 2019 totaled \$24.008

million, which represented 110.70 percent of the annual actuarial recommended contributions.

Participant Voluntary Contributions

A participant who is vested in the Plan may make voluntary contributions into the Plan, and transfer funds from the Employee 457 Deferred Compensation Plan, for the purpose of purchasing "permissive service credit" (as defined in *Internal Revenue Code* Section 415(N)(3)(A)), in the Plan. No more than 5 years of "permissive service credit" may be purchased. Any purchase of "permissive service credit" must be made in the final year of employment with UTA.

Below are the changes in net pension liability for the Plan:

Utah Transit Authority Retirement Plan and Trust
Changes in Net Position Liability and Related Ratios
Increases (Decreases)
For the Fiscal Year Ended December 31, 2019
(expressed in thousands)

Total Pension Liability	
Service Cost	\$ 10,244
Interest	22,948
Difference between Actual and Expected Experience	3,348
Assumption Changes	—
Member voluntary contributions	299
Benefit Payments	(17,303)
Net Change in Total Pension Liability	19,536
Total Pension Liability – Beginning	326,087
Total Pension Liability – Ending	<u><u>A \$ 345,623</u></u>
Plan Fiduciary Net Position	
Member voluntary contributions	\$ 299
Contributions – Employer	24,008
Net Investment Income	40,649
Benefit Payments	(17,303)
Administrative Expense	(434)
Net Change in Plan Fiduciary Net Position	47,219
Plan Fiduciary Net Position – Beginning	194,539
Plan Fiduciary Net Position – Ending	<u><u>B \$ 241,758</u></u>
Net Pension Liability / (Asset) – Ending (A – B)	<u><u>\$ 103,865</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.95 %
Covered Payroll	\$ 141,183
Net Pension Liability as a Percentage of Covered Payroll	73.57 %

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, UTA reported a net pension liability of \$103.865 million. The net pension liability was measured as of December 31, 2019, and was determined by an actuarial valuation as of January 1, 2019 and rolled-forward using generally accepted actuarial procedures. For the year ended December 31, 2019, UTA recognized pension expense of \$23.065 million.

Utah Transit Authority Retirement Plan and Trust
Deferred Outflows and Inflows of Resources Related to Pensions

December 31, 2019

(expressed in thousands)

Source	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between Expected and Actual Experience	\$ (772)	\$ 9,027
Changes in Assumptions	(1,558)	4,433
Net Differences between Projected and Actual on Pension Plan Earnings	(9,323)	—
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	—	—
Total	<u><u>\$ (11,653)</u></u>	<u><u>\$ 13,460</u></u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Recognition of Remaining Deferred Outflows and (Inflows) of Resources

For the Fiscal Year Ended December 31, 2019

(expressed in thousands)

2020	\$ 820
2021	\$ (548)
2022	\$ 3,130
2023	\$ (2,955)
2024	\$ 1,011
Thereafter	\$ 350

Actuarial assumptions

Actuarial valuation of the Plan involves estimates of the reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The last experience study was performed for the five consecutive calendar years ending December 31, 2008. The total pension liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The significant actuarial assumptions and methods used in the January 1, 2019 valuation are as follows:

Utah Transit Authority Retirement Plan and Trust
Summary of Actuarial Assumptions

Actuarial Cost Method	Entry Age Normal
Inflation	2.30%
Salary Increases	5.40% per annum for the first five (5) years of employment; 3.40% per annum thereafter
Investment rate of return	7.00%
Cost of Living Adjustments	None
Mortality	RP-2014 Blue Collar Mortality Table, with MP-2014 Project Scale (Preretirement; Employee Table; Post-retirement Annuitant Table)
Bond Buyer General Obligation 20-Bond Municipal Bond Index	2.74%
Percent of Future Retirement Electing Lump Sum	20.00%

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2008.

Investment Policy and Target Allocation

The Pension Committee has adopted an Investment Policy Statement (IPS). The IPS is reviewed by the Pension Committee once a year, and was amended effective February 2016 to revise the asset classes. A normal weighting is now indicated for each asset class. The IPS was also amended to provide a list of prohibited investments.

All Plan investments are stated at fair value. Most types of marketable or actively traded investments are priced by nationally known vendors. In the event that an investment is not priced by the primary vendor, the Custodian (US Bank) engages a secondary vendor or other source. Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

In setting the long-term asset policy for the Plan, the Committee has opted to provide a minimum and maximum allowable allocation to the major asset classes. Best estimates of the compound nominal rates of return for each major asset class included in the Plan's target asset allocation is summarized in the table below:

**Utah Transit Authority Retirement Plan and Trust
Policy Allocation**

	Target Asset Allocation	Range	Long-term Expected Return
Global Equity.....	63.00 %	51% - 75%	6.80 %
Liquid Diversifiers.....	10.00 %	0% - 15%	3.40 %
Real Assets.....	4.00 %	0% - 8%	5.10 %
Fixed Income.....	22.00 %	12% - 32%	2.70 %
Cash & Equivalents.....	1.00 %	0% - 5%	1.60 %
Total.....	<u>100.00 %</u>		

The long-term rate of return is selected by the Plan's Pension Committee after a review of the expected inflation and long term real returns, reflecting expected volatility and correlation. The 7.00 percent assumed investment rate of return is comprised of an inflation rate of 2.30 percent and a real return of 4.70 percent net of investment expense.

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow each month. The money-weighted rate of return is calculated net of investment expenses. For the calendar year ending, December 31, 2019, the annual money-weighted rate of return, net of investments was 20.56 percent.

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The discount rate incorporates a municipal bond rate of 3.44 percent based on the Bond Buyer General, Obligation 20-Bond Municipal Bond Index. The projection of cash flows used to determine the discount rate assumed that contributions will be made based on the actuarially determined rates recommended by UTA's Pension Committee and approved by the

Board of Trustees. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all the projected future benefit payments of current active and inactive Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The following sensitivity analysis assumes rate volatility of plus and minus one percent of the discount rate of 7.00 percent.

Utah Transit Authority Retirement Plans Changes in Discount Rate Net Pension Liability (Asset)

(expressed in thousands)

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net Pension Liability.....	\$ 152,462	\$ 103,865	\$ 63,801

C. Defined Contribution Plans

The 401(k), 457, and Roth and Traditional IRA Plans, in which the State participates and administered by URS, are defined contribution plans. These plans are available as supplemental plans to the basic retirement benefits of the Retirement Systems and a primary retirement plan for some Tier 2 participants. Contributions may be made into the plans subject to plan and Internal Revenue Code limitations. Employer contributions may be made into the 401(k) and 457 Plans at rates determined by the employers and according to Title 49 of the *Utah Code*. There are 472 employers participating in the 401(k) Plan and 295 employers participating in the 457 Plan. There are 184,633 plan participants in the 401(k) Plan, 18,722 participants in the 457 Plan, 14,020 participants in the Roth IRA Plan, and 2,637 participants in the Traditional IRA Plan.

After termination of employment, benefits are paid out to individuals in lump sum, or as periodic benefit payments, at the option of the participant based on individual account balances and plan provisions. The Defined Contribution Plans account balances are fully vested to the participants at the time of deposit except for Tier 2 required employer contributions and associated earnings during the first four years of employment. Investments in the vested portion of the Defined Contribution Plans are individually directed and controlled by plan participants. Investments of the plans are reported at fair value.

Employees of the State are eligible to participate in the defined contribution 401(k), 457, and Roth and Traditional IRA Plans. Employees, who contribute to a 401(k), 457, or IRA will get a match from the State of up to 2.00 percent and \$26 per pay period. In addition, the State and participating employers are required to contribute 1.50 percent of an employee's salary into a 401(k) for those employees who participate in the noncontributory system. The amounts contributed to the 401(k) Plan during the year ended June 30, 2020, by employees and employers are as follows: for primary government, \$40.543 million and \$35.389 million; for component units, \$5.711 million and \$8.864 million, respectively. The amounts contributed by employees to the 457, and Roth and Traditional IRA Plans (primary government and discrete component units) were \$7.877 million, \$6.712 million, and \$291 thousand, respectively.

For the Tier 2 Public Employee System, Tier 2 Public Safety System, and the Tier 2 Firefighters System, the State and participating employers are required to contribute varying amounts into a 401(k). The amounts range from 0.70 to 1.50 percent of an employee's salary for the hybrid defined benefit systems and 10 to 12 percent of an employee's salary for the

defined contribution systems. These contributions vest immediately, except for the Tier 2 401(k) required contributions that are subject to a 4 year vesting period. The primary government and discrete component units paid in 401(k) defined contributions required by statute \$10.696 million and \$1.816 million, respectively. In addition to these contributions, the Tier 2 plans provide a statutory required contribution (0.08 to 18.54 percent amortization rate) to finance the unfunded actuarial accrued liability of the non-Tier 2 (defined benefit) plans.

Teachers Insurance and Annuity Association

Teachers Insurance and Annuity Association (TIAA) and Fidelity Investments, privately administered defined-contribution retirement plans, provide individual retirement fund contracts for each eligible participating employee. Eligible employees are mainly state college/university faculty and staff. Benefits to retired employees are generally based on the value of the individual contracts and the estimated life expectancy of the employee at retirement and are fully vested from the date of employment. The total current year required contribution and the amount paid is 14.20 percent of the employee's annual salary. The State has no further liability once annual contributions are made.

The total contribution made by the colleges and universities (discrete component units) to the TIAA retirement system for June 30, 2020 and June 30, 2019, were \$289.623 million and \$266.359 million, respectively.

Utah Transit Authority

The Utah Transit Authority (UTA) (major discrete component unit) offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all employees on a voluntary basis and permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. As part of its fiduciary role, UTA has an obligation of due care in selecting the third party administrators. In the opinion of management, UTA has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan. The deferred compensation assets are held by third party plan administrators and are generally invested in money market funds, stock or bond mutual funds or guarantee funds as selected by the employee.

NOTE 18. OTHER POSTEMPLOYMENT BENEFITS

The State administers the State Employee Other Postemployment Benefit Plan (State Employee OPEB Plan) through the State Post-Retirement Benefits Trust Fund, as set forth in Section 67-19d-201 of the *Utah Code*. A separate Elected Official Other Post-employment Benefit Plan (Elected Official OPEB Plan) is provided for governors and legislators, and this plan is administered through the Elected Official Post-Retirement Benefits Trust Fund as set forth in Section 67-19d-201.5 of the *Utah Code*. Both trust funds are irrevocable and legally protected from creditors. Both are also administered under the direction of a board of trustees, which consists of the State Treasurer, the Director of the Division of Finance, and the Director of the Governor's Office of Management and Budget or a designee.

Neither plan issues a publicly available financial report, but are included in this report of the primary government.

State Employee OPEB Plan Description

At the option of individual state agencies, employees may participate in the State Employee OPEB Plan, a single-employer defined benefit healthcare plan, as set forth in Section 67-19-14.2 of the *Utah Code*. Only state employees who are entitled to receive retirement benefits are eligible to receive postemployment health and life insurance benefits, and in some situations dental coverage, from the State Employee OPEB Plan. Upon retirement, employees receive up to 25 percent of the value of their unused accumulated sick leave, earned prior to January 1, 2006, as a mandatory employer contribution into a 401(k) account. Employees may exchange eight hours of their remaining unused accumulated sick leave for one month of paid health and life insurance coverage up to age 65. After age 65, employees may use the balance of unused accumulated sick leave, earned prior to January 1, 2006, to exchange for spouse health insurance to age 65, or Medicare supplemental insurance for employee or spouse. In addition, any full-time employees of the Utah State Board of Education and the Utah Schools for the Deaf and the Blind (nonmajor discrete component unit) hired before July 1, 2012, who have attained at least five consecutive years of service with the agency, have the option of receiving postemployment health, dental, and life insurance coverage for up to five years or until reaching age 65 regardless of their unused sick leave balance. Also, judges have their own retiree health coverage that is part of the State Employee OPEB Plan. The State Employee OPEB Plan is closed to new entrants since it is only applicable to employees eligible for retirement who have sick leave earned prior to January 1, 2006, or employees of the Utah State Board of Education hired before July 1, 2012.

Elected Official OPEB Plan Description

The Elected Official OPEB Plan is a single-employer defined benefit healthcare plan, as set forth in Section 49-20-404 of the *Utah Code*. Only governors and legislators (elected officials) who retire after January 1, 1998, and have four or more years of service can elect to receive and apply for health insurance coverage or Medicare supplemental coverage. The State will pay 40 percent of the benefit cost for four years of service and up to 100 percent for ten or more years of service for elected officials and their spouses.

To qualify for health insurance coverage, an elected official must be between 62 and 65 years of age and either be an active member at the time of retirement or have continued coverage with the program until the date of eligibility. In addition, to qualify for health insurance coverage, an elected official must have service as a legislator or governor prior to January 1, 2012.

To qualify for Medicare supplemental coverage, an elected official must be at least 65 years of age. In addition, the elected official must retire under Chapter 19, *Utah Governors' and Legislators' Retirement Act*, and began service as an elected official prior to July 1, 2013. The Plan is closed to new entrants.

At June 30, 2020, the following number of employees were covered by the State's single-employer OPEB plans:

Table on next page

Single-employer Plans Covered Employees
June 30, 2020

	State Employee OPEB Plan	Elected Official OPEB Plan
Inactive Employees or Beneficiaries Currently Receiving Benefits ..	3,244	95
Inactive Employees Entitled to But Not Yet Receiving Benefits	—	112
Active Employees	4,924	42
Total Single-employer Plans Covered Employees	<u>8,168</u>	<u>249</u>

State Employee OPEB Plan Contributions

The contribution requirements of employees and the State are established, and may be amended, by the State Legislature. For retirees who participate in the State Employee OPEB Plan, health insurance premiums are paid 100 percent by the State for individuals who retired before July 1, 2000. Individuals retiring thereafter are required to contribute specified amounts monthly, ranging from 0 to 30.10 percent, toward the cost of health insurance premiums. For the fiscal year ended June 30, 2020, retirees contributed \$1.517 million, or approximately 4.87 percent of total premiums, through their required contributions of \$0 to \$837.72 per month depending on the coverage (single, double, or family) and health plan selected.

The Actuarially Determined Contribution (ADC) of \$25.928 million, from the December 31, 2018, actuarial valuation, was used to establish the fiscal year 2020 annual budget and fund employer contributions. The State Legislature funded \$26.663 million in employer contributions, \$735 thousand more than the ADC.

Elected Official OPEB Plan Contributions

For the fiscal year ended June 30, 2020, elected officials who participated in the Elected Official OPEB Plan contributed \$63 thousand, or approximately 6.79 percent of total premiums, through their required contributions of \$0 (for 10 or more years of

service) to \$962.33 per month (for four years of service) depending on the coverage (single or double) and health plan selected.

The Actuarially Determined Contribution (ADC) of \$1.026 million from the December 31, 2018, actuarial valuation was used to establish the fiscal year 2020 annual budget and fund employer contributions. For the fiscal year 2020, the State Legislature funded \$1.388 million in employer contributions, \$362 thousand more than the ADC.

Net OPEB Liability

The net OPEB liability was measured as of June 30, 2020. The total OPEB liability, used to calculate the net OPEB liability, was determined by an actuarial valuation as of December 31, 2018, and rolled-forward using generally accepted actuarial procedures. The combined total net OPEB liability, for both single-employer plans, was \$18.819 million, and of that amount, the State's (primary government) net OPEB liability was \$18.761 million, and \$58 thousand was allocated to the Utah Schools for the Deaf and the Blind (nonmajor discrete component unit). Below are the changes in the net OPEB liability and related ratios of the net OPEB liability for the single-employer OPEB plans:

Table on next page

Single-employer Plans
Changes in Net OPEB Liability and Related Ratios
Increases (Decreases)
For the Year Ended June 30, 2020
(dollars expressed in thousands)

	State Employee OPEB Plan	Elected Official OPEB Plan
Total OPEB Liability		
Service Cost.....	\$ 5,766	\$ 214
Interest.....	9,944	902
Difference between Actual and Expected Experience.....	(13,426)	63
Benefit Payments.....	(29,605)	(864)
Net Change in Total OPEB Liability.....	(27,321)	315
Total OPEB Liability – Beginning.....	340,402	17,403
Total OPEB Liability – Ending.....	A \$ 313,081	\$ 17,718
Plan Fiduciary Net Position		
Contributions – Employee.....	\$ —	\$ —
Contributions – Employer.....	26,663	1,388
Net Investment Income (Loss).....	25,638	1,043
Benefit Payments.....	(29,605)	(864)
Net Change in Plan Fiduciary Net Position.....	22,696	1,567
Plan Fiduciary Net Position – Beginning.....	271,852	15,865
Plan Fiduciary Net Position – Ending.....	B \$ 294,548	\$ 17,432
Net OPEB Liability / (Asset) – Ending (A – B).....	\$ 18,533	\$ 286
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability....	94.08 %	98.39 %
Covered Payroll*.....	\$ 1,085,103	
Net OPEB Liability as a Percentage of Covered Payroll.....	1.71 %	
Covered-employee Payroll*.....		\$ 1,144
Net OPEB Liability as a Percentage of Covered-employee Payroll.....		25.00 %

* Contributions to the State Employee Plan are based on a measure of pay, therefore covered payroll is presented in the above schedule. Contributions to the Elected Official OPEB Plan are based on appropriations and not on a measure of pay; therefore, for that plan the covered-employee payroll is presented.

Deferred Outflows and Inflows of Resources and OPEB Expense

For the year ended June 30, 2020, the total OPEB expense was \$405 thousand, \$351 thousand for the State Employee OPEB Plan, and \$54 thousand for the Elected Official OPEB Plan. Of the total OPEB expense, the State (primary government) recognized \$401 thousand, and \$4 thousand was allocated to the Utah Schools for the Deaf and the Blind (nonmajor discrete component unit).

Total deferred inflows of resources related to the recognition of OPEB expense was \$47.456 million, of which \$46.915 million

was recognized by the State, and \$541 thousand was allocated to the Utah Schools for the Deaf and the Blind.

Total deferred outflows of resources related to the recognition of OPEB expense was \$18.698 million, of which \$18.488 million was recognized by the State, and \$210 thousand was allocated to the Utah Schools for the Deaf and the Blind.

Deferred inflows of resources related to OPEB came from the following source:

Deferred Outflows and Inflows of Resources Related to OPEB				
June 30, 2020				
<i>(expressed in thousands)</i>				
	State Employee OPEB Plan		Elected Official OPEB Plan	
Source	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Differences between expected and Actual Experience.....	\$ —	\$ 27,574	\$ —	\$ —
Changes in Assumption.....	\$ 18,698	\$ —	\$ —	\$ —
Net Differences between Projected and Actual Earnings on OPEB Plan Investments.....	\$ —	\$ 19,269	\$ —	\$ 613
Total.....	\$ 18,698	\$ 46,843	\$ 0	\$ 613

Amounts reported above as deferred inflows and deferred outflows of resources related to OPEB will be recognized in OPEB expenses as follows:

**Recognition of Remaining
Deferred Outflows and Inflows of Resources**

Fiscal Year Ended June 30, 2020

(expressed in thousands)

Fiscal Year	State Employee OPEB Plan		Elected Official OPEB Plan	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
2021.....	\$ 6,852	\$ 14,098	\$ —	\$ 279
2022.....	\$ 6,851	\$ 13,047	\$ —	\$ 146
2023.....	\$ 4,995	\$ 13,508	\$ —	\$ 149
2024.....	\$ —	\$ 6,190	\$ —	\$ 39

The total OPEB liability in the December 31, 2018, valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Summary of Actuary Assumptions

	State Employee OPEB Plan	Elected Official OPEB Plan
Actuarial Valuation Date.....	12/31/2018	12/31/2018
Measurement Date.....	6/30/2020	6/30/2020
Actuarial Cost Method.....	Entry Age Normal	
Investment Rate of Return.....	3.00%	5.25%
Inflation Rate.....	2.40%	
Healthcare Inflation Rate.....	5.40% initial 3.94% ultimate	

Mortality rates were based on the RP-2014 mortality table for both pre-retirement and post-retirement mortality assumption, along with 75 percent of the MP-2015 projection scale for mortality improvement. This projection scale applies “generational” improvements to longevity, based on the concept that children will live longer than their parents. The actuarial assumptions were updated since the prior measurement period based on the assumptions used in the Utah Retirement Systems actuarial valuation as of January 1, 2017 based on the results of an actuarial experience study for the five-year period ending December 31, 2016. The medical trend assumptions used in the valuation were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model (version 2019_b). The Per Capita Claims Costs (PCCC) aging factors were updated for pre-Medicare and post-Medicare retirees from the prior measurement date. The healthcare trend rate assumption was also updated from the prior measurement date to reflect the 2019 SOA Long-Run Medical Cost Trend model.

Investment Policy and Target Allocations

The State Treasurer is responsible for investing the assets of the State Employee OPEB Plan and the Elected Official OPEB Plan. The State Treasurer has an investment committee which establishes the asset allocation for the OPEB plans with the primary goal of providing for the stability, income, and growth of the principal. The asset allocation for the plans is not expected to change substantially over the short or intermediate time horizons in response to short-term market movements, but may change incrementally based upon long-term capital market projections. For the fiscal year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 9.96 percent for the State Employee OPEB Plan and

7.20 percent for the Elected Official OPEB Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in each plan’s target asset allocation as of June 30, 2020, are summarized below:

**State Employee OPEB Plan
Target Allocations
Expected Return Arithmetic Basis**

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Debt Securities.....	90.00 %	0.90 %	0.80 %
Real Estate.....	10.00 %	2.00 %	0.20 %
Total Asset Classes..	100.00 %		1.00 %
Inflation.....			2.00 %
Expected Arithmetic Nominal Return.....			3.00 %

**Elected Official OPEB Plan
Target Allocations
Expected Return Arithmetic Basis**

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities.....	55.00 %	5.00 %	2.73 %
Debt Securities.....	35.00 %	0.90 %	0.32 %
Real Estate.....	10.00 %	2.00 %	0.20 %
Total Asset Classes	<u>100.00 %</u>		3.25 %
Inflation.....			2.00 %
Expected Arithmetic Nominal Return.....			<u>5.25 %</u>

Discount Rates

The discount rate used to measure the total OPEB liability was 3.00 percent for the State Employee OPEB Plan and 5.25 percent for the Elected Official OPEB Plan. The discount rate for the State Employee OPEB Plan was reduced from 3.75 percent to 3.00 percent from the prior measurement period based on lower expected inflation in the future.

The projection of cash flows used to determine the discount rates assumed that future State contributions will be equal to the Actuarially Determined Contribution (ADC) as calculated in each future valuation. Based on those assumptions, the OPEB Plan's Fiduciary Net Position for both plans was projected at the beginning of each year to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the OPEB Plan's investments for both plans, was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rates do not incorporate a municipal bond rate.

The following presents the net OPEB liability for the State for both plans, calculated using the discount rate of 3.00 percent for the State Employee OPEB Plan and 5.25 percent for the Elected Official OPEB Plan, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2 percent - State Employee OPEB Plan, 4.25 percent - Elected Official OPEB Plan) or 1 percentage-point higher (4 percent - State Employee OPEB Plan, 6.25 percent - Elected Official OPEB Plan) than the current rate:

Changes in Discount Rate Net OPEB Liability / (Asset) (expressed in thousands)			
OPEB Plan	1% Decrease (2.00%)	Current Discount Rate (3.00%)	1% Increase (4.00%)
State Employee OPEB Plan....	\$ 36,106	\$ 18,533	\$ 19,000
	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
Elected Official OPEB Plan....	\$ 3,026	\$ 286	\$ (1,915)
Total Net OPEB Liability / (Asset).....	\$ 39,132	\$ 18,819	\$ 17,085

The following presents the net OPEB liability of the State, as well as what the State's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower (4.40 percent decreasing to 2.90 percent) or 1 percentage-point higher (6.40 percent decreasing to 4.90 percent) than the current healthcare cost trend rates:

Healthcare Cost Trend Rates Net OPEB Liability / (Asset) (expressed in thousands)			
OPEB Plan	1% Decrease (4.4% decreasing to 2.9%)	Current Discount Rate (5.4% decreasing to 3.9%)	1% Increase (6.4% decreasing to 4.9%)
State Employee OPEB Plan.....	\$ (5,241)	\$ 18,533	\$ 44,910
Elected Official OPEB Plan.....	(2,129)	286	3,281
Total Net OPEB Liability / (Asset)...	\$ (7,370)	\$ 18,819	\$ 48,191

NOTE 19. RISK MANAGEMENT AND INSURANCE

It is the policy of the State of Utah to use a combination of commercial insurance and self-insurance to cover the risk of losses to which it may be exposed. This is accomplished by the State through the Risk Management Fund (internal service fund) and the Public Employees Health Program (PEHP) (major discrete component unit). The Risk Management Fund manages the general property, auto/physical damage, and general liability risks of the State. PEHP manages the group medical, dental, life insurance, and long-term disability programs of the State. The State is a major participant in both of these programs with all state funds and departments included. All state colleges, universities, school districts, most charter schools, and other state discrete component units participate in the Risk Management Fund. PEHP also provides insurance coverage to approximately

380 municipalities, school districts, and other public entities within the State.

All participants share the risk within the Risk Management Fund property and auto risk pools. Participants in the Risk Management Fund general liability program are divided into higher education, school district, transportation department, and other state departments risk pools. All participants share the risk within the life insurance, Medicare Supplement, and long-term disability pools of PEHP. The PEHP medical and dental programs are divided into state and various other employers risk pools.

The State has determined that the Risk Management Fund and PEHP can economically and effectively manage the State's risks internally and have set aside assets for claim settlements through reserves. Risks are also covered through commercial insurance for excessive losses. The State is self-insured for liability claims

up to \$1 million per claim, plus an annual \$2 million corridor deductible, augmented by excess liability insurance with a per claim limit of \$10 million. The State is self-insured for property claims up to \$1 million per occurrence, with an annual aggregate of \$3.5 million. The Risk Management Fund (Fund) did not have a liability loss that exceeded the State's self-insured retention of \$1 million for the fiscal year ending June 30, 2018. The Fund did experience liability losses that exceeded the State's self-insured retention of \$1 million for the fiscal year ending June 30, 2019. The Fund also experienced property losses that exceeded its \$1 million self-insured retention in the fiscal years ending June 30, 2019, and June 30, 2020.

PEHP does not enter into any external medical reinsurance agreements. PEHP has reinsurance coverage for a life catastrophic occurrence in excess of 3.5 million, not to exceed \$80 million per year with a one-time reinstatement with additional premium. The limit is dependent on the participating group's lifetime maximum. The retention per person will be reapplied to PEHP each calendar year.

The Risk Management Fund and PEHP allocate the cost of providing claims servicing, claims payment, and commercial insurance by charging a premium to each participating public entity or employee. Premiums are based on each organization's recent trends in actual claims experience and property values. The primary government and discrete component units of the State paid premiums to PEHP for health and life insurance coverage in fiscal year 2020 of \$339.017 million and \$51.747 million, respectively.

Risk Management and PEHP claims liabilities are reported when it is probable that a claim has occurred and the ultimate cost of settling that claim can be reasonably estimated and includes an amount for claims that have been incurred but not reported. Because actual claims liabilities are affected by complex factors (i.e., inflation, changes in legal doctrines and insurance benefits, and unanticipated damage awards), the process used in computing claims liabilities does not necessarily result in exact amounts. Claims liabilities are recomputed periodically by actuaries who take into consideration recently settled claims, frequency of claims, and other economic or social factors. Inflation and other appropriate modifiers are included in this calculation because reliance is based on historical data. The Risk Management Fund claim reserves are reported using a discount rate of 1 percent. The PEHP long-term disability benefit reserves of \$16.366 million are reported using discount rates between 1.75 and 3.50 percent.

All employers who participate in the Utah Retirement Systems are eligible to participate in the Public Employees Long-term

Disability Program according to Section 49-21-201 of the *Utah Code*. Employees of state departments who meet long-term disability eligibility receive benefits for the duration of their disability up to the time they are eligible for retirement or until age 65. Benefits beginning after a three-month waiting period are paid 100 percent by the program. As of June 30, 2020, there were 155 state employees receiving benefits. The program is funded by paying premiums to PEHP where assets are set aside for future payments. For the fiscal year ended June 30, 2020, the primary government and the discrete component units of the State paid premiums for the Long-term Disability Program of \$5.397 million and \$337 thousand, respectively.

The State covers its workers' compensation risk by purchasing insurance from Workers' Compensation Fund (a related organization). The University of Utah, Utah State University, Southern Utah University, Salt Lake Community College, Utah Valley University, and Dixie State University (major and nonmajor discrete component units) each maintain self-insurance funds to manage health/dental care and report claims liabilities if it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The University of Utah also maintains a self-insurance fund to manage medical malpractice liabilities. The University of Utah and the University of Utah Hospital and Clinics also have a "claims made" umbrella medical professional liability insurance policy in the amount of \$20 million catastrophic malpractice liabilities in excess of the trusts' fund balances, the coverage provides for \$5 million per claim and \$26 million in the aggregate.

Utah Transit Authority (UTA) (major discrete component unit) is self-insured for amounts up to the maximum statutory liability in any one accident of \$3 million. UTA has Railroad Liability Coverage of \$100 million per annum with \$5 million of risk retention. UTA is self-insured for worker's compensation up to the amount of \$1 million per incident and has excess insurance for claims over this amount. UTA has insurance for errors and omissions and damage to property in excess of \$100 thousand per annum.

The following table presents the prior and current year changes in claims liabilities balances (short and long-term combined). The Risk Management and College and University self-insurance balances are for the fiscal years ended June 30, 2019 and June 30, 2020. The PEHP and UTA balances are for the calendar years ended December 31, 2018 and December 31, 2019:

(Table on next page)

Changes in Claims Liabilities
(expressed in thousands)

	Beginning Balance	Current Year Claims and Changes in Estimates	Claims Payments	Ending Balance
Risk Management:				
2019.....	\$ 57,330	\$ 22,050	\$ (15,822)	\$ 63,558
2020.....	\$ 63,558	\$ 15,318	\$ (5,254)	\$ 73,622
Public Employees Health Program:				
December 31, 2018.....	\$ 149,607	\$ 694,933	\$ (697,527)	\$ 147,013
December 31, 2019.....	\$ 147,013	\$ 766,085	\$ (761,550)	\$ 151,548
Utah Transit Authority:				
December 31, 2018.....	\$ 1,496	\$ 3,118	\$ (3,458)	\$ 1,156
December 31, 2019.....	\$ 1,156	\$ 3,320	\$ (3,613)	\$ 863
College and University Self-Insurance:				
2019.....	\$ 97,185	\$ 355,736	\$ (346,063)	\$ 106,858
2020.....	\$ 106,858	\$ 388,315	\$ (390,540)	\$ 104,633

NOTE 20. SUBSEQUENT EVENTS

Subsequent to June 30, 2020, the Governor's Office of Economic Development Board recommended and the director approved \$17.479 million of additional commitments to be credited over the next several years for the Economic Development Tax Increment Financing (EDTIF) and Motion Picture Incentive (MPIP) programs. These commitments are contingent on participating companies meeting certain economic development performance criteria and within-the-state production criteria.

Subsequent to Public Employees Health Program's (PEHP) (major discrete component unit) calendar year end, on April 9, 2020, PEHP approved \$30.508 million experience dividend refund due to excess reserves in the State Medical Program risk pool. Of the total approved refund, 91.50 percent went to participating employers and 8.50 percent went directly to individual members. The State of Utah received \$23.300 million and 16 other agencies received a proportionate share of \$4.618 million. The payments were issued to 24,635 active employees in the State of Utah Medical Program on April 23, 2020. As the dividend is not incurred until approved, the total experienced dividend was not reflected in PEHP's financial statements dated December 31, 2019.

Subsequent to Utah Transit Authority's (UTA) (major discrete component unit) calendar yearend, on March 19, 2020, the Authority issued a \$216.650 million Senior Lien revenue bond to refund multiple maturities of the Series 2015A Senior Lien revenue bonds totaling \$176.010 million.

On November 12, 2020, UTA issued a \$74.750 million Senior Lien revenue bond to refund certain maturities of the Series 2012 Senior Lien revenue bonds totaling \$73.600 million.

On September 25, 2020, the Student Assistance Programs (major enterprise fund) drew \$218.000 million from a warehouse financing with a four month term to redeem several series of bonds within its 1993 indenture and defeased the 2010 EE bonds issued under the 1993 indenture in preparation for a November 1, 2020 redemption. This transaction also resulted in the termination of the two interest rate swap agreements on the Series 2010 EE Bonds in the 1993 indenture.

The Student Assistance Programs discontinued a federal student loan servicing contract with the United States Department of

Education Office of Federal Student Aid effective October 20, 2020. Contract servicing, which provided approximately \$1.8 million in monthly revenues, will be discontinued by the end of February 2021.

On October 26, 2020, the Student Assistance Programs issued \$222.450 million of Student Loan Backed Notes, Series 2020-1 to refinance a portion of the Federal Family Education Loan Program (FFELP) loans pledged by the Board under the 2020 warehouse agreement.

During fiscal year 2020, the University of Utah (major discrete component unit) vigorously contested a legal action where the amount of potential loss was indeterminable but estimated to be more than \$10 million. On October 21, 2020, the University reached a \$13.500 million settlement in the lawsuit. Subject to legislative approval, the State will pay \$10.500 million of the settlement. The University will pay the remaining \$3 million.

Subsequent to June 30, 2020, economic uncertainties across multiple industries continue as a result of the spread of the COVID-19 virus. The extent of the impact of the COVID-19 pandemic on the State and its component units will depend on certain developments, including the duration and spread of the outbreak and the impact on citizens, students, vendors, employees, and customers, all of which are uncertain and cannot be predicted. The State and its component units received a significant amount of federal funding associated with the COVID-19 pandemic. Requirements for these programs have changed after June 30, 2020 as follows:

- The Coronavirus Relief Fund eligibility criteria and reporting requirements have changed multiple times since June 30. Some of the changes provided clarification on previously issued criteria, while other changes amended the previously issued criteria. The State continues to evaluate the impact of each revision of the requirements to mitigate the risk of noncompliance.
- On September 19, 2020 the Department of Health and Human Services issued the General and Targeted Distribution Post-Payment Notice of Reporting Requirements release. This release changed the criteria and reporting guidance for the Provider Relief Funds received by institutions of higher education. The release is subject to further interpretation.

As of the date of this report, the extent to which the COVID-19 pandemic may impact the State and its component unit's financial

condition or results of operations is uncertain. Events occurring after the date of this report have not been evaluated to determine whether a change in the financial statements would be required.

The COVID-19 pandemic will likely result in significant reductions of the Utah Transit Authority (UTA) (major discrete component unit) sales tax and passenger revenues in calendar year 2020 and possibly future years. However, during calendar

year 2020, the CARES Act authorized \$187.175 million for Utah transit agencies to prevent, prepare for and respond to the COVID-19 pandemic. UTA anticipates that the CARES Act funding, along with service reductions effective April 5, 2020, will allow UTA to carefully evaluate long-term financial impacts and make necessary adjustments, if any to align its expenditures to a new level of revenue streams.

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STATE
OF UTAH

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2020

Required Supplementary Information



protests
May 29, 2020



Budgetary Comparison Schedule

General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
General Revenues				
Sales Tax	\$ 2,246,587	\$ 2,236,698	\$ 2,265,293	\$ 28,595
Licenses, Permits, and Fees:				
Court Fees	25,521	22,478	14,167	(8,311)
Other Licenses, Permits, and Fees	12,219	9,880	11,537	1,657
Investment Income	36,432	35,401	30,455	(4,946)
Miscellaneous Taxes and Other:				
Beer Tax	8,304	8,798	10,410	1,612
Cigarette and Tobacco Tax	100,037	96,782	98,075	1,293
Insurance Premium Tax	153,368	142,934	142,170	(764)
Oil, Gas, and Mining Severance Tax	29,995	31,159	30,292	(867)
Court Collections	7,045	3,848	2,852	(996)
Other Taxes	50,070	48,667	44,410	(4,257)
Miscellaneous Other	11,700	43,182	37,188	(5,994)
Total General Revenues	<u>2,681,278</u>	<u>2,679,827</u>	<u>2,686,849</u>	<u>7,022</u>
Department Specific Revenues				
Sales Tax	32,171	33,174	33,174	—
Federal Contracts and Grants	4,204,748	3,769,727	3,769,727	—
Departmental Collections	535,644	558,370	558,370	—
Higher Education Collections	880,974	912,888	912,888	—
Federal Mineral Lease	74,425	58,606	58,606	—
Investment Income	5,193	7,261	7,261	—
Miscellaneous	769,991	887,066	887,066	—
Total Department Specific Revenues	<u>6,503,146</u>	<u>6,227,092</u>	<u>6,227,092</u>	<u>0</u>
Total Revenues	<u>9,184,424</u>	<u>8,906,919</u>	<u>8,913,941</u>	<u>7,022</u>
Expenditures				
General Government	819,081	684,116	593,055	91,061
Human Services and Juvenile Justice Services	1,063,200	1,012,927	982,083	30,844
Corrections	353,691	346,651	332,800	13,851
Public Safety	461,468	342,282	302,128	40,154
Courts	175,870	173,423	161,634	11,789
Health and Environmental Quality	5,050,877	4,046,072	3,924,463	121,609
Higher Education – State Administration	146,905	125,335	125,335	—
Higher Education – Colleges and Universities	2,003,630	1,982,302	1,982,262	40
Employment and Family Services	1,197,218	913,848	884,861	28,987
Natural Resources	333,536	329,572	270,689	58,883
Heritage and Arts	50,208	46,405	40,224	6,181
Business, Labor, and Agriculture	148,060	138,796	110,701	28,095
Total Expenditures	<u>11,803,744</u>	<u>10,141,729</u>	<u>9,710,235</u>	<u>431,494</u>
Excess Revenues Over (Under) Expenditures	<u>(2,619,320)</u>	<u>(1,234,810)</u>	<u>(796,294)</u>	<u>438,516</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	11	207	207	—
Transfers In	1,306,771	1,128,107	1,128,107	—
Transfers Out	(148,757)	(162,520)	(162,520)	—
Total Other Financing Sources (Uses)	<u>1,158,025</u>	<u>965,794</u>	<u>965,794</u>	<u>0</u>
Net Change in Fund Balance	<u>(1,461,295)</u>	<u>(269,016)</u>	<u>169,500</u>	<u>438,516</u>
Budgetary Fund Balance – Beginning	957,470	957,470	957,470	—
Budgetary Fund Balance – Ending	<u>\$ (503,825)</u>	<u>\$ 688,454</u>	<u>\$ 1,126,970</u>	<u>\$ 438,516</u>

The [Information About Budgetary Reporting](#) is an integral part of this schedule.

Budgetary Comparison Schedule

Education Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
General Revenues				
Individual Income Tax	\$ 4,420,174	\$ 3,928,026	\$ 4,002,323	\$ 74,297
Corporate Tax	527,365	362,330	361,196	(1,134)
Miscellaneous Other	50,616	49,615	51,837	2,222
Total General Revenues	4,998,155	4,339,971	4,415,356	75,385
Department Specific Revenues				
Federal Contracts and Grants	519,759	488,001	488,001	—
Departmental Collections	670	11,008	11,008	—
Federal Mineral Lease	772	—	—	—
Investment Income	2,500	4,909	4,909	—
Miscellaneous:				
Liquor Sales Allocated for School Lunch	41,028	50,022	50,022	—
Driver Education Fee	5,935	6,591	6,591	—
Property Tax for Charter Schools	23,000	27,854	27,854	—
Other	12,639	5,525	5,525	—
Total Department Specific Revenues	606,303	593,910	593,910	0
Total Revenues	5,604,458	4,933,881	5,009,266	75,385
Expenditures				
Public Education	5,550,529	4,565,881	4,421,998	143,883
Total Expenditures	5,550,529	4,565,881	4,421,998	143,883
Excess Revenues Over (Under) Expenditures	53,929	368,000	587,268	219,268
Other Financing Sources (Uses)				
Transfers In	99,797	100,190	100,190	—
Transfers Out	(1,188,020)	(777,642)	(777,642)	—
Total Other Financing Sources (Uses)	(1,088,223)	(677,452)	(677,452)	0
Net Change in Fund Balance	(1,034,294)	(309,452)	(90,184)	219,268
Budgetary Fund Balance – Beginning	936,089	936,089	936,089	—
Budgetary Fund Balance – Ending	\$ (98,205)	\$ 626,637	\$ 845,905	\$ 219,268

The [Information About Budgetary Reporting](#) is an integral part of this schedule.

Budgetary Comparison Schedule
Transportation Fund
(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
General Revenues				
Motor Fuel Tax.....	\$ 375,129	\$ 353,953	\$ 351,030	\$ (2,923)
Special Fuel Tax.....	143,912	149,757	153,380	3,623
Licenses, Permits, and Fees:				
Motor Vehicle Registration Fees.....	50,352	55,180	55,355	175
Proportional Registration Fees.....	17,938	18,255	18,313	58
Temporary Permits.....	234	188	188	—
Special Transportation Permits.....	11,602	11,284	11,320	36
Highway Use Permits.....	13,358	11,475	11,512	37
Motor Vehicle Control Fees.....	6,540	6,301	6,320	19
Investment Income.....	4,000	4,000	6,580	2,580
Miscellaneous Other.....	—	—	4	4
Total General Revenues.....	623,065	610,393	614,002	3,609
Department Specific Revenues				
Sales and Aviation Fuel Taxes.....	6,038	5,506	5,506	—
Federal Contracts and Grants.....	456,123	453,258	453,258	—
Departmental Collections.....	74,386	65,902	65,902	—
Investment Income.....	436	1,282	1,282	—
Miscellaneous.....	24,897	82,218	82,218	—
Total Department Specific Revenues.....	561,880	608,166	608,166	0
Total Revenues.....	1,184,945	1,218,559	1,222,168	3,609
Expenditures				
Transportation.....	1,103,750	1,201,517	1,167,157	34,360
Total Expenditures.....	1,103,750	1,201,517	1,167,157	34,360
Excess Revenues Over (Under) Expenditures.....	81,195	17,042	55,011	37,969
Other Financing Sources (Uses)				
Sale of Capital Assets.....	—	28,735	28,735	—
Transfers In.....	13,365	16,496	16,496	—
Transfers Out.....	(103,643)	(118,186)	(118,186)	—
Total Other Financing Sources (Uses).....	(90,278)	(72,955)	(72,955)	0
Net Change in Fund Balance.....	(9,083)	(55,913)	(17,944)	37,969
Budgetary Fund Balance – Beginning.....	448,324	448,324	448,324	—
Budgetary Fund Balance – Ending.....	\$ 439,241	\$ 392,411	\$ 430,380	\$ 37,969

The [Information About Budgetary Reporting](#) is an integral part of this schedule.

**Budgetary Comparison Schedule
Budget to GAAP Reconciliation**
(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	General Fund	Education Fund	Transportation Fund
Revenues			
Actual total revenues (budgetary basis)	\$ 8,913,941	\$ 5,009,266	\$ 1,222,168
Differences – Budget to GAAP:			
Intrafund revenues are budgetary revenues but are not revenues for financial reporting	(583,932)	—	(4,261)
Higher education and Utah Schools for the Deaf and the Blind collections are budgetary revenues but are not revenues for financial reporting	(918,923)	(9,643)	—
Change in revenue accrual for nonbudgetary Medicaid claims	(10,520)	—	—
Change in tax accruals designated by law and other liabilities are revenues for financial reporting but not for budgetary reporting	20,678	799,298	(6,560)
Federal revenue related to pandemic relief moved to the Unemployment Compensation Fund for financial reporting purposes	(100,172)	—	—
Change in estimated federal receivables recorded as revenues for financial reporting but not for budgetary reporting	—	2,972	—
Education related collections that are revenues for financial reporting but not for budgetary reporting	—	309	—
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u>\$ 7,321,072</u>	<u>\$ 5,802,202</u>	<u>\$ 1,211,347</u>
Expenditures			
Actual total expenditures (budgetary basis)	\$ 9,710,235	\$ 4,421,998	\$ 1,167,157
Differences – Budget to GAAP:			
Intrafund expenditures for reimbursements are budgetary expenditures but are not expenditures for financial reporting	(583,932)	—	(4,261)
Expenditures related to higher education and Utah Schools for the Deaf and the Blind collections are budgetary expenditures but are not expenditures for financial reporting	(918,923)	(9,643)	—
Certain budgetary transfers and other charges are reported as an increase or reduction of expenditures for financial reporting	8,155	—	—
Leave charges budgeted as expenditures when earned rather than when taken or due	(836)	(41)	(220)
Change in estimated liabilities recorded as expenditures for financial reporting but not for budgetary reporting	—	(3,777)	—
Change in accrual for Medicaid (incurred but not reported) claims excluded from the budget by statute	(13,958)	—	—
Budgetary expenditures related to medical personal protective equipment (PPE) that remains in inventory at yearend	(26,968)	—	—
Budgetary expenditures for unemployment insurance benefits related to pandemic relief moved to the Unemployment Compensation Fund for reporting purposes	(100,172)	—	—
Expenditures for financial reporting purposes but not for budgetary purposes	—	170	—
Change in accrual for Rehabilitation (incurred but not reported) claims excluded from the budget by statute	55	—	—
Taxpayer rebates budgeted as revenue offset but recorded as expenditures for financial reporting	5,857	—	—
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u>\$ 8,079,513</u>	<u>\$ 4,408,707</u>	<u>\$ 1,162,676</u>

The [Information About Budgetary Reporting](#) is an integral part of this schedule.

INFORMATION ABOUT BUDGETARY REPORTING

Budgetary Presentation

A Budgetary Comparison Schedule is presented for the General Fund and each of the State's major special revenue funds for which the Legislature enacts an annual budget. An annual budget is also adopted for the Transportation Investment Fund, a major capital projects fund, the Debt Service Fund, a nonmajor governmental fund, and the Alcoholic Beverage Control Fund, a nonmajor enterprise fund. The budgets are enacted through passage of *Appropriations Acts*. Budgets for specific general revenues are not adopted through an *Appropriations Act*, but are based on supporting estimates approved by the Executive Appropriations Committee of the Legislature. General revenues are those revenues available for appropriation for any program or purpose as allowed by law. Department-specific revenues are revenues dedicated by an *Appropriations Act* or restricted by other law or external grantor to a specific program or purpose.

Original budgets and related revenue estimates represent the spending authority enacted through *Appropriations Acts* as of June 30, 2020, and include nonlapsing carryforward balances from the prior fiscal year. Final budgets represent the original budget as amended by supplemental appropriations and related changes in revenue estimates, executive order reductions when applicable, and changes authorized or required by law when department-specific revenues either exceed or fall short of budgeted amounts.

Unexpended balances at yearend may: (1) lapse to unrestricted balances (committed, assigned, or unassigned) and be available for future appropriation; (2) lapse to restricted balances and be available for future appropriation restricted for specific purposes as defined by statute; or (3) be nonlapsing, which means balances are reported as either restricted or committed fund balance. The nonlapsing balances are considered automatically reappropriated as authorized by statute, by an *Appropriations Act*, or by limited encumbrances.

Budgetary Control

In September of each year, all agencies of the government submit requests for appropriations to the Governor's Office of Management and Budget so that a budget may be prepared. The budget is prepared by fund, function, and activity and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

In January, the Governor recommends a budget to the Legislature. The Legislature considers those recommendations and prepares a series of *Appropriations Acts* that modify the State budget for the current year and constitute the State budget for the following year. The Legislature passes the *Appropriations Acts* by a simple majority vote. The *Appropriations Acts* becomes the State's authorized operating budget upon the Governor's signature. The *Constitution of Utah* requires that budgeted expenditures not exceed estimated revenues and other sources of funding, including beginning balances.

Budgetary control is maintained at the functional or organizational level, as identified by numbered line items in the *Appropriations Acts*. Budgets may be modified if federal funding or revenue specifically dedicated for a line item exceeds original estimates in the *Appropriations Acts*. If funding sources are not sufficient to cover the appropriation, the Governor is required to reduce the budget by the amount of the deficiency. Any other changes to the budget must be approved by the Legislature in a supplemental *Appropriations Act*.

Any department that spends more than the authorized amount must submit a report explaining the overspending to the State Board of Examiners. The Board will recommend corrective action, which may include a request to the Legislature for a supplemental appropriation to cover the deficit. If a supplemental appropriation is not approved, the department must cover the overspending with the subsequent year's budget. However, during the 2020 Third Special Session of the Legislature, House Bill 3002, Appropriations Revisions, the Legislature determined that an agency with an over expended line item as a result of a budget reduction due to the COVID-19 pandemic would not be required to report to the Board of Examiners. The Department of Agriculture and Food's budget for Invasive Species Mitigation was overexpended by \$473 thousand and the Rangeland Improvement budget by \$44 thousand due to these budget reductions. The Attorney General's budget for state settlement agreements was over expended by \$83 thousand and will be subject to review by the State Board of Examiners. All other appropriated budgets of the State were within their authorized spending levels.

Spending Limitation

The State also has an appropriation limitation statute that limits the growth in state appropriations. The total of the amount appropriated from unrestricted General Fund sources plus the income tax revenues appropriated for higher education is limited to the growth in population and inflation. The appropriations limitation can be exceeded only if a fiscal emergency is declared and approved by more than two-thirds of both houses of the Legislature, or if approved by a vote of the people. However, the appropriations limitation statute may be amended by a majority of both houses of the Legislature. Appropriations for debt service, emergency expenditures, amounts from other than unrestricted revenue sources, transfers to the Budgetary Reserve Account (Rainy Day Fund), Education Budget Reserve Account and the Transportation Investment Fund; or capital developments meeting certain criteria are exempt from the appropriations limitation. For the fiscal year ended June 30, 2020, the State was \$718.732 million below the appropriations limitation.

INFORMATION ABOUT THE STATE'S PENSION PLANS**A. Single-employer Plans - Utah Retirement Systems**

The State's defined benefit pension systems/plan is administered by Utah Retirement Systems and is included in this Comprehensive Annual Financial Report as a pension trust fund within the fiduciary funds. The Judges System and the Utah Governors and Legislators Retirement Plan are single-employer service retirement plans.

The following schedules present for the State's (primary government) single-employer retirement plans Changes in the Net Pension Liability and Related Ratios and Schedule of Employer Contributions.

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Changes in Net Pension Liability
Single-employer Plans - Utah Retirement Systems
Last Five Calendar Years ending December 31 *
(dollars expressed in thousands)

Judges System	Calendar Year					
	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost.....	\$ 4,895	\$ 4,794	\$ 5,023	\$ 5,328	\$ 5,682	\$ 6,054
Interest.....	13,641	14,136	14,064	14,866	15,697	16,649
Difference between Actual and Expected Experience.....	2,602	171	1,995	809	7,873	7,617
Assumption Changes.....	(130)	—	2,885	13,067	—	—
Benefit Payments.....	(11,361)	(12,400)	(12,330)	(13,700)	(16,195)	(15,346)
Net Change in Total Pension Liability.....	9,647	6,701	11,637	20,370	13,057	14,974
Total Pension Liability – Beginning.....	182,638	192,285	198,986	210,623	230,993	244,050
Total Pension Liability – Ending.....	A \$ 192,285	\$ 198,986	\$ 210,623	\$ 230,993	\$ 244,050	\$ 259,024
Plan Fiduciary Net Position						
Contributions – Employee.....	\$ 317	\$ —	\$ —	\$ —	\$ —	\$ —
Contributions – Employer **.....	5,627	6,555	7,382	7,563	8,091	8,500
Court Fees ***.....	1,486	1,653	1,470	1,477	1,518	1,536
Net Investment Income.....	11,068	2,842	13,820	23,435	(730)	27,775
Benefit Payments.....	(11,361)	(12,400)	(12,330)	(13,621)	(16,111)	(15,346)
Administrative Expense.....	(71)	(71)	(71)	(79)	(84)	(81)
Net Transfers with Affiliated Systems.....	1,092	1,334	1,600	4,090	4,403	2,339
Net Change in Plan Fiduciary Net Position.....	8,158	(87)	11,871	22,865	(2,913)	24,723
Plan Fiduciary Net Position – Beginning.....	155,676	163,834	163,747	175,618	198,483	195,570
Plan Fiduciary Net Position – Ending.....	B \$ 163,834	\$ 163,747	\$ 175,618	\$ 198,483	\$ 195,570	\$ 220,293
Net Pension Liability (A - B).....	\$ 28,451	\$ 35,239	\$ 35,005	\$ 32,510	\$ 48,480	\$ 38,731
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.....	85.20 %	82.29 %	83.38 %	85.93 %	80.14 %	85.05 %
Covered Payroll.....	\$ 15,264	\$ 16,372	\$ 16,755	\$ 18,661	\$ 18,802	\$ 19,596
Net Pension Liability as a Percentage of Covered Payroll.....	186.39 %	215.24 %	208.92 %	174.21 %	257.84 %	197.65 %
Utah Governors and Legislators Retirement Plan						
Total Pension Liability						
Service Cost.....	\$ 106	\$ 99	\$ 90	\$ 67	\$ 65	\$ 59
Interest.....	884	890	851	879	877	882
Difference between Actual and Expected Experience.....	307	(105)	167	182	139	(53)
Assumption Changes.....	—	—	241	264	—	—
Benefit Payments.....	(909)	(904)	(941)	(978)	(1,034)	(1,013)
Net Change in Total Pension Liability.....	388	(20)	408	414	47	(125)
Total Pension Liability – Beginning.....	11,879	12,267	12,247	12,655	13,069	13,116
Total Pension Liability – Ending.....	A \$ 12,267	\$ 12,247	\$ 12,655	\$ 13,069	\$ 13,116	\$ 12,991
Plan Fiduciary Net Position						
Contributions – Employer.....	\$ 411	\$ 421	\$ 421	\$ 404	\$ 392	\$ 384
Net Investment Income.....	717	181	849	1,353	(41)	1,481
Benefit Payments.....	(909)	(904)	(941)	(973)	(978)	(1,012)
Administrative Expense.....	(5)	(5)	(4)	(5)	(5)	(4)
Net Transfers with Affiliated Systems.....	(14)	(20)	(12)	89	(51)	(42)
Net Change in Plan Fiduciary Net Position.....	200	(327)	313	868	(683)	807
Plan Fiduciary Net Position – Beginning.....	10,166	10,366	10,039	10,352	11,220	10,537
Plan Fiduciary Net Position – Ending.....	B \$ 10,366	\$ 10,039	\$ 10,352	\$ 11,220	\$ 10,537	\$ 11,344
Net Pension Liability (A - B).....	\$ 1,901	\$ 2,208	\$ 2,303	\$ 1,849	\$ 2,579	\$ 1,647
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.....	84.50 %	81.97 %	81.80 %	85.85 %	80.34 %	87.32 %
Covered Payroll.....	\$ 1,045	\$ 946	\$ 799	\$ 722	\$ 639	\$ 639
Net Pension Liability as a Percentage of Covered Payroll.....	181.91 %	233.40 %	288.24 %	256.09 %	403.60 %	257.75 %

* The State of Utah adopted GASB Statement 68 in fiscal year 2015. This schedule will eventually include ten years of history.

** Employer-paid contributions for the Judges System include a 3.00 percent retirement increase (substantial substitute) that is not reflected in this schedule.

*** These court fees were recognized as revenue for support provided by nonemployer contributing entities.

State of Utah

Required Supplementary Information

Contributions – The following schedule presents a ten year history of the State’s (primary government) contributions to the Utah Retirement Systems for its single-employer plans:

Employer Contributions Single-employer Plans - Utah Retirement System (dollars expressed in thousands)

Last Ten Fiscal Years		Contributions in Relation to the Contractually Required Contribution						Contributions as a Percentage of Covered Payroll
	Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll			
Judges System	2011	\$ 3,475	\$ 3,475	\$ 0	\$ 14,650			23.72 %
	2012	\$ 3,839	\$ 3,839	\$ 0	\$ 14,870			25.82 %
	2013	\$ 4,910	\$ 4,910	\$ 0	\$ 14,937			32.87 %
	2014	\$ 5,335	\$ 5,335	\$ 0	\$ 14,989			35.59 %
	2015	\$ 6,179	\$ 6,179	\$ 0	\$ 15,453			39.99 %
	2016	\$ 7,154	\$ 7,154	\$ 0	\$ 17,204			41.58 %
	2017	\$ 7,728	\$ 7,728	\$ 0	\$ 18,347			42.12 %
	2018	\$ 7,958	\$ 7,958	\$ 0	\$ 18,641			42.69 %
	2019	\$ 8,501	\$ 8,501	\$ 0	\$ 19,462			43.68 %
	2020	\$ 8,800	\$ 8,800	\$ 0	\$ 20,114			43.75 %
Utah Governors and Legislators Retirement Plan	2011	\$ 153	\$ 153	\$ 0	\$ 771			19.84 %
	2012	\$ 214	\$ 214	\$ 0	\$ 757			28.27 %
	2013	\$ 252	\$ 252	\$ 0	\$ 1,431			17.61 %
	2014	\$ 411	\$ 411	\$ 0	\$ 1,783			23.05 %
	2015	\$ 411	\$ 411	\$ 0	\$ 1,751			23.47 %
	2016	\$ 421	\$ 421	\$ 0	\$ 943			44.64 %
	2017	\$ 421	\$ 421	\$ 0	\$ 799			52.69 %
	2018	\$ 392	\$ 392	\$ 0	\$ 860			45.58 %
	2019	\$ 384	\$ 384	\$ 0	\$ 848			45.28 %
	2020	\$ 369	\$ 369	\$ 0	\$ 639			57.75 %

Footnotes to Single-employer Plans - Utah Retirement Systems Schedule of Contributions

Methods and Assumptions Used to Determine Contribution Rates

	Judges System	Utah Governors and Legislators Retirement Plan
Actuarial cost method	Entry Age	Entry Age
Amortization method	Level Percent of Payroll	Level Dollar Amount
Amortization period	Open Group 20 -Year Open Period	Closed Group 16-Year Closed Period
Actuarial asset valuation method	Based on the total fair value income of investments with the excess or shortfall of actual investment income over or under the expected investment return smoothed over 5 years. One-fifth of the excess or shortfall is recognized each year for five years.	
Actuarial assumptions:		
Investment rate of return		6.95%
Projected salary increases**	3.25%	None
Inflation rate		2.50%
Post-retirement cost-of-living adjustment*		2.50%
Mortality: (Judges):	Male: 90% of 2017 Public Retirees of Utah (PR Utah) Mortality Table for males, projected with Scale AA from the year 2017. Female: 90% of 2017 Public Retirees of Utah (PR Utah) Mortality Table for females, projected with Scale AA from the year 2017.	
Mortality: (Utah Governors and Legislators):	Male: 110% of 2017 Public Retirees of Utah (PR Utah) Mortality Table for males, projected with Scale AA from the year 2017. Female: 110% of 2017 Public Retirees of Utah (PR Utah) Mortality Table for females, projected with Scale AA from the year 2017.	

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

**Composed of 2.50 percent inflation, plus 0.75 percent productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.

Footnotes to Single-employer Plans - Utah Retirement Systems Schedule of Contributions - *continued***Other Information:**

The actuarially determined contribution rates are calculated as of January 1 and become effective on July 1 of the following year, which is 18 months after the valuation date. The Utah Retirement Systems' Board certifies the contribution rates that employers are contractually required to contribute to the Retirement System. According to Section 49-11-301(5) of the *Utah Code*, if the funded ratio of the plan is less than 110 percent, then the Board is permitted to maintain the prior year's contribution rate if the actuarially determined contribution is lower. The Board has historically followed this policy.

Significant Changes to Methods and Assumptions Used to Determine Contribution Rates:

- Investment Rate of Return
In 2008, the actuarial assumed rate of return (the discount rate) was modified from 8 to 7.75 percent, and then again in 2011 down to 7.50 percent. In 2017, the discount rate was reduced to 7.20 percent and was again reduced in 2018 to 6.95 percent. This rate is used in establishing retirement contribution rates and in determining current benefit reserve requirements.
- Amortization
Changes implemented in 2009 included amortizing 2008 losses over the next 5 years (20 percent per year) and modifying the unfunded actuarial accrued liability (UAAL) amortization period from 20 to 25 years.
- Inflation Rate
In 2017, the assumed rate of inflation was decreased from 2.75 to 2.60 percent. In 2018, the assumed rate of inflation was decreased from 2.60 to 2.50 percent.
- Projected Salary Increases
In 2019, the wage inflation assumption decreased from 3.35 to 3.25 percent and payroll growth assumption also decreased from 3.10 to 3.00 percent.

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B. Single-employer Plans - Utah Transit Authority

Utah Transit Authority (UTA) (major discrete component unit) offers its employees a single-employer non-contributory defined benefit pension plan, The Utah Transit Authority Retirement Plan and Trust (Plan), which includes all employees of UTA who are eligible and who have completed six months of service.

The following schedules present for UTA's single-employer retirement plan Changes in the Net Pension Liability and Related Ratios and Schedule of Employer Contributions.

Changes in Net Pension Liability
Single-employer Plan - Utah Transit Authority
Last Five Calendar Years ending December 31 *

Utah Transit Authority	Calendar Year					
	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost	\$ 7,284	\$ 7,546	\$ 7,712	\$ 8,368	\$ 9,551	\$ 10,244
Interest	17,623	18,717	19,604	20,368	21,513	22,948
Voluntary Member Contributions	276	917	438	698	224	299
Differences between expected and actual experience	—	(1,973)	(927)	4,916	4,893	3,348
Assumption Changes	—	7,725	(3,956)	5,079	—	—
Benefit Payments	(10,181)	(11,555)	(12,981)	(13,008)	(15,475)	(17,303)
Net Change in Total Pension Liability	15,002	21,377	9,890	26,421	20,706	19,536
Total Pension Liability – Beginning	232,691	247,693	269,070	278,960	305,381	326,087
Total Pension Liability – Ending	A \$ 247,693	\$ 269,070	\$ 278,960	\$ 305,381	\$ 326,087	\$ 345,623
Plan Fiduciary Net Position						
Contributions – Employer	\$ 15,366	\$ 16,745	\$ 19,604	\$ 20,506	\$ 22,355	\$ 24,008
Contributions – Members	276	917	438	698	224	299
Net Investment Income	5,947	(1,085)	7,591	30,599	(16,630)	40,649
Benefit Payments	(10,181)	(11,555)	(12,981)	(13,008)	(15,475)	(17,303)
Administrative Expense	(220)	(244)	(249)	(325)	(440)	(434)
Net Change in Plan Fiduciary Net Position	11,188	4,778	14,403	38,470	(9,966)	47,219
Plan Fiduciary Net Position – Beginning	135,666	146,854	151,632	166,035	204,505	194,539
Plan Fiduciary Net Position – Ending	B \$ 146,854	\$ 151,632	\$ 166,035	\$ 204,505	\$ 194,539	\$ 241,758
Net Pension Liability (A - B)	\$ 100,839	\$ 117,438	\$ 112,925	\$ 100,876	\$ 131,548	\$ 103,865
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.29 %	56.35 %	59.52 %	66.97 %	59.66 %	69.95 %
Covered Payroll	\$ 106,004	\$ 110,727	\$ 115,431	\$ 126,691	\$ 132,521	\$ 141,183
Net Pension Liability as a Percentage of Covered Payroll	95.13 %	106.06 %	97.83 %	79.62 %	99.27 %	73.57 %

* The Utah Transit Authority adopted GASB Statement 68 in calendar year 2014. This schedule will eventually include ten years of history.

Contributions – The following schedule presents a ten-year history of UTA's (major discrete component unit) contributions to its single-employer plan:

Employer Contributions
Single-employer Plans - Utah Transit Authority
(dollars expressed in thousands)

Last Ten Calendar Years						
	Calendar Year	Actuarial Required Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Utah Transit Authority	2010	\$ 10,048	\$ 10,048	\$ 0	\$ 93,259	10.77 %
	2011	\$ 10,115	\$ 10,115	\$ 0	\$ 91,265	11.08 %
	2012	\$ 12,206	\$ 11,646	\$ 560	\$ 96,750	12.04 %
	2013	\$ 14,352	\$ 13,338	\$ 1,014	\$ 102,100	13.06 %
	2014	\$ 14,757	\$ 15,367	\$ (610)	\$ 106,004	14.50 %
	2015	\$ 16,609	\$ 16,745	\$ (136)	\$ 110,727	15.12 %
	2016	\$ 17,148	\$ 19,604	\$ (2,456)	\$ 115,431	16.98 %
	2017	\$ 20,270	\$ 20,506	\$ (236)	\$ 126,691	16.19 %
	2018	\$ 21,203	\$ 22,355	\$ (1,152)	\$ 132,521	16.87 %
	2019	\$ 22,241	\$ 24,008	\$ (1,767)	\$ 141,813	16.93 %

Footnotes to Single-employer Plans - Utah Transit Authority Schedule of Contributions

Methods and Assumptions Used to Determine Contribution Rates

	Utah Transit Authority
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, open
Amortization period	18 years
Actuarial asset valuation method	5-year smoothed market less unrealized
Actuarial assumptions:	
Investment rate of return	7.00%, net of investment expenses
Projected salary increases	5.40% per annum for the first five years of employment; 3.40% per annum thereafter
Inflation rate	2.30%
Cost-of-living adjustment	None
Retirement Age	Table of Rates by Age and Eligibility
Mortality	RP-2014 Blue Collar Mortality Table, with MP-2014 projection scale (Preretirement; Employee Table; Post-retirement Annuitant Table)

Other Information:

The valuation date is January 1, 2019. This is the date as of which the actuarial valuation is performed. The measurement date is December 31, 2019. This is the date as of which the net pension liability is determined. The reporting date is December 31, 2019. This is the employer's fiscal year ending date.

Money-Weighted Rate of Return - 10 Years

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow each month. The money-weighted rate of return is calculated net of investment expenses.

Schedule of Investment Returns

Single-employer Plans - Utah Transit Authority

Last Ten Calendar Years		
	Calendar Year*	Annual Money-Weighted Rate of Return (Net of Investment Expense)
Utah Transit Authority.....	2014	4.31 %
	2015	(0.72)%
	2016	4.90 %
	2017	18.01 %
	2018	(7.77)%
	2019	20.56 %

* Utah Transit Authority adopted GASB Statements 74, 75, and 85 in calendar year 2014. This schedule will eventually include ten years of history.

C. Multiple-employer Systems - Utah Retirement Systems

The State's defined benefit pension systems are administered by Utah Retirement Systems and are included in this Comprehensive Annual Financial Report as a pension trust fund within the fiduciary funds. The Noncontributory System, Contributory System, Public Safety System, Firefighters System, Tier 2 Public Employees System, and Tier 2 Public Safety and Firefighters System are defined-benefit multiple-employer, cost-sharing, public employee retirement systems.

The following schedule presents the State's (primary government) proportionate share of the net pension liability for its multiple-employer, cost-sharing public employee employer retirement systems:

Changes in Net Pension Liability
Multiple-employer Plans
Last Four Calendar Years ending December 31*
(dollars expressed in thousands)

	Calendar Year					
	2014	2015	2016	2017	2018	2019
Noncontributory System						
Proportion of the Net Pension Liability (Asset)	24.07%	23.84%	24.46%	23.46%	23.02%	24.51%
Proportionate Share of the Net Pension Liability (Asset)	\$604,765	\$748,863	\$792,635	\$573,675	\$856,314	\$544,490
Covered Payroll	\$645,747	\$630,251	\$639,263	\$598,938	\$585,155	\$574,935
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	93.65%	118.82%	123.99%	95.78%	146.34%	94.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.20%	87.20%	84.90%	89.20%	84.10%	90.10%
Contributory System						
Proportion of the Net Pension Liability (Asset)	34.02%	32.52%	30.90%	30.98%	28.85%	37.51%
Proportionate Share of the Net Pension Liability (Asset)	\$3,731	\$20,378	\$16,932	\$2,039	\$20,484	\$2,590
Covered Payroll	\$12,280	\$10,301	\$8,283	\$7,049	\$5,599	\$4,185
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	30.38%	197.83%	204.42%	28.93%	365.85%	61.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.70%	92.40%	93.40%	99.20%	91.40%	98.90%
Public Safety System						
Proportion of the Net Pension Liability (Asset)	98.11%	97.81%	97.73%	97.53%	97.56%	97.15%
Proportionate Share of the Net Pension Liability (Asset)	\$182,306	\$210,570	\$208,964	\$169,585	\$233,535	\$143,463
Covered Payroll	\$111,391	\$109,909	\$112,155	\$107,429	\$106,255	\$103,529
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	163.66%	191.59%	186.32%	157.86%	219.79%	138.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.30%	82.30%	83.50%	87.40%	83.20%	90.00%
Firefighters System						
Proportion of the Net Pension Liability (Asset)	2.59%	3.90%	4.30%	3.84%	3.80%	3.84%
Proportionate Share of the Net Pension Liability (Asset)	\$(148)	\$(71)	\$(34)	\$(240)	\$494	\$(476)
Covered Payroll	\$851	\$1,047	\$1,208	\$1,123	\$1,175	\$1,230
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	(17.39)%	(6.78)%	(2.81)%	(21.37)%	42.04%	(38.70)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	103.50%	101.00%	100.40%	103.00%	94.30%	105.00%
Tier 2 Public Employees System						
Proportion of the Net Pension Liability (Asset)	17.95%	17.66%	19.04%	18.41%	18.15%	18.16%
Proportionate Share of the Net Pension Liability (Asset)	\$(544)	\$(39)	\$2,123	\$1,623	\$7,772	\$4,085
Covered Payroll	\$88,068	\$114,106	\$156,103	\$180,218	\$211,942	\$252,493
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	(0.62)%	(0.03)%	1.36%	0.90%	3.67%	1.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	103.50%	100.20%	95.10%	97.40%	90.80%	96.50%
Tier 2 Public Safety and Firefighters System						
Proportion of the Net Pension Liability (Asset)	26.64%	25.84%	26.95%	25.32%	24.07%	22.04%
Proportionate Share of the Net Pension Liability (Asset)	\$(394)	\$(377)	\$(234)	\$(293)	\$603	\$2,073
Covered Payroll	\$11,011	\$15,378	\$22,263	\$26,727	\$32,199	\$36,331
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	(3.58)%	(2.45)%	(1.05)%	(1.10)%	1.87%	5.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	120.50%	110.70%	103.60%	103.00%	95.60%	89.60%

* The State of Utah adopted GASB Statement 68 in fiscal year 2015. This schedule will eventually include ten years of history.

Contributions - The following schedule presents a ten year history of the State's (primary government) contributions to the Utah Retirement Systems for its multiple-employer, cost-sharing public employee employer retirement systems:

Employer Contributions
Multiple-employer Plans
(dollars expressed in thousands)

Last Ten Fiscal Years

	Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Noncontributory System	2011	\$ 117,029	\$ 117,029	\$ 0	\$ 717,445	16.31 %
	2012	\$ 116,876	\$ 116,876	\$ 0	\$ 705,969	16.56 %
	2013	\$ 129,519	\$ 129,519	\$ 0	\$ 681,504	19.00 %
	2014	\$ 139,990	\$ 139,990	\$ 0	\$ 656,413	21.33 %
	2015	\$ 139,126	\$ 139,126	\$ 0	\$ 636,665	21.85 %
	2016	\$ 136,246	\$ 136,246	\$ 0	\$ 623,605	21.85 %
	2017	\$ 138,041	\$ 138,041	\$ 0	\$ 631,040	21.88 %
	2018	\$ 129,414	\$ 129,414	\$ 0	\$ 591,404	21.88 %
	2019	\$ 126,809	\$ 126,809	\$ 0	\$ 579,713	21.87 %
	2020	\$ 124,841	\$ 124,841	\$ 0	\$ 570,952	21.87 %
Contributory System	2011	\$ 2,154	\$ 2,154	\$ 0	\$ 18,204	11.83 %
	2012	\$ 2,012	\$ 2,012	\$ 0	\$ 16,266	12.37 %
	2013	\$ 2,129	\$ 2,129	\$ 0	\$ 14,919	14.27 %
	2014	\$ 2,114	\$ 2,114	\$ 0	\$ 13,238	15.97 %
	2015	\$ 1,985	\$ 1,985	\$ 0	\$ 11,215	17.70 %
	2016	\$ 1,623	\$ 1,623	\$ 0	\$ 9,171	17.70 %
	2017	\$ 1,373	\$ 1,373	\$ 0	\$ 7,756	17.70 %
	2018	\$ 1,118	\$ 1,118	\$ 0	\$ 6,317	17.70 %
	2019	\$ 863	\$ 863	\$ 0	\$ 4,875	17.70 %
	2020	\$ 671	\$ 671	\$ 0	\$ 3,790	17.70 %
Public Safety System	2011	\$ 36,418	\$ 36,418	\$ 0	\$ 111,277	32.73 %
	2012	\$ 38,733	\$ 38,733	\$ 0	\$ 118,083	32.80 %
	2013	\$ 42,054	\$ 42,054	\$ 0	\$ 115,261	36.49 %
	2014	\$ 44,472	\$ 44,472	\$ 0	\$ 112,858	39.41 %
	2015	\$ 43,893	\$ 43,893	\$ 0	\$ 110,125	39.86 %
	2016	\$ 43,850	\$ 43,850	\$ 0	\$ 109,288	40.12 %
	2017	\$ 44,808	\$ 44,808	\$ 0	\$ 111,465	40.20 %
	2018	\$ 43,333	\$ 43,333	\$ 0	\$ 107,565	40.29 %
	2019	\$ 42,189	\$ 42,189	\$ 0	\$ 104,652	40.31 %
	2020	\$ 40,972	\$ 40,972	\$ 0	\$ 101,946	40.19 %
Firefighters System	2011	\$ 13	\$ 13	\$ 0	\$ 777	1.67 %
	2012	\$ 5	\$ 5	\$ 0	\$ 1,021	0.49 %
	2013	\$ 27	\$ 27	\$ 0	\$ 1,033	2.61 %
	2014	\$ 22	\$ 22	\$ 0	\$ 935	2.35 %
	2015	\$ 34	\$ 34	\$ 0	\$ 897	3.79 %
	2016	\$ 46	\$ 46	\$ 0	\$ 1,164	3.95 %
	2017	\$ 47	\$ 47	\$ 0	\$ 1,216	3.87 %
	2018	\$ 43	\$ 43	\$ 0	\$ 1,086	3.96 %
	2019	\$ 58	\$ 58	\$ 0	\$ 1,260	4.60 %
	2020	\$ 50	\$ 50	\$ 0	\$ 1,084	4.61 %
Tier 2 Public Employees System	2011	—	—	—	—	—
	2012	\$ 1,492	\$ 1,492	\$ 0	\$ 19,662	7.59 %
	2013	\$ 4,395	\$ 4,395	\$ 0	\$ 51,339	8.56 %
	2014	\$ 6,390	\$ 6,390	\$ 0	\$ 75,172	8.50 %
	2015	\$ 18,280	\$ 18,280	\$ 0	\$ 100,055	18.27 %

Continues

Last Ten Fiscal Years

	Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
	2016	\$ 24,358	\$ 24,358	\$ 0	\$ 133,543	18.24 %
	2017	\$ 31,467	\$ 31,467	\$ 0	\$ 172,519	18.24 %
	2018	\$ 36,277	\$ 36,277	\$ 0	\$ 196,807	18.43 %
	2019	\$ 44,102	\$ 44,102	\$ 0	\$ 233,714	18.87 %
	2020	\$ 51,492	\$ 51,492	\$ 0	\$ 271,156	18.99 %
Tier 2 Public Safety and Firefighters System.....	2011	—	—	—	—	—
	2012	\$ 56	\$ 56	\$ 0	\$ 536	10.45 %
	2013	\$ 506	\$ 506	\$ 0	\$ 4,558	11.10 %
	2014	\$ 1,002	\$ 1,002	\$ 0	\$ 9,091	11.02 %
	2015	\$ 3,711	\$ 3,711	\$ 0	\$ 12,751	29.10 %
	2016	\$ 5,349	\$ 5,349	\$ 0	\$ 18,448	29.00 %
	2017	\$ 7,248	\$ 7,248	\$ 0	\$ 24,965	29.03 %
	2018	\$ 8,534	\$ 8,534	\$ 0	\$ 29,390	29.04 %
	2019	\$ 10,266	\$ 10,266	\$ 0	\$ 34,716	29.57 %
	2020	\$ 11,406	\$ 11,406	\$ 0	\$ 38,469	29.65 %

Footnotes to Multiple-employer Systems Schedule of Contributions

This schedule reflects the legislative authorized rates and contributions for these systems. Tier 2 rates include a statutory required contribution (0.08 to 18.54 percent amortization rate) to finance the unfunded actuarial accrued liability of the non-Tier 2 plans.

Significant Changes to Methods and Assumptions Used to Determine Contribution Rates:

- Investment Rate of Return
In 2008, the actuarial assumed rate of return (the discount rate) was modified from 8 to 7.75 percent, and then again in 2011 down to 7.50 percent. In 2017, the discount rate was reduced to 7.20 percent and was again reduced in 2018 to 6.95 percent. This rate is used in establishing retirement contribution rates and in determining current benefit reserve requirements.
- Amortization
Changes implemented in 2009 included amortizing 2008 losses over the next 5 years (20 percent per year) and modifying the unfunded actuarial accrued liability (UAAL) amortization period from 20 to 25 years.
- Inflation Rate
In 2017, the assumed rate of inflation was decreased from 2.75 to 2.60 percent. In 2018, the assumed rate of inflation was decreased from 2.60 to 2.50 percent.
- Projected Salary Increases
In 2019, the wage inflation assumption decreased from 3.35 to 3.25 percent and the payroll growth assumption also decreased from 3.10 to 3.00 percent.
- Other
In 2020, as a result of the passage of Senate Bill 129 in the 2019 General Session, the retirement rates for members in the Tier 2 Public Safety and Firefighter Hybrid System have been modified to be the same as the assumption used to model the retirement pattern in the Tier I Public Safety and Firefighter Systems, except for a 10 percent load at first eligibility for un-reduced retirement prior to age 65.

New Retirement Plans:

During the 2010 General Session, the Legislature passed Senate Bill 63, *New Public Employees' Tier 2 Contributory Retirement Act*. 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 Systems.

Restatement:

As a result of implementing GASB Statement 82, Pension Issues, payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are no longer reflected in this schedule.

INFORMATION ABOUT THE STATE'S OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

A. Single-employer Plans

The State administers two single-employer Other Postemployment Benefit (OPEB) Plans, the State Employee OPEB Plan and the Elected Official OPEB Plan. The State Employee OPEB Plan and the Elected Official OPEB Plan are administered through two separate irrevocable trusts; the State Post-Retirement Benefits Trust Fund and Elected Official Post-Retirement Benefits Trust Fund, respectively. Assets of the trust funds are dedicated to providing postemployment health and life insurance coverage to current and eligible future state retirees and elected officials.

The following schedules present, for the State's (primary government) single-employer OPEB Plans, the Changes in the Net OPEB Liability and Related Ratios, Schedule of Employer Contributions, and Schedule of Investment Returns.

Changes in Net OPEB Liability
Single-employer Plans
(expressed in thousands)

State Employee Plan	Fiscal Year *			
	2020	2019	2018	2017
Total OPEB Liability				
Service Cost	\$ 5,766	\$ 5,189	\$ 5,063	\$ 4,939
Interest	9,944	12,749	13,219	13,661
Difference between Actual and Expected Experience	(13,426)	(28,055)	—	—
Assumption Changes	—	31,163	—	—
Benefit Payments	(29,605)	(30,560)	(31,339)	(30,158)
Net Change in Total OPEB Liability	(27,321)	(9,514)	(13,057)	(11,558)
Total OPEB Liability – Beginning	340,402	349,916	362,973	374,531
Total OPEB Liability – Ending	A \$ 313,081	\$ 340,402	\$ 349,916	\$ 362,973
Plan Fiduciary Net Position				
Contributions – Employer	\$ 26,663	\$ 26,510	\$ 29,735	\$ 33,361
Net Investment Income (Loss)	25,638	24,082	(2,065)	14,194
Benefit Payments	(29,605)	(30,560)	(31,339)	(30,158)
Net Transfers with Affiliated Systems	—	356	961	—
Net Change in Plan Fiduciary Net Position	22,696	20,388	(2,708)	17,397
Plan Fiduciary Net Position – Beginning	271,852	251,464	254,172	236,775
Plan Fiduciary Net Position – Ending	B \$ 294,548	\$ 271,852	\$ 251,464	\$ 254,172
Net OPEB Liability (A - B)	\$ 18,533	\$ 68,550	\$ 98,452	\$ 108,801
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.08 %	79.86%	71.86%	70.03%
Covered Payroll **	\$ 1,085,103	\$ 1,032,288	\$ 994,839	\$ 966,279
Net OPEB Liability as a Percentage of Covered Payroll	1.71 %	6.64 %	9.90 %	11.26 %
Elected Official OPEB Plan				
Total OPEB Liability				
Service Cost	\$ 214	\$ 733	\$ 715	\$ 698
Interest	902	908	850	789
Difference between Actual and Expected Experience	63	(245)	—	—
Assumption Changes	—	(347)	—	—
Benefit Payments	(864)	(412)	(534)	(503)
Net Change in Total OPEB Liability	315	637	1,031	984
Total OPEB Liability – Beginning	17,403	16,766	15,735	14,751
Total OPEB Liability – Ending	A \$ 17,718	\$ 17,403	\$ 16,766	\$ 15,735
Plan Fiduciary Net Position				
Contributions – Employer	\$ 1,388	\$ 1,388	\$ 1,388	\$ 1,388
Net Investment Income	1,043	1,287	667	1,214
Benefit Payments	(864)	(412)	(534)	(503)
Net Transfers with Affiliated Systems	—	—	1	—
Net Change in Plan Fiduciary Net Position	1,567	2,263	1,522	2,099
Plan Fiduciary Net Position – Beginning	15,865	13,602	12,080	9,981
Plan Fiduciary Net Position – Ending	B \$ 17,432	\$ 15,865	\$ 13,602	\$ 12,080
Net OPEB Liability (A - B)	\$ 286	\$ 1,538	\$ 3,164	\$ 3,655
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	98.39 %	91.16%	81.13%	76.77%
Covered-employee Payroll **	\$ 1,144	\$ 1,317	\$ 1,421	\$ 1,478
Net OPEB Liability as a Percentage of Covered-employee Payroll	25.00 %	116.78 %	222.66 %	247.29 %

* The State of Utah adopted GASB Statements 74, 75, and 85 in fiscal year 2017. This schedule will eventually include ten years of history.

** Contributions to the State Employee Plan are based on a measure of pay, therefore covered payroll is presented in the above schedule. Contributions to the Elected Officials OPEB Plan are based on appropriations and not on a measure of pay; therefore, for that plan the covered-employee payroll is presented.

Contributions – The following schedule presents a ten year history of the State's (primary government) contributions to its single-employer OPEB plans, the State Employee OPEB Plan and Elected Official OPEB Plan.

Employer Contributions – OPEB Plans
Single-employer Plans
(expressed in thousands)

Last Ten Fiscal Years		Contributions in Relation to the Actuarially Determined Contribution					Contributions as a Percentage of Covered Payroll
	Fiscal Year	Actuarially Determined Contribution	Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll*		
State Employee OPEB Plan.....	2011	\$ 43,819	\$ 43,819	\$ 0	\$ 870,590		5.03 %
	2012	\$ 37,594	\$ 43,293	\$ (5,699)	\$ 866,012		5.00 %
	2013	\$ 37,594	\$ 38,070	\$ (476)	\$ 874,401		4.35 %
	2014	\$ 30,342	\$ 30,342	\$ 0	\$ 888,806		3.41 %
	2015	\$ 30,342	\$ 30,342	\$ 0	\$ 905,895		3.35 %
	2016	\$ 29,100	\$ 35,683	\$ (6,583)	\$ 942,630		3.79 %
	2017	\$ 29,100	\$ 33,361	\$ (4,261)	\$ 966,279		3.45 %
	2018	\$ 29,100	\$ 29,735	\$ (635)	\$ 994,839		2.99 %
	2019	\$ 25,928	\$ 26,510	\$ (582)	\$ 1,032,288		2.57 %
	2020	\$ 25,928	\$ 26,663	\$ (735)	\$ 1,085,103		2.46 %
Elected Official OPEB Plan.....	2011	—	—	—	—		—
	2012	\$ 1,894	\$ 3,470	\$ (1,576)	\$ 757		458.39 %
	2013	\$ 1,894	\$ 2,030	\$ (136)	\$ 1,431		141.86 %
	2014	\$ 1,321	\$ 2,030	\$ (709)	\$ 1,783		113.85 %
	2015	\$ 1,321	\$ 1,388	\$ (67)	\$ 1,751		79.27 %
	2016	\$ 1,241	\$ 1,388	\$ (147)	\$ 1,661		83.56 %
	2017	\$ 1,241	\$ 1,388	\$ (147)	\$ 1,478		93.91 %
	2018	\$ 1,241	\$ 1,388	\$ (147)	\$ 1,421		97.68 %
	2019	\$ 1,026	\$ 1,388	\$ (362)	\$ 1,317		105.39 %
	2020	\$ 1,026	\$ 1,388	\$ (362)	\$ 1,144		121.33 %

* Contributions to the State Employee OPEB Plan are based on a measure of pay, therefore covered payroll is presented in the above schedule. Contributions to the Elected Official OPEB Plan are based on appropriations and not on a measure of pay; therefore, the covered-employee payroll is presented for that plan.

Footnotes to Single-employer OPEB Plans Schedule of Contributions

Methods and Assumptions Used to Determine Contribution Rates

	State Employee OPEB Plan	Elected Official OPEB Plan
Actuarial cost method	Entry Age Normal Level Percent of Salary	
Amortization method	Level Dollar Closed Period	Level Dollar Open Period
Amortization period	5 years	10 years
Actuarial asset valuation method	Fair Value	
Actuarial assumptions:		
Investment rate of return	3.00%	5.25%
Projected salary increases	2.50%	N/A
Inflation rate	2.40%	
Health Care Cost Trends	Initial health care trend rate of 5.40% which declines to an ultimate rate of 3.94% by 2075. The health care trend rate assumptions used were developed using the 2019 SOA Long-Run Medical Cost Trend model.	

Other Information:

- The Actuarially Determined Contribution (ADC) is calculated biennially as of December 31 and is used to establish contributions to fund the plans on July 1, which is generally the fiscal year that begins 6 months after the valuation date. The OPEB Board recommends the ADC to the Governor and Legislature. The Legislature has historically fully funded the ADC.
- The State Employee OPEB Plan was closed to new entrants beginning January 1, 2006. This change to benefit terms was reflected in the subsequent December 31 valuation and reflected in the fiscal year 2010 ADC.
- Healthcare coverage (ages 62 to 65) for the Elected Official OPEB Plan was closed and is only available for elected officials who began service prior to January 1, 2012. This change to healthcare coverage was reflected in the fiscal year 2012 ADC. Benefit terms were changed again to allow only elected officials that began service prior to July 1, 2013 to receive Medicare coverage. This change to Medicare coverage was reflected in the subsequent December 31 valuation and reflected in the fiscal year 2014 ADC.

Significant Changes to Methods and Assumptions Used to Determine Contribution Rates:

- Investment Rate of Return:
In fiscal year 2012, the actuarial assumed rate of return (the discount rate) for the State Employee OPEB Plan was modified from 6.00 to 4.50 percent. In fiscal year 2014, the discount rate for the Elected Official OPEB Plan was modified from 4.00 to 4.50 percent. In fiscal year 2015, the discount rate for the Elected Official OPEB Plan was modified from 4.50 to 5.25 percent. In fiscal year 2019, the discount rate for the State Employee OPEB Plan was modified from 3.75 to 3.00 percent.
- Amortization Period:
In fiscal year 2012, the amortization period for the State Employee OPEB Plan was changed from a 25 year open to a 20 year open. The amortization period for State Employee OPEB Plan was changed again in fiscal year 2014 from a 20 year open to a 10 year open. In fiscal year 2012, the amortization period for the Elected Official OPEB Plan was changed from a 30 year open to a 20 year open. In fiscal year 2019, the amortization period for the Elected Official OPEB Plan was changed again from a 20 year open to a 10 year open.
- Healthcare Cost Trend Rates:
In fiscal year 2012, for both Plans, the health care cost trend rate changed from an initial rate of 10 to 9.50 percent. In fiscal year 2014, the healthcare cost trend rate changed from an initial rate of 9.50 to 8.50 percent, and changed again in fiscal year 2016 to an initial rate of 5.20 percent. In fiscal year 2016 the healthcare cost trend rate changed from an ultimate rate of 4.50 to 4.20 percent. In fiscal year 2019, the health care trend rate assumption was updated to reflect the latest cost trend model, resulting in a decrease of the initial and ultimate rates from 5.90 to 5.40 percent and 4.14 to 3.94 percent, respectively.
- Other:
In fiscal year 2019, the Per Capita Claims Costs (PCCC) aging factors were updated for pre-Medicare and post-Medicare retirees. The pre-Medicare PCCC now vary by age instead of 5-year age bands used in the prior valuation. Additionally, the post-Medicare PCCC varied by 5-year age bands in the prior valuation, but they are now based on the annualized premium rates provided for Medicare Supplement 100 and Enhanced Rx.

OPEB Plans
Schedule of Investment Returns
Single-employer Plans

Last Ten Fiscal Years	Fiscal Year*	Annual Money-Weighted Rate of Return (Net of Investment Expense)
State Employee OPEB Plan	2017	5.79 %
	2018	(0.43)%
	2019	9.72 %
	2020	9.96 %
Elected Official OPEB Plan	2017	11.24 %
	2018	5.09 %
	2019	11.65 %
	2020	7.20 %

* The State of Utah adopted GASB Statements 74, 75, and 85 in fiscal year 2017. This schedule will eventually include ten years of history.

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INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

As allowed by the Governmental Accounting Standards Board (GASB), the State has adopted an alternative to reporting depreciation on roads and bridges (infrastructure assets) maintained by the Utah Department of Transportation (UDOT). This includes infrastructure acquired prior to fiscal year 1981. Under this alternative method, referred to as the “modified approach,” infrastructure assets are not depreciated, and maintenance and preservation costs are expensed.

In order to utilize the modified approach, the State is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform and document replicable condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the State.
- Document that infrastructure assets are being preserved approximately at, or above the condition level established by the State.

Roads

UDOT uses the Pavement Management System to determine the condition of 5,859 centerline miles of state roads. The assessment is based on Ride Quality, using the International Roughness Index (IRI) data. This data is also reported to the Federal Highways Administration (FHWA) and used for the National Condition Assessment reported to Congress. Ranges for Good, Fair and Poor condition were established to correlate with the national FHWA ranges. Additional condition measures for age, wheel path rutting, and surface cracking are considered in project recommendations.

Category	IRI Range	Description
Good	< 95	Pavements that provide a smooth ride and typically exhibit few signs of visible distress suitable for surface seals and preservation.
Fair	95 to 170	Pavements with noticeable deterioration beginning to affect the ride in need of resurfacing.
Poor	> 170	Pavements with an unacceptable ride that have deteriorated to such an extent that they are in need of major rehabilitation.

Condition Level – Roads

UDOT performs pavement condition assessments at a minimum of every other calendar year. The State has established an overall condition target to assure the system is funded adequately and not at any financial risk to maintain. This target is to maintain the Statewide system with 80 percent or more of the mileage rated in “Fair or Better” condition. UDOT utilizes a number of additional strategies and performance measures for estimating long term performance and managing allocations of funds to different categories within the pavement system. These measures vary slightly in function and purpose, all seeking to help assure systems are performing well. Some of these additional measures include strategic goals for both High Volume and Low Volume systems, internal goals for each pavement category, and annual national performance targets for reporting to the Federal Highway Administration for the Interstate system and the National Highway system. Ultimately, these additional strategies and measures are only used as a mechanism to distribute funding and are adjusted as needed to assure the Statewide system remains with 80 percent or more of the pavement mileage rated in “Fair or Better” condition.

The following table reports the percentage of pavements with ratings of “Fair or Better” for the last three assessments for the Statewide system:

	2019	2018	2017
Statewide System	91.18%	91.40%	90.36%

The following table presents the State’s estimated amounts needed to maintain and preserve roads at or above the established condition levels addressed above, and the amounts actually spent for each of the past five reporting periods (in thousands):

Fiscal Year	Estimated Spending	Actual Spending
2020	\$291,630	\$400,733
2019	\$253,728	\$310,690
2018	\$252,563	\$307,815
2017	\$217,593	\$346,112
2016	\$202,516	\$291,847

Bridges

UDOT uses the Structures Inventory System to monitor the condition of the 1,965 state-owned bridges. A number, ranging from 1 to 100, is calculated based on condition, geometry, functional use, safety, and other factors. Three categories of condition are established in relation to the number range as follows:

Category	Range	Description
Good	80 - 100	Preventive maintenance requirements include repair leaking deck joints, apply deck overlays and seals, place concrete sealers to splash zones, paint steel surfaces, and minor beam repairs.
Fair	50 - 79	Corrective repairs include deck, beam, and substructure repairs, fixing settled approaches, and repairing collision damage.
Poor	1 - 49	Major rehabilitation and replacement includes deck, beam, or substructure replacements or replacement of the entire bridge.

Condition Level – Bridges

The State performs assessments on 50 percent of bridges on an annual basis. The established condition level is to maintain 50 percent of the bridges with a rating of “good” and no more than 10 percent with a rating of “poor.” The following table reports the results of the bridges assessed for the past three years:

Rating	2020	2019	2018
Good	61.63%	64.38%	64.52%
Poor	2.95%	2.91%	2.76%

The following table presents the State’s estimated amounts needed to maintain and preserve bridges at or above the established condition levels addressed above, and the amounts actually spent for each of the past five reporting periods (in thousands):

Fiscal Year	Estimated Spending	Actual Spending
2020	\$51,464	\$70,718
2019	\$44,775	\$54,828
2018	\$44,570	\$54,320
2017	\$38,399	\$61,079
2016	\$35,738	\$51,502

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STATE
OF UTAH

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2020

Supplementary Information



fires



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State Endowment Fund

This fund accounts for a portion of proceeds relating to the State's settlement agreement with major tobacco manufacturers, severance tax revenue in excess of statutory base amounts, and money or other assets authorized under any provision of law. The principal of the fund cannot be appropriated except by a three-fourths vote of both houses of the Legislature and with the concurrence of the Governor. One-half of all interest and dividends earned on tobacco settlement proceeds in this fund is deposited in the General Fund.

Environmental Reclamation

This fund consists of various programs aimed at preserving open land, improving irrigation in the State, funding recycling programs, and funding cleanup and reclamation projects. Funds received are from state appropriations, fees and fines, recovered liens and costs, and voluntary contributions.

Crime Victim Reparation

This fund accounts for court-ordered restitution and a surcharge on criminal fines, penalties, and forfeitures. Monies deposited in this fund are for victim reparations, other victim services, and, as appropriated, costs of administering the fund.

Universal Telephone Services

This fund is designed to preserve and promote universal telephone service throughout the State by ensuring that all citizens have access to affordable basic telephone service. Revenues come from surcharges on customers' phone bills and from fines and penalties levied against telephone service providers by the Public Service Commission.

Consumer Education Fund

This fund accounts for revenues and expenditures associated with educating and training Utah residents in various consumer matters. Funding is provided through the assessment and collection of fines and penalties from various regulated professions.

Rural Development Fund

This fund promotes various programs in rural areas of the State including construction of communications systems and economic development grants to Native American tribes. Funding comes from oil and gas severance taxes and from royalties on mineral extractions on federal land within the State.

Medicaid Expansion

This fund accounts for the funding and costs associated with the State's Adult Medicaid Expansion programs. The funding consists of hospital assessments collections, intergovernmental transfers, sales tax revenue earmarked for expansion, gifts, and legislative appropriations. Monies deposited in the fund are for the State's share of the costs associated with providing health care coverage for eligible adults.

Miscellaneous Special Revenue

This fund is made up of individual small funds set up to account for various revenue sources that are legally restricted to expenditures for specific purposes.

Capital Projects – General Government

This fund accounts for resources used for capital outlays including the acquisition or construction of major capital facilities for use by the State and its discrete component units. The fund receives financial resources from the proceeds of general obligation bonds, legislative appropriations, and intergovernmental revenues.

Capital Projects – State Building Ownership Authority (*Blended Component Unit*)

This fund accounts for resources used for capital outlays including the acquisition or construction of major capital facilities for use by various state agencies. The fund receives financial resources from the proceeds of lease revenue bonds issued by the Authority and the interest earned on the proceeds of the bonds.

Debt Service – General Government

This fund accounts for the payment of principal and interest on the State's general obligation bonds. The fund receives most of its financial resources from appropriations made by the Legislature.

Debt Service – State Building Ownership Authority (*Blended Component Unit*)

This fund accounts for the payment of principal and interest on lease revenue bonds issued by the Authority. The fund receives financial resources from rent payments made by various state agencies occupying the facilities owned by the Authority. The fund also receives capital lease payments from certain college and university component units.

State of Utah

Combining Balance Sheet Nonmajor Governmental Funds (expressed in thousands)

June 30, 2020

	Special Revenue						
	State Endowment	Environmental Reclamation	Crime Victim Reparation	Universal Telephone Services	Consumer Education	Rural Development	Medicaid Expansion
ASSETS							
Cash and Cash Equivalents.....	\$ 2,528	\$ 4,750	\$ 1,175	\$ 11,849	\$ 824	\$ 3,087	\$ 94,659
Investments.....	257,552	44,829	5,912	—	4,151	23,215	—
Receivables:							
Accounts, net.....	—	—	—	—	(75)	—	5,208
Accrued Interest.....	—	—	—	—	—	—	—
Accrued Taxes, net.....	—	—	—	—	—	—	10,372
Capital Lease Payments, net.....	—	—	—	—	—	—	—
Due From Other Funds.....	—	—	—	—	—	5	—
Due From Component Units.....	—	—	—	—	—	—	—
Prepaid Items.....	—	—	—	—	—	—	—
Total Assets.....	<u>\$ 260,080</u>	<u>\$ 49,579</u>	<u>\$ 7,087</u>	<u>\$ 11,849</u>	<u>\$ 4,900</u>	<u>\$ 26,307</u>	<u>\$ 110,239</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts Payable and Accrued Liabilities.....	\$ —	\$ 161	\$ 66	\$ 358	\$ 79	\$ 2,002	\$ —
Due To Other Funds.....	—	98	—	11	93	126	—
Unearned Revenue.....	—	—	—	—	—	—	922
Total Liabilities.....	<u>0</u>	<u>259</u>	<u>66</u>	<u>369</u>	<u>172</u>	<u>2,128</u>	<u>922</u>
Deferred Inflows of Resources:							
Unavailable Revenue.....	—	—	—	—	—	—	—
Total Deferred Inflows of Resources.....	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:							
Nonspendable:							
Prepaid Items.....	—	—	—	—	—	—	—
Restricted.....	—	42,872	—	11,480	—	—	—
Committed.....	260,080	6,448	7,021	—	4,728	24,179	76,785
Assigned.....	—	—	—	—	—	—	32,532
Total Fund Balances.....	<u>260,080</u>	<u>49,320</u>	<u>7,021</u>	<u>11,480</u>	<u>4,728</u>	<u>24,179</u>	<u>109,317</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances.....	<u>\$ 260,080</u>	<u>\$ 49,579</u>	<u>\$ 7,087</u>	<u>\$ 11,849</u>	<u>\$ 4,900</u>	<u>\$ 26,307</u>	<u>\$ 110,239</u>
<i>Continues</i>							

State of Utah

Combining Balance Sheet Nonmajor Governmental Funds (expressed in thousands)

Continued

	Special Revenue	Capital Projects		Debt Service		Total Nonmajor Governmental Funds
	Miscellaneous Special Revenue	General Government	State Building Ownership Authority	General Government	State Building Ownership Authority	
ASSETS						
Cash and Cash Equivalents	\$ —	\$ 174,684	\$ —	\$ 62,393	\$ 14,761	\$ 370,710
Investments	51,128	460,621	21,169	10,006	887	879,470
Receivables:						
Accounts, net	28,336	20	—	—	251	33,740
Accrued Interest	—	—	23	6,517	1	6,541
Accrued Taxes, net	466	—	—	—	—	10,838
Capital Lease Payments, net	—	—	—	—	57,630	57,630
Due From Other Funds	124	4,971	—	—	—	5,100
Due From Component Units	—	38,290	—	—	—	38,290
Prepaid Items	—	46	—	—	—	46
Total Assets	<u>\$ 80,054</u>	<u>\$ 678,632</u>	<u>\$ 21,192</u>	<u>\$ 78,916</u>	<u>\$ 73,530</u>	<u>\$ 1,402,365</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 6,949	\$ 134,012	\$ 711	\$ 47,754	\$ —	\$ 192,092
Due To Other Funds	1,364	1,682	15,216	12,142	9,872	40,604
Unearned Revenue	21,366	—	—	—	—	22,288
Total Liabilities	<u>29,679</u>	<u>135,694</u>	<u>15,927</u>	<u>59,896</u>	<u>9,872</u>	<u>254,984</u>
Deferred Inflows of Resources:						
Unavailable Revenue	—	—	—	—	57,630	57,630
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>57,630</u>	<u>57,630</u>
Fund Balances:						
Nonspendable:						
Prepaid Items	—	46	—	—	—	46
Restricted	19,886	407,939	—	—	—	482,177
Committed	29,587	—	—	—	—	408,828
Assigned	902	134,953	5,265	19,020	6,028	198,700
Total Fund Balances	<u>50,375</u>	<u>542,938</u>	<u>5,265</u>	<u>19,020</u>	<u>6,028</u>	<u>1,089,751</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 80,054</u>	<u>\$ 678,632</u>	<u>\$ 21,192</u>	<u>\$ 78,916</u>	<u>\$ 73,530</u>	<u>\$ 1,402,365</u>

State of Utah

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds (expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Special Revenue						
	State Endowment	Environmental Reclamation	Crime Victim Reparation	Universal Telephone Services	Consumer Education	Rural Development	Medicaid Expansion
REVENUES							
Taxes:							
Sales and Use Tax	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 102,787
Other Taxes	10,097	—	—	—	—	7,156	—
Total Taxes	10,097	0	0	0	0	7,156	102,787
Other Revenues:							
Federal Contracts and Grants	—	—	2,321	—	—	—	—
Charges for Services	—	38,565	6,390	24,970	4,536	—	11,897
Intergovernmental	—	—	—	—	—	—	—
Investment Income	4,830	382	87	—	86	465	—
Miscellaneous and Other	—	195	—	—	—	—	11,070
Total Revenues	14,927	39,142	8,798	24,970	4,622	7,621	125,754
EXPENDITURES							
Current:							
General Government	—	3,627	5,733	—	—	—	—
Human Services and Juvenile Justice Services	—	—	—	—	—	—	—
Corrections	—	—	—	—	—	—	—
Public Safety	—	—	—	—	—	—	—
Courts	—	—	—	—	—	—	—
Health and Environmental Quality	—	1,285	—	—	—	—	—
Higher Education – Colleges and Universities	—	—	—	—	—	—	—
Employment and Family Services	—	—	—	—	—	6,862	—
Natural Resources	—	2	—	—	—	—	—
Heritage and Arts	—	—	—	—	—	—	—
Business, Labor, and Agriculture	—	56	—	19,056	1,998	—	—
Public Education	—	—	—	—	—	—	—
Transportation	—	—	—	—	—	—	—
Capital Outlay	—	—	—	—	—	—	—
Debt Service:							
Principal Retirement	—	—	—	—	—	—	—
Interest and Other Charges	—	—	—	—	—	—	—
Total Expenditures	0	4,970	5,733	19,056	1,998	6,862	0
Excess Revenues Over (Under) Expenditures	14,927	34,172	3,065	5,914	2,624	759	125,754
OTHER FINANCING SOURCES (USES)							
General Obligation Bonds Issued ...	—	—	—	—	—	—	—
Premium on Bonds Issued	—	—	—	—	—	—	—
Sale of Capital Assets	—	—	—	—	—	—	—
Transfers In	—	200	—	—	—	—	—
Transfers Out	—	(134)	(1,980)	—	(2,925)	(78)	(79,168)
Total Other Financing Sources (Uses)	0	66	(1,980)	0	(2,925)	(78)	(79,168)
Net Change in Fund Balances	14,927	34,238	1,085	5,914	(301)	681	46,586
Fund Balances – Beginning	245,153	15,082	5,936	5,566	5,029	23,498	62,731
Fund Balances – Ending	\$ 260,080	\$ 49,320	\$ 7,021	\$ 11,480	\$ 4,728	\$ 24,179	\$ 109,317

Continues

State of Utah

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds (expressed in thousands)

Continued

	Special Revenue	Capital Projects		Debt Service		Total Nonmajor Governmental Funds
	Miscellaneous Special Revenue	General Government	State Building Ownership Authority	General Government	State Building Ownership Authority	
REVENUES						
Taxes:						
Sales and Use Tax.....	\$ 9,962	\$ —	\$ —	\$ —	\$ —	\$ 112,749
Other Taxes.....	18	—	—	—	—	17,271
Total Taxes.....	9,980	0	0	0	0	130,020
Other Revenues:						
Federal Contracts and Grants.....	34,863	—	—	13,029	1,096	51,309
Charges for Services.....	131,279	—	—	—	—	217,637
Intergovernmental.....	—	8,057	—	—	—	8,057
Investment Income.....	1,270	2,873	44	3,884	10	13,931
Miscellaneous and Other.....	9,932	6,975	71	—	19,600	47,843
Total Revenues.....	187,324	17,905	115	16,913	20,706	468,797
EXPENDITURES						
Current:						
General Government.....	37,045	17,248	—	—	—	63,653
Human Services and Juvenile Justice Services.....	264	15,099	—	—	—	15,363
Corrections.....	—	6,769	—	—	—	6,769
Public Safety.....	40,629	1,872	—	—	—	42,501
Courts.....	—	4,261	—	—	—	4,261
Health and Environmental Quality.....	623	1,976	—	—	—	3,884
Higher Education – Colleges and Universities.....	—	41,769	—	—	—	41,769
Employment and Family Services.....	812	1,246	—	—	—	8,920
Natural Resources.....	8,795	933	—	—	—	9,730
Heritage and Arts.....	673	1,067	—	—	—	1,740
Business, Labor, and Agriculture.....	1,043	1,448	—	—	—	23,601
Public Education.....	—	572	—	—	—	572
Transportation.....	—	3,518	—	—	—	3,518
Capital Outlay.....	—	480,041	879	—	—	480,920
Debt Service:						
Principal Retirement.....	—	—	—	269,650	12,151	281,801
Interest and Other Charges.....	—	—	—	181,255	8,859	190,114
Total Expenditures.....	89,884	577,819	879	450,905	21,010	1,179,116
Excess Revenues Over (Under) Expenditures.....	97,440	(559,914)	(764)	(433,992)	(304)	(710,319)
OTHER FINANCING SOURCES (USES)						
General Obligation Bonds Issued.....	—	295,690	—	—	—	295,690
Premium on Bonds Issued.....	—	54,325	—	2,519	—	56,844
Sale of Capital Assets.....	1,171	—	—	—	—	1,171
Transfers In.....	5,329	163,766	—	449,271	—	618,566
Transfers Out.....	(101,184)	(4,135)	—	(12,987)	—	(202,591)
Total Other Financing Sources (Uses).....	(94,684)	509,646	0	438,803	0	769,680
Net Change in Fund Balances.....	2,756	(50,268)	(764)	4,811	(304)	59,361
Fund Balances – Beginning.....	47,619	593,206	6,029	14,209	6,332	1,030,390
Fund Balances – Ending.....	\$ 50,375	\$ 542,938	\$ 5,265	\$ 19,020	\$ 6,028	\$ 1,089,751

Detail Schedule of Expenditures – Budget and Actual

General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

Appropriation Line Item Name	Source of Funding			Final Budget	Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Nonlapse or (Deficit) Carry Forward
	State Funds	Federal Funds	Restricted and Other Funds					
GENERAL GOVERNMENT								
Legislature								
LEG Senate	\$ 3,394	\$ —	\$ —	\$ 3,394	\$ 3,153	\$ —	\$ —	\$ 241
LEG House of Representatives	5,813	—	—	5,813	5,519	—	—	294
LEG Research & General Counsel	12,203	—	—	12,203	10,942	—	—	1,261
LEG Fiscal Analyst	3,818	—	—	3,818	3,544	—	—	274
LEG Auditor General	4,923	—	—	4,923	4,539	—	—	384
LEG Legislative Support	413	—	—	413	380	—	—	33
LEG Legislative Services	3,542	—	285	3,827	2,621	—	—	1,206
Total Legislature	34,106	0	285	34,391	30,698	0	0	3,693
Elected Officials								
GOV Governor's Office	\$ 15,994	\$ —	\$ 3,246	\$ 19,240	\$ 15,628	\$ —	\$ —	\$ 3,612
GOV Census Outreach	500	—	—	500	493	7	—	—
GOV Office of Management & Budget	6,274	—	19,979	26,253	25,474	—	—	779
GOV Suicide Prevention	1,000	—	—	1,000	279	21	—	700
GOV GOMB - Operations & Policy	858	—	—	858	—	—	858	—
GOV Character Education	124	—	—	124	98	26	—	—
GOV Criminal & Juvenile Justice	15,013	28,986	56	44,055	38,111	—	1,202	4,742
GOV Salt Lake County Bed Housing	2,693	—	—	2,693	2,170	23	—	500
GOV CCJJ Factual Innocence Payments	805	—	—	805	87	—	—	718
GOV Indigent Defense Commission	7,507	19	(129)	7,397	5,906	—	—	1,491
GOV CCJJ Child Welfare Parental Defense	135	—	1	136	96	—	—	40
GOV Emergency Fund	100	—	—	100	—	—	—	100
GOV LeRay McAllister Program	3,712	—	—	3,712	311	—	—	3,401
GOV CCJJ Jail Reimbursement	14,642	—	—	14,642	14,642	—	—	—
GOV Pete Suazo Athletic Commission	257	—	33	290	221	—	—	69
GOV Economic Development Administration	3,060	—	—	3,060	2,759	—	—	301
GOV ED Office of Tourism	35,541	—	248	35,789	29,131	—	—	6,658
GOV ED Business Development	9,834	511	3,023	13,368	10,454	—	—	2,914
GOV ED Pass Through	25,875	—	2	25,877	24,365	—	—	1,512
GOV ED Inland Port Authority	500	—	—	500	500	—	—	—
GOV ED Point of the Mountain	900	—	—	900	900	—	—	—
GOV ED Utah Office of Outdoor Recreation	100	—	—	100	—	—	—	100
GOV ED Rural Employment Expansion	660	—	—	660	56	—	—	604
GOV ED Talent Ready Utah Center	5,472	—	50	5,522	1,060	—	—	4,462
GOV ED Rural Coworking & Innovation Center	500	—	—	500	—	—	—	500
GOV ED Rural Rapid Manufacturing Grant	500	—	—	500	280	—	—	220
GOV ED Industrial Assistance	3,728	—	—	3,728	3,728	—	—	—
GOV Office of Energy Development	3,749	764	281	4,794	3,273	—	152	1,369
GOV Constitutional Defense Council	13	—	—	13	—	—	—	13
USTAR Administration	419	—	39	458	384	74	—	—
USTAR Grant Programs	7,370	—	—	7,370	3,214	4,156	—	—
USTAR Support Programs	708	—	—	708	400	308	—	—
AG Attorney General	33,673	2,351	8,677	44,701	43,594	—	—	1,107
AG Contract Attorneys	—	—	1,771	1,771	1,771	—	—	—
AG Prosecution Council	788	36	220	1,044	917	—	100	27
AG Children's Justice Centers	4,745	224	326	5,295	4,868	—	—	427
AG State Settlement Agreements	2,900	—	—	2,900	2,983	—	—	(83)
State Treasurer	3,659	—	902	4,561	3,994	98	219	250
State Auditor	4,453	—	2,645	7,098	7,074	—	—	24
Total Elected Officials	218,761	32,891	41,370	293,022	249,221	4,713	2,531	36,557
Government Operations								
Capitol Preservation Board	\$ 4,444	\$ —	\$ —	\$ 4,444	\$ 4,444	\$ —	\$ —	\$ —
DAS Executive Director	6,214	—	77	6,291	6,239	—	—	52
DAS Administrative Rules	1,080	—	—	1,080	685	—	—	395
DAS DFCM Administration	6,727	—	1,086	7,813	7,244	—	—	569
DAS State Archives	3,387	34	64	3,485	3,322	—	—	163
DAS Finance Administration	10,640	—	1,590	12,230	10,036	—	3	2,191
DAS Office of Inspector General - Medicaid Services	1,293	—	1,483	2,776	2,621	—	—	155
DAS Post Conviction Indigent Defense	103	—	—	103	—	—	—	103
DAS Elected Official Post Retirement Benefits Contribution	1,388	—	—	1,388	1,388	—	—	—

Detail Schedule of Expenditures – Budget and Actual

General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

Appropriation Line Item Name	Source of Funding			Final Budget	Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Nonlapse or (Deficit) Carry Forward
	State Funds	Federal Funds	Restricted and Other Funds					
DAS Finance Mandated	27,688	149,941	5,539	183,168	150,851	—	17,558	14,759
DAS Judicial Conduct Commission	306	—	—	306	282	—	—	24
DAS Finance Mandated - Ethics Commission	91	—	—	91	11	—	—	80
DAS Finance Mandated - Min Lease Special Service Districts	22,898	—	—	22,898	22,898	—	—	—
DAS Purchasing	800	—	—	800	800	—	—	—
DAS Building Board Program	1,328	—	—	1,328	1,197	—	—	131
Tax Commission Administration	84,329	559	7,982	92,870	86,675	4,831	714	650
TAX License Plate Production	728	—	3,653	4,381	3,909	—	—	472
TAX Liquor Profits Distribution	5,577	—	—	5,577	5,577	—	—	—
TAX Rural Health Care	219	—	—	219	219	—	—	—
HRM Human Resource Management	33	—	10	43	23	20	—	—
CSR Career Service Review Office	294	—	—	294	265	—	—	29
DTS Chief Information Officer	1,355	—	11	1,366	1,068	—	—	298
DTS Integrated Technology	2,175	600	977	3,752	3,382	—	—	370
Total Government Operations	183,097	151,134	22,472	356,703	313,136	4,851	18,275	20,441
Total General Government	\$ 435,964	\$ 184,025	\$ 64,127	\$ 684,116	\$ 593,055	\$ 9,564	\$ 20,806	\$ 60,691
HUMAN SERVICES								
DHS Executive Director	\$ 11,800	\$ 8,062	\$ 4,627	\$ 24,489	\$ 24,466	\$ —	\$ —	\$ 23
DHS Substance Abuse & Mental Health	134,799	44,555	23,185	202,539	201,225	299	761	254
DHS Office of Public Guardian	655	40	424	1,119	1,115	—	—	4
DHS Services for People with Disabilities	122,245	942	293,593	416,780	404,715	—	—	12,065
DHS Recovery Services	14,310	24,298	14,530	53,138	53,091	38	9	—
DHS Child & Family Services	125,787	66,732	(9,609)	182,910	179,744	—	129	3,037
DHS JJS Community Providers	24,863	546	(887)	24,522	13,990	—	8,032	2,500
DHS Juvenile Justice Services	75,981	1,141	419	77,541	74,325	—	1,216	2,000
DHS Aging & Adult Services	15,241	14,886	(238)	29,889	29,412	177	—	300
Total Human Services	\$ 525,681	\$ 161,202	\$ 326,044	\$ 1,012,927	\$ 982,083	\$ 514	\$ 10,147	\$ 20,183
CORRECTIONS								
Department of Corrections								
DOC Programs & Operations	\$ 265,809	\$ 1,529	\$ 3,421	\$ 270,759	\$ 261,132	\$ —	\$ 9	\$ 9,618
DOC Medical Services	35,923	—	543	36,466	34,424	42	—	2,000
DOC Jail Contracting	32,494	—	—	32,494	31,236	—	—	1,258
Total Department of Corrections	334,226	1,529	3,964	339,719	326,792	42	9	12,876
Board of Pardons and Parole								
Board of Pardons & Parole	\$ 6,932	\$ —	\$ —	\$ 6,932	\$ 6,008	\$ 124	\$ —	\$ 800
Total Board of Pardons and Parole	6,932	0	0	6,932	6,008	124	0	800
Total Corrections	\$ 341,158	\$ 1,529	\$ 3,964	\$ 346,651	\$ 332,800	\$ 166	\$ 9	\$ 13,676
PUBLIC SAFETY								
Department of Public Safety								
UCA Admin Services Division	\$ 28,179	\$ —	\$ —	\$ 28,179	\$ 27,916	\$ —	\$ 263	\$ —
DPS Programs & Operations	130,127	1,381	15,165	146,673	129,117	—	4,314	13,242
DPS Emergency Management	1,865	20,500	385	22,750	22,427	—	—	323
DPS Emergency Management - National Guard Response	150	—	—	150	—	—	—	150
DPS Emergency & Disaster Management	7,718	—	1,509	9,227	2,534	—	—	6,693
DPS Bureau of Criminal Identification	7,772	11	6,382	14,165	11,188	—	477	2,500
DPS Peace Officer Standards & Training	5,996	—	43	6,039	3,823	—	1,466	750
DPS Driver License Division	43,606	7	14	43,627	36,175	—	—	7,452
DPS Highway Safety	2,100	4,267	348	6,715	6,054	—	—	661
Total Department of Public Safety	227,513	26,166	23,846	277,525	\$ 239,234	\$ 0	6,520	31,771
Utah National Guard								
UNG Utah National Guard	\$ 8,795	\$ 48,658	\$ 1,790	\$ 59,243	\$ 57,702	\$ —	\$ —	\$ 1,541
Total Utah National Guard	8,795	48,658	1,790	59,243	57,702	0	0	1,541
Department of Veteran's and Military Affairs								
DVA Veteran & Military Affairs	\$ 4,747	\$ 457	\$ 310	\$ 5,514	\$ 5,192	\$ 0	\$ 13	\$ 309
Total Department of Veteran's and Military Affairs	\$ 4,747	\$ 457	\$ 310	\$ 5,514	\$ 5,192	\$ 0	\$ 13	\$ 309
Total Public Safety	\$ 241,055	\$ 75,281	\$ 25,946	\$ 342,282	\$ 302,128	\$ 0	\$ 6,533	\$ 33,621
STATE COURTS								
SJC Court Administrator	\$ 136,908	\$ 530	\$ 2,261	\$ 139,699	\$ 129,880	\$ 560	\$ 5,679	\$ 3,580
SJC Grand Jury	1	—	—	1	1	—	—	—

State of Utah

Detail Schedule of Expenditures – Budget and Actual

General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

Appropriation Line Item Name	Source of Funding			Final Budget	Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Nonlapse or (Deficit) Carry Forward
	State Funds	Federal Funds	Restricted and Other Funds					
SJC Contracts & Leases	21,582	—	123	21,705	20,577	460	168	500
SJC Jury & Witness Fees	2,911	—	4	2,915	2,192	—	—	723
SJC Guardian Ad Litem	9,083	—	20	9,103	8,984	—	119	—
Total State Courts	\$ 170,485	\$ 530	\$ 2,408	\$ 173,423	\$ 161,634	\$ 1,020	\$ 5,966	\$ 4,803
HEALTH and ENVIRONMENTAL QUALITY								
DOH Executive Director	\$ 8,338	\$ 5,791	\$ 24,794	\$ 38,923	\$ 38,096	\$ —	\$ 4	\$ 823
DOH Rural Physicians Loan Repayment Assistance	420	—	—	420	248	—	—	172
DOH Disease Control & Prevention	26,575	39,505	19,538	85,618	84,324	—	111	1,183
DOH Family Health & Preparedness	28,203	70,407	20,846	119,456	116,851	—	215	2,390
DOH Medicaid & Health Financing	9,729	90,265	46,127	146,121	144,322	—	500	1,299
DOH Medicaid Services	715,160	2,224,756	464,875	3,404,791	3,310,303	—	92,348	2,140
DOH Local Health Department Funding	2,140	—	—	2,140	2,140	—	—	—
DOH Children's Health Insurance	19,114	124,903	6,953	150,970	139,260	—	11,710	—
DOH Workforce Financial Assistance	331	—	—	331	231	—	—	100
DOH Medicaid Sanctions	1,979	—	—	1,979	—	—	—	1,979
DOH Federal Commodities	—	26,192	—	26,192	26,192	—	—	—
DEQ Executive Director	3,403	256	2,728	6,387	5,795	—	—	592
DEQ Air Quality	13,382	8,346	4,128	25,856	22,366	—	111	3,379
DEQ Environmental Response & Remediation	4,210	3,452	252	7,914	6,810	—	1,026	78
DEQ Water Quality	5,791	5,011	1,750	12,552	12,277	—	—	275
DEQ Drinking Water	2,958	3,863	(29)	6,792	6,364	—	159	269
DEQ Waste Management & Radiation Control	7,925	768	937	9,630	8,884	—	184	562
Total Health and Environmental Quality	\$ 849,658	\$ 2,603,515	\$ 592,899	\$ 4,046,072	\$ 3,924,463	\$ 0	\$ 106,368	\$ 15,241
HIGHER EDUCATION								
RGT Board of Regents Administration	\$ 3,494	\$ —	\$ —	\$ 3,494	\$ 3,494	\$ —	\$ —	\$ —
RGT Student Support	1,585	—	—	1,585	1,585	—	—	—
RGT Economic Development	5,386	—	—	5,386	5,386	—	—	—
RGT Student Assistance	30,556	—	—	30,556	30,556	—	—	—
RGT Math Competency Initiative	926	—	—	926	926	—	—	—
RGT Technology	7,984	—	—	7,984	7,984	—	—	—
RGT Education Excellence	32,436	—	—	32,436	32,436	—	—	—
RGT Medical Education Council	1,838	—	—	1,838	1,838	—	—	—
UOU Education & General	273,566	575	321,902	596,043	596,043	—	—	—
UOU Educationally Disadvantaged	477	—	—	477	477	—	—	—
UOU School of Medicine	32,106	—	33,989	66,095	66,095	—	—	—
UOU University Hospital	5,749	—	—	5,749	5,749	—	—	—
UOU Regional Dental Education	2,731	—	11,371	14,102	14,102	—	—	—
UOU Public Service	2,027	—	—	2,027	2,027	—	—	—
UOU Statewide TV Administration	2,685	—	—	2,685	2,685	—	—	—
UOU Cancer Research and Treatment	15,002	—	2,000	17,002	17,002	—	—	—
UOU Rocky Mtn Center for Occupational & Environmental Health	174	—	—	174	134	40	—	—
UOU Poison Control Center	2,915	—	—	2,915	2,915	—	—	—
UOU Center on Aging	114	—	—	114	114	—	—	—
UOU SafeUT Crisis Text & Tip	1,770	—	—	1,770	1,770	—	—	—
USU Education & General	144,846	—	124,458	269,304	269,304	—	—	—
USU Educationally Disadvantaged	100	—	—	100	100	—	—	—
USU Water Research Lab	1,366	—	—	1,366	1,366	—	—	—
USU Agriculture Experiment Station	14,005	2,911	—	16,916	16,916	—	—	—
USU Cooperative Extension Service	16,012	2,549	—	18,561	18,561	—	—	—
USU Eastern Education & General	12,081	—	2,828	14,909	14,909	—	—	—
USU Eastern Educationally Disadvantaged	65	—	—	65	65	—	—	—
USU Eastern Career & Technical Education	3,435	—	6	3,441	3,441	—	—	—
USU Prehistoric Museum	472	—	—	472	472	—	—	—
USU Blanding Campus	2,944	—	—	2,944	2,944	—	—	—
USU Regional Campus	12,293	—	29,300	41,593	41,593	—	—	—
WSU Education & General	91,453	—	78,728	170,181	170,181	—	—	—
WSU Educationally Disadvantaged	271	—	—	271	271	—	—	—
SUU Education & General	45,349	—	53,119	98,468	98,468	—	—	—
SUU Educationally Disadvantaged	92	—	—	92	92	—	—	—
SUU Shakespeare Festival	22	—	—	22	22	—	—	—
SUU Rural Development	80	—	—	80	80	—	—	—

Detail Schedule of Expenditures – Budget and Actual

General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

Appropriation Line Item Name	Source of Funding			Final Budget	Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Nonlapse or (Deficit) Carry Forward
	State Funds	Federal Funds	Restricted and Other Funds					
SNOW Education & General	27,116	—	10,791	37,907	37,907	—	—	—
SNOW Educationally Disadvantaged	32	—	—	32	32	—	—	—
SNOW Career & Technology Education	1,462	—	—	1,462	1,462	—	—	—
DSU Education & General	40,996	—	37,000	77,996	77,996	—	—	—
DSU Educationally Disadvantaged	26	—	—	26	26	—	—	—
DSU Zion Park Amphitheater	58	—	33	91	91	—	—	—
UVU Education & General	109,452	—	143,238	252,690	252,690	—	—	—
UVU Educationally Disadvantaged	175	—	—	175	175	—	—	—
SLCC Education & General	96,028	—	55,289	151,317	151,317	—	—	—
SLCC Educationally Disadvantaged	178	—	—	178	178	—	—	—
SLCC School of Applied Technology	6,779	—	684	7,463	7,463	—	—	—
USTC Administration	8,792	—	—	8,792	8,792	—	—	—
USTC Bridgerland TC	15,790	—	1,389	17,179	17,179	—	—	—
USTC Davis TC	18,823	—	1,944	20,767	20,767	—	—	—
USTC Ogden/Weber TC	17,540	—	1,665	19,205	19,205	—	—	—
USTC Uintah Basin TC	9,805	—	354	10,159	10,159	—	—	—
USTC Mountainland TC	14,605	—	1,562	16,167	16,167	—	—	—
USTC Southwest TC	6,247	—	245	6,492	6,492	—	—	—
USTC Dixie TC	8,875	—	743	9,618	9,618	—	—	—
USTC Tooele TC	5,192	—	248	5,440	5,440	—	—	—
UETN Utah Education & Telehealth Network	32,338	—	—	32,338	32,338	—	—	—
Total Higher Education	\$ 1,188,716	\$ 6,035	\$ 912,886	\$ 2,107,637	\$ 2,107,597	\$ 40	\$ 0	\$ 0
WORKFORCE SERVICES								
DWS State Office of Rehabilitation	\$ 22,491	\$ 39,590	\$ 427	\$ 62,508	\$ 60,662	\$ —	\$ 9	\$ 1,837
DWS Administration	4,912	6,701	2,812	14,425	14,208	—	203	14
DWS Operations & Policy	72,354	207,929	44,558	324,841	318,985	—	4,602	1,254
DWS Nutritional Assistance - SNAP	—	242,281	—	242,281	242,281	—	—	—
DWS General Assistance	4,756	—	250	5,006	3,229	—	—	1,777
DWS Unemployment Insurance	12,174	114,581	521	127,276	120,214	—	7,062	—
DWS Operation Rio Grande	1,941	—	—	1,941	1,423	—	—	518
DWS HCD Division	35,169	49,573	1,699	86,441	74,730	—	9,065	2,646
DWS HCD Capital Budget	46,700	—	—	46,700	46,700	—	—	—
DWS HCD Special Service Districts	2,429	—	—	2,429	2,429	—	—	—
Total Workforce Services	\$ 202,926	\$ 660,655	\$ 50,267	\$ 913,848	\$ 884,861	\$ 0	\$ 20,941	\$ 8,046
NATURAL RESOURCES								
DNR Natural Resources Administration	\$ 4,540	\$ —	\$ —	\$ 4,540	\$ 4,465	\$ 50	\$ —	\$ 25
DNR Building Operations	1,789	—	—	1,789	1,789	—	—	—
DNR Forestry, Fire & State Lands	41,268	5,345	15,307	61,920	52,134	244	1,095	8,447
DNR Oil, Gas & Mining	9,805	5,929	146	15,880	11,467	246	375	3,792
DNR Wildlife Resources	52,855	22,869	122	75,846	73,406	207	1,933	300
DNR Species Protection	1,020	—	2,450	3,470	3,137	—	133	200
DNR Predator Control	60	—	—	60	60	—	—	—
DNR Watershed	5,907	—	500	6,407	5,599	—	—	808
DNR Pass Thru	4,950	—	—	4,950	4,718	—	—	232
DNR DWR Contributed Research	—	—	1,384	1,384	1,384	—	—	—
DNR DWR Cooperative Agreements	—	18,371	8,352	26,723	26,723	—	—	—
DNR Parks & Recreation	43,896	1,565	920	46,381	39,515	—	6,543	323
DNR DPR Capital Budget	23,823	3,086	106	27,015	7,796	—	—	19,219
DNR Utah Geological Survey	7,128	763	1,070	8,961	7,823	88	—	1,050
DNR Water Resources	19,391	—	150	19,541	11,039	543	647	7,312
DNR DWR Capital Budget	1,534	1,297	—	2,831	2,831	—	—	—
DNR Water Rights	9,468	110	4,818	14,396	11,787	—	2,359	250
Public Lands Policy Office	7,478	—	—	7,478	5,016	76	56	2,330
Total Natural Resources	\$ 234,912	\$ 59,335	\$ 35,325	\$ 329,572	\$ 270,689	\$ 1,454	\$ 13,141	\$ 44,288
HERITAGE and ARTS								
DHA Administration	\$ 4,490	\$ —	\$ 80	\$ 4,570	\$ 3,864	\$ —	\$ 8	\$ 698
DHA Indian Affairs	496	—	40	536	373	2	61	100
DHA State History	2,582	913	82	3,577	3,544	—	—	33
DHA Historical Society	118	—	42	160	44	—	—	116
DHA Arts & Museums	7,925	1,087	1,174	10,186	6,672	—	—	3,514
DHA Museum Services	273	—	—	273	273	—	—	—

State of Utah

Detail Schedule of Expenditures – Budget and Actual

General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

Appropriation Line Item Name	Source of Funding			Final Budget	Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Nonlapse or (Deficit) Carry Forward
	State Funds	Federal Funds	Restricted and Other Funds					
DHA State Library.....	4,065	2,340	1,767	8,172	7,703	—	—	469
DHA STEM Action Center.....	7,140	43	—	7,183	7,062	—	—	121
DHA Commission on Service & Volunteerism.....	446	4,903	41	5,390	5,390	—	—	—
DHA Pass Through.....	6,358	—	—	6,358	5,299	—	64	995
Total Heritage and Arts.....	<u>\$ 33,893</u>	<u>\$ 9,286</u>	<u>\$ 3,226</u>	<u>\$ 46,405</u>	<u>\$ 40,224</u>	<u>\$ 2</u>	<u>\$ 133</u>	<u>\$ 6,046</u>
BUSINESS, LABOR, and AGRICULTURE								
DAG Agriculture & Food - Administration.....	\$ 3,647	\$ 659	\$ 44	\$ 4,350	\$ 3,963	\$ —	\$ 21	\$ 366
DAG Building Operations.....	357	—	—	357	357	—	—	—
DAG Utah State Fair.....	550	—	—	550	550	—	—	—
DAG Predatory Animal Control.....	1,765	—	604	2,369	2,109	—	260	—
DAG Invasive Species Mitigation.....	2,009	—	—	2,009	2,482	—	—	(473)
DAG Rangeland Improvement.....	2,210	—	—	2,210	2,254	—	—	(44)
DAG Animal Health.....	5,585	1,393	221	7,199	6,172	—	578	449
DAG Plant Industry.....	1,339	1,082	7,421	9,842	8,386	—	—	1,456
DAG Regulatory Services.....	3,341	1,472	3,461	8,274	7,043	89	—	1,142
DAG Marketing & Economic Development.....	798	—	5	803	774	—	—	29
DAG Resource Conservation.....	4,409	219	3,941	8,569	6,960	—	109	1,500
Labor Commission.....	12,241	3,033	90	15,364	14,016	2	1,346	—
Commerce General Regulation Administration.....	34,155	345	1,757	36,257	31,594	165	224	4,274
COM Building Inspector Training.....	1,228	—	793	2,021	255	—	—	1,766
CRC DPU Professional & Technical Services.....	4,108	—	—	4,108	377	—	—	3,731
CRC CCS Professional & Technical Services.....	5,365	—	—	5,365	499	—	—	4,866
Financial Institutions.....	8,102	—	—	8,102	7,134	—	968	—
Insurance Department.....	16,887	6	—	16,893	13,034	—	62	3,797
INS Bail Bond Program.....	37	—	—	37	6	—	31	—
INS Title Insurance Program.....	245	—	—	245	62	—	27	156
INS Health Insurance Actuary.....	368	—	—	368	142	—	2	224
Public Service Commission.....	3,478	—	26	3,504	2,532	15	—	957
Total Business, Labor, and Agriculture.....	<u>\$ 112,224</u>	<u>\$ 8,209</u>	<u>\$ 18,363</u>	<u>\$ 138,796</u>	<u>\$ 110,701</u>	<u>\$ 271</u>	<u>\$ 3,628</u>	<u>\$ 24,196</u>
TOTAL GENERAL FUND								
Total Expenditures.....	<u>\$ 4,336,672</u>	<u>\$ 3,769,602</u>	<u>\$ 2,035,455</u>	<u>\$10,141,729</u>	<u>\$ 9,710,235</u>	<u>\$ 13,031</u>	<u>\$ 187,672</u>	<u>\$ 230,791</u>

State of Utah

Detail Schedule of Expenditures – Budget and Actual

Education Fund, Transportation Fund, Transportation Investment Fund, and Debt Service Funds

(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

Appropriation Line Item Name	Source of Funding			Final Budget	Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Nonlapse or (Deficit) Carry Forward
	State Funds	Federal Funds	Restricted and Other Funds					
EDUCATION FUND								
State Board of Education								
PED Office of Education	\$ 62,938	\$ 248,676	\$ 3,056	\$ 314,670	\$ 274,640	\$ —	\$ 215	\$ 39,815
PED Teaching & Learning	127	—	585	712	704	—	—	8
PED Child Nutrition	4,127	171,056	49,719	224,902	220,592	—	—	4,310
PED Fine Arts Outreach	5,287	—	—	5,287	5,100	—	—	187
PED Educational Contracts	13	—	(1)	12	12	—	—	—
PED State Charter School Board	7,270	—	(209)	7,061	2,512	—	—	4,549
PED Science Outreach	5,522	—	—	5,522	5,415	—	—	107
PED Regional Service Centers	2,000	—	—	2,000	2,000	—	—	—
PED Educator Licensing	7,683	—	(349)	7,334	5,838	—	—	1,496
PED Initiative Programs	78,472	—	3,111	81,583	58,264	—	—	23,319
PED MSP Categorical Program Administration	7,896	—	(435)	7,461	4,406	—	—	3,055
PED Federal Commodities	—	30,273	—	30,273	30,273	—	—	—
PED MSP Basic School Program	2,600,298	—	—	2,600,298	2,586,635	—	—	13,663
PED MSP Related to Basic Programs	907,388	—	—	907,388	876,905	—	62	30,421
PED MSP Voted & Board Local Levy Programs	203,880	—	—	203,880	203,880	—	—	—
PED MSP School Building Programs	33,250	—	—	33,250	33,250	—	—	—
PED General System Support	47,405	37,877	6,991	92,273	69,645	—	—	22,628
PED Charter School Finance Authority	50	—	—	50	2	—	48	—
Total State Board of Education	\$ 3,973,606	\$ 487,882	\$ 62,468	\$ 4,523,956	\$ 4,380,073	\$ 0	\$ 325	\$ 143,558
Schools for the Deaf and the Blind								
Schools for the Deaf and the Blind	\$ 32,510	\$ 117	\$ 9,298	\$ 41,925	\$ 41,925	\$ —	\$ —	\$ —
Total Schools for the Deaf and the Blind	32,510	117	9,298	41,925	41,925	0	0	0
Total Education Fund	\$ 4,006,116	\$ 487,999	\$ 71,766	\$ 4,565,881	\$ 4,421,998	\$ 0	\$ 325	\$ 143,558
TRANSPORTATION FUND								
DOT Support Services	\$ 41,649	\$ 3,246	\$ —	\$ 44,895	\$ 42,289	\$ 1,307	\$ —	\$ 1,299
DOT Engineering Services	29,464	20,689	2,185	52,338	49,724	1,967	—	647
DOT Operations/Maintenance	167,748	8,408	9,624	185,780	182,741	281	36	2,722
DOT Construction Management	129,228	358,254	11,522	499,004	499,004	—	—	—
DOT Region Management	27,130	2,669	2,228	32,027	30,024	1,803	—	200
DOT Aeronautics	10,008	499	329	10,836	7,253	1,680	—	1,903
DOT Share the Road	35	—	—	35	35	—	—	—
DOT Motorcycle Safety Awareness	9	—	—	9	1	—	8	—
DOT Amusement Ride Safety	350	—	—	350	180	—	—	170
DOT Transportation Safety	15	—	—	15	—	—	15	—
DOT B & C Roads	177,370	—	—	177,370	177,370	—	—	—
DOT Sidewalk Construction	1,002	—	—	1,002	462	—	—	540
DOT Corridor Preservation	62,367	—	—	62,367	62,367	—	—	—
DOT Cooperative Agreements	—	59,493	43,436	102,929	102,929	—	—	—
DOT Tollway Restricted	2,779	—	—	2,779	2,779	—	—	—
DOT County of 1st Class St. Highway Program	7,713	—	—	7,713	7,713	—	—	—
DOT Inventory & Miscellaneous	—	—	22,068	22,068	2,286	19,782	—	—
Total Transportation Fund	\$ 656,867	\$ 453,258	\$ 91,392	\$ 1,201,517	\$ 1,167,157	\$ 26,820	\$ 59	\$ 7,481
TRANSPORTATION INVESTMENT FUND								
DOT TIF Capacity Program	\$ 739,642	\$ —	\$ —	\$ 739,642	\$ 356,933	\$ 382,709	\$ —	\$ —
DOT Transit Transportation Investment	6,575	—	—	6,575	—	6,575	—	—
Total Transportation Investment Fund	\$ 746,217	\$ 0	\$ 0	\$ 746,217	\$ 356,933	\$ 389,284	\$ 0	\$ 0
DEBT SERVICE FUNDS								
General Government	\$ 463,481	\$ 13,029	\$ 6,444	\$ 482,954	\$ 450,905	\$ 13,029	\$ —	\$ 19,020
State Building Ownership Authority	6,332	1,096	19,610	27,038	21,010	—	—	6,028
Total Debt Service Funds	\$ 469,813	\$ 14,125	\$ 26,054	\$ 509,992	\$ 471,915	\$ 13,029	\$ 0	\$ 25,048

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Housing Loan Programs

These programs provide loans or grants to low income or special needs individuals for construction, rehabilitation, or purchase of single or multi-family housing. Funds are provided from federal programs, loan repayments, appropriations, and interest earnings.

Agriculture Loan Fund

This fund is comprised of two separate revolving loan programs: the Agriculture Resource Development Fund and the Rural Rehabilitation Fund. Both programs issue farm loans for soil and water conservation projects and the rehabilitation of rural areas within the State.

Energy Efficiency Fund

This fund provides revolving loans to assist in the conversion of government and private fleet vehicles to clean fuel and for energy efficiency projects in political subdivisions and state facilities. Funds are provided from public and private contributions, appropriations, and interest earnings on loans and invested funds.

Local Government Loan Fund

This fund provides revolving loan programs to local governments for infrastructure assistance, to expedite construction projects, and for providing emergency disaster services. These loan programs are funded with state appropriations.

Alcoholic Beverage Control

The Alcoholic Beverage Control Commission was established to conduct, license, and regulate the sale of alcoholic beverages. Funding is provided through the sale of products. The net profit from the fund is transferred to the State's General Fund and is used for general government purposes.

Utah Correctional Industries

Utah Correctional Industries (UCI) was established to provide work training opportunities for inmates of the Utah State Prison. UCI manufactures and sells such items as license plates, furniture, highway signs, dairy, plant nursery, and textile products, and provides printing services and miscellaneous other products and services. Funding comes from charges for products and services.

State Trust Lands Administration

The Utah School and Institutional Trust Lands Administration (SITLA) and the School and Institutional Trust Fund Office (SITFO) manage the assets of the Trust Lands permanent fund. Their objective is to maximize revenue from land assets and investment returns for the beneficiaries.

Utah Dairy Commission

The purpose of the Commission is to promote the use of dairy products. Its operations are comprised of promotion, advertising, research, and nutritional education regarding dairy products. Funding consists primarily of fees from milk producers.

Medical Cannabis Fund

The purpose of this fund is to conduct, license, and regulate the sale of cannabis related products. Funding consists primarily of fees from cannabis growers.

Combining Statement of Net Position
Nonmajor Enterprise Funds
(expressed in thousands)

June 30, 2020

	Housing Loan Programs	Agriculture Loan Fund	Energy Efficiency Fund	Local Government Loan Fund	Alcoholic Beverage Control
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 13,993	\$ 24,657	\$ 2,438	\$ 22,756	\$ 184
Receivables:					
Accounts, net	498	—	—	—	1,194
Accrued Interest	2,116	398	4	395	—
Notes/Loans/Mortgages, net	6,285	3,557	301	3,511	—
Due From Other Funds	—	—	—	—	25,324
Prepaid Items	—	—	—	—	3,909
Inventories	398	—	—	—	36,366
Total Current Assets	<u>23,290</u>	<u>28,612</u>	<u>2,743</u>	<u>26,662</u>	<u>66,977</u>
Noncurrent Assets:					
Investments	—	—	—	—	—
Accrued Interest Receivable	996	—	—	561	—
Notes/Loans/Mortgages Receivables, net	138,209	24,554	1,115	49,252	1,267
Capital Assets:					
Land	—	—	—	—	38,789
Infrastructure – depreciating	—	—	—	—	126
Buildings and Improvements	—	—	—	—	86,033
Machinery and Equipment	—	20	—	—	8,585
Intangible Assets – Software	—	—	—	—	2,304
Construction in Progress	—	—	—	—	3,325
Less Accumulated Depreciation	—	(20)	—	—	(46,932)
Total Capital Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>92,230</u>
Total Noncurrent Assets	<u>139,205</u>	<u>24,554</u>	<u>1,115</u>	<u>49,813</u>	<u>93,497</u>
Total Assets	<u>\$ 162,495</u>	<u>\$ 53,166</u>	<u>\$ 3,858</u>	<u>\$ 76,475</u>	<u>\$ 160,474</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amount on Refundings of Bonded Debt	\$ —	\$ —	\$ —	\$ —	\$ 2,226
Deferred Outflows Relating to Pensions	—	—	—	—	1,478
Deferred Outflows Relating to Other Postemployment Benefits	—	—	—	—	155
Total Deferred Outflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,859</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 418	\$ 335	\$ —	\$ —	\$ 18,878
Deposits	1	—	—	—	—
Due To Other Funds	—	2	—	—	37,284
Unearned Revenue	—	—	—	—	1,267
Revenue Bonds Payable	—	—	—	—	7,039
Total Current Liabilities	<u>419</u>	<u>337</u>	<u>0</u>	<u>0</u>	<u>64,468</u>
Noncurrent Liabilities:					
Revenue Bonds Payable	—	—	—	—	83,364
Net Pension Liability	—	—	—	—	4,232
Net Other Postemployment Benefit Liability	—	—	—	—	124
Total Noncurrent Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>87,720</u>
Total Liabilities	<u>\$ 419</u>	<u>\$ 337</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 152,188</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Relating to Pensions	\$ —	\$ —	\$ —	\$ —	\$ 1,636
Deferred Inflows Relating to Other Postemployment Benefits	—	—	—	—	395
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,031</u>
NET POSITION					
Net Investment in Capital Assets	\$ —	\$ —	\$ —	\$ —	\$ 28,394
Restricted for:					
Loan Programs	102,753	5,438	—	76,475	—
Unrestricted	59,323	47,391	3,858	—	(18,280)
Total Net Position	<u>\$ 162,076</u>	<u>\$ 52,829</u>	<u>\$ 3,858</u>	<u>\$ 76,475</u>	<u>\$ 10,114</u>

Continues

State of Utah

Combining Statement of Net Position Nonmajor Enterprise Funds (expressed in thousands)

Continued

	Utah Correctional Industries	State Trust Lands Administration	Utah Dairy Commission	Medical Cannabis Fund	Total Nonmajor Enterprise Funds
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 944	\$ 8,927	\$ 533	\$ 4,780	\$ 79,212
Receivables:					
Accounts, net	426	3,421	243	101	5,883
Accrued Interest	—	—	—	—	2,913
Notes/Loans/Mortgages, net	—	—	—	—	13,654
Due From Other Funds	243	1,250	—	1	26,818
Prepaid Items	20	—	—	1	3,930
Inventories	1,269	—	—	—	38,033
Total Current Assets	2,902	13,598	776	4,883	170,443
Noncurrent Assets:					
Investments	—	—	277	—	277
Accrued Interest Receivable	—	—	—	—	1,557
Notes/Loans/Mortgages Receivables, net	—	—	—	—	214,397
Capital Assets:					
Land	—	—	297	—	39,086
Infrastructure – depreciating	304	—	—	—	430
Buildings and Improvements	4,027	—	1,497	—	91,557
Machinery and Equipment	5,032	1,147	37	220	15,041
Intangible Assets – Software	644	—	—	30	2,978
Construction in Progress	—	—	—	—	3,325
Less Accumulated Depreciation	(5,534)	(1,106)	(111)	(7)	(53,710)
Total Capital Assets	4,473	41	1,720	243	98,707
Total Noncurrent Assets	4,473	41	1,997	243	314,938
Total Assets	\$ 7,375	\$ 13,639	\$ 2,773	\$ 5,126	\$ 485,381
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amount on Refundings of Bonded Debt	\$ 108	\$ —	\$ —	\$ —	\$ 2,334
Deferred Outflows Relating to Pensions	1,491	628	64	—	3,661
Deferred Outflows Relating to Other Postemployment Benefits	59	80	—	—	294
Total Deferred Outflows of Resources	\$ 1,658	\$ 708	\$ 64	\$ 0	\$ 6,289
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 760	\$ 1,529	\$ 10	\$ 110	\$ 22,040
Deposits	—	—	9	—	10
Due To Other Funds	154	528	—	362	38,330
Unearned Revenue	21	3,728	—	—	5,016
Revenue Bonds Payable	122	—	—	—	7,161
Total Current Liabilities	1,057	5,785	19	472	72,557
Noncurrent Liabilities:					
Revenue Bonds Payable	714	—	—	—	84,078
Net Pension Liability	3,372	2,713	189	—	10,506
Net Other Postemployment Benefit Liability	104	122	—	—	350
Total Noncurrent Liabilities	4,190	2,835	189	0	94,934
Total Liabilities	\$ 5,247	\$ 8,620	\$ 208	\$ 472	\$ 167,491
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Relating to Pensions	\$ 1,046	\$ 1,137	\$ 214	\$ —	\$ 4,033
Deferred Inflows Relating to Other Postemployment Benefits	127	192	—	—	714
Total Deferred Inflows of Resources	\$ 1,173	\$ 1,329	\$ 214	\$ 0	\$ 4,747
NET POSITION					
Net Investment in Capital Assets	\$ 3,900	\$ 41	\$ 1,720	\$ —	\$ 34,055
Restricted for:					
Loan Programs	—	—	—	—	184,666
Unrestricted	(1,287)	4,357	695	4,654	100,711
Total Net Position	\$ 2,613	\$ 4,398	\$ 2,415	\$ 4,654	\$ 319,432

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Housing Loan Programs	Agriculture Loan Fund	Energy Efficiency Fund	Local Government Loan Fund	Alcoholic Beverage Control
OPERATING REVENUES					
Sales and Charges for Services/Premiums.....	\$ —	\$ —	\$ 1	\$ —	\$ 445,208
Fees and Assessments.....	—	—	—	—	3,412
Interest on Notes/Mortgages.....	1,892	858	—	—	28
Miscellaneous.....	8	—	—	—	1,112
Total Operating Revenues.....	1,900	858	1	0	449,760
OPERATING EXPENSES					
Administration.....	—	245	—	—	26,075
Purchases, Materials, and Services for Resale.....	—	—	—	—	273,576
Grants.....	1,537	—	—	—	—
Rentals and Leases.....	—	3	—	—	871
Maintenance.....	—	2	—	—	4,698
Depreciation/Amortization.....	—	—	—	—	3,551
Miscellaneous Other:					
Data Processing.....	—	16	—	—	2,551
Supplies.....	—	3	—	—	711
Utilities.....	—	2	—	—	292
Advertising and Other.....	1,947	1,465	67	1	11,735
Total Operating Expenses.....	3,484	1,736	67	1	324,060
Operating Income (Loss).....	(1,584)	(878)	(66)	(1)	125,700
NONOPERATING REVENUES (EXPENSES)					
Investment Income.....	125	310	59	1,884	51
Federal Contracts and Grants.....	6,318	—	—	—	306
Disposal of Capital Assets.....	—	—	—	—	—
Tax Revenues.....	—	525	—	—	—
Interest Expense.....	—	—	—	—	(3,010)
Other Revenues (Expenses).....	—	29	—	—	450
Total Nonoperating Revenues (Expenses).....	6,443	864	59	1,884	(2,203)
Income (Loss) before Transfers.....	4,859	(14)	(7)	1,883	123,497
Transfers In.....	2,243	—	—	8,036	—
Transfers Out.....	(506)	(1,635)	(77)	—	(123,497)
Change in Net Position.....	6,596	(1,649)	(84)	9,919	0
Net Position – Beginning.....	155,480	54,478	3,942	66,556	10,114
Net Position – Ending.....	\$ 162,076	\$ 52,829	\$ 3,858	\$ 76,475	\$ 10,114

Continues

State of Utah

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Nonmajor Enterprise Funds (expressed in thousands)

Continued

	Utah Correctional Industries	State Trust Lands Administration	Utah Dairy Commission	Medical Cannabis Fund	Total Nonmajor Enterprise Funds
OPERATING REVENUES					
Sales and Charges for Services/Premiums.....	\$ 18,780	\$ 24,395	\$ —	\$ —	\$ 488,384
Fees and Assessments.....	—	30	2,443	2,280	8,165
Interest on Notes/Mortgages.....	—	—	—	—	2,778
Miscellaneous.....	—	—	—	—	1,120
Total Operating Revenues.....	18,780	24,425	2,443	2,280	500,447
OPERATING EXPENSES					
Administration.....	5,154	9,231	135	1,372	42,212
Purchases, Materials, and Services for Resale....	11,643	—	114	—	285,333
Grants.....	—	—	—	—	1,537
Rentals and Leases.....	182	694	—	2	1,752
Maintenance.....	331	136	—	49	5,216
Depreciation/Amortization.....	389	10	42	7	3,999
Miscellaneous Other:					
Data Processing.....	368	414	—	993	4,342
Supplies.....	659	378	—	23	1,774
Utilities.....	133	110	—	10	547
Advertising and Other.....	353	8,053	1,761	377	25,759
Total Operating Expenses.....	19,212	19,026	2,052	2,833	372,471
Operating Income (Loss).....	(432)	5,399	391	(553)	127,976
NONOPERATING REVENUES (EXPENSES)					
Investment Income.....	—	—	40	72	2,541
Federal Contracts and Grants.....	—	—	—	—	6,624
Disposal of Capital Assets.....	(22)	(495)	—	—	(517)
Tax Revenues.....	—	—	—	—	525
Interest Expense.....	(22)	—	(32)	—	(3,064)
Other Revenues (Expenses).....	—	—	—	3	482
Total Nonoperating Revenues (Expenses).....	(44)	(495)	8	75	6,591
Income (Loss) before Transfers.....	(476)	4,904	399	(478)	134,567
Transfers In.....	—	—	—	—	10,279
Transfers Out.....	—	(366)	—	—	(126,081)
Change in Net Position.....	(476)	4,538	399	(478)	18,765
Net Position – Beginning.....	3,089	(140)	2,016	5,132	300,667
Net Position – Ending.....	\$ 2,613	\$ 4,398	\$ 2,415	\$ 4,654	\$ 319,432

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Housing Loan Programs	Agriculture Loan Fund	Energy Efficiency Fund	Local Government Loan Fund	Alcoholic Beverage Control
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers/Loan Interest/Fees/ Premiums.....	\$ 1,874	\$ 871	\$ 1	\$ —	\$ 503,846
Receipts from Loan Maturities	8,050	4,097	—	—	—
Receipts from State Customers	—	—	—	—	—
Payments to Suppliers/Claims/Grants	(1,202)	(1,254)	(67)	—	(286,638)
Disbursements for Loans Receivable.....	(18,433)	(3,963)	—	—	—
Payments for Employee Services and Benefits.....	(35)	(255)	—	—	(25,862)
Payments to State Suppliers	(2,264)	(87)	—	(1)	(6,570)
Payments of Sales Tax and School Lunch Collections	—	—	—	—	(55,032)
Net Cash Provided (Used) by Operating Activities.....	(12,010)	(591)	(66)	(1)	129,744
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Borrowings Under Interfund Loans.....	—	—	—	—	36,787
Repayments Under Interfund Loans.....	—	—	—	—	(34,418)
Federal Contracts, Grants and Other Revenues	6,580	29	—	—	—
Restricted Sales Tax.....	—	525	—	—	—
Transfers In from Other Funds	2,305	—	—	8,036	—
Transfers Out to Other Funds.....	(568)	(1,635)	(77)	—	(123,497)
Net Cash Provided (Used) by Noncapital Financing Activities.....	8,317	(1,081)	(77)	8,036	(121,128)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from Bond and Note Debt Issuance/Grants	—	—	—	—	19,606
Proceeds from Disposition of Capital Assets.....	—	—	—	—	—
Principal Paid on Debt and Contract Maturities.....	—	—	—	—	(3,801)
Acquisition and Construction of Capital Assets.....	—	—	—	—	(25,671)
Interest Paid on Bonds, Notes, and Capital Leases	—	—	—	—	(3,823)
Net Cash Provided (Used) by Capital and Related Financing Activities.....	0	0	0	0	(13,689)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from the Sale and Maturity of Investments.....	—	—	—	—	—
Receipts of Interest and Dividends	125	310	—	140	51
Receipts from Loan Maturities.....	—	—	266	3,208	—
Receipts of Interest from Loans.....	—	—	59	1,313	—
Disbursements for Loans Receivable.....	—	—	—	(7,035)	—
Net Cash Provided (Used) by Investing Activities.....	125	310	325	(2,374)	51
Net Cash Provided (Used) – All Activities	(3,568)	(1,362)	182	5,661	(5,022)
Cash and Cash Equivalents – Beginning	17,561	26,019	2,256	17,095	5,206
Cash and Cash Equivalents – Ending.....	\$ 13,993	\$ 24,657	\$ 2,438	\$ 22,756	\$ 184

Continues

State of Utah

Combining Statement of Cash Flows Nonmajor Enterprise Funds (expressed in thousands)

Continued

	Utah Correctional Industries	State Trust Lands Administration	Utah Dairy Commission	Medical Cannabis Fund	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers/Loan Interest/Fees/ Premiums	\$ 8,677	\$ 46	\$ 2,423	\$ 2,179	\$ 519,917
Receipts from Loan Maturities	—	—	—	—	12,147
Receipts from State Customers	11,622	25,226	—	—	36,848
Payments to Suppliers/Claims/Grants	(12,555)	(11,021)	(116)	(1,077)	(313,930)
Disbursements for Loans Receivable	—	—	—	—	(22,396)
Payments for Employee Services and Benefits	(5,215)	(8,557)	(1,919)	(1,372)	(43,215)
Payments to State Suppliers	(1,812)	(414)	—	79	(11,069)
Payments of Sales Tax and School Lunch Collections	—	—	—	—	(55,032)
Net Cash Provided (Used) by Operating Activities	717	5,280	388	(191)	123,270
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Borrowings Under Interfund Loans	—	—	—	—	36,787
Repayments Under Interfund Loans	—	—	—	—	(34,418)
Federal Contracts, Grants and Other Revenues	—	—	—	3	6,612
Restricted Sales Tax	—	—	—	—	525
Transfers In from Other Funds	—	—	—	—	10,341
Transfers Out to Other Funds	—	(366)	—	—	(126,143)
Net Cash Provided (Used) by Noncapital Financing Activities	0	(366)	0	3	(106,296)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from Bond and Note Debt Issuance/Grants	—	—	—	—	19,606
Proceeds from Disposition of Capital Assets	—	(495)	—	—	(495)
Principal Paid on Debt and Contract Maturities	(175)	—	(618)	—	(4,594)
Acquisition and Construction of Capital Assets	(138)	(13)	—	(250)	(26,072)
Interest Paid on Bonds, Notes, and Capital Leases	(41)	—	(34)	—	(3,898)
Net Cash Provided (Used) by Capital and Related Financing Activities	(354)	(508)	(652)	(250)	(15,453)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from the Sale and Maturity of Investments	—	—	(36)	—	(36)
Receipts of Interest and Dividends	—	—	40	72	738
Receipts from Loan Maturities	—	—	—	—	3,474
Receipts of Interest from Loans	—	—	—	—	1,372
Disbursements for Loans Receivable	—	—	—	—	(7,035)
Net Cash Provided (Used) by Investing Activities	0	0	4	72	(1,487)
Net Cash Provided (Used) – All Activities	363	4,406	(260)	(366)	34
Cash and Cash Equivalents – Beginning	581	4,521	793	5,146	79,178
Cash and Cash Equivalents – Ending	\$ 944	\$ 8,927	\$ 533	\$ 4,780	\$ 79,212

Continues

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Housing Loan Program	Agriculture Loan Fund	Energy Efficiency Fund	Local Government Loan Fund	Alcoholic Beverage Control
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss).....	\$ (1,584)	\$ (878)	\$ (66)	\$ (1)	\$ 125,700
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation/Amortization Expense.....	—	—	—	—	3,551
Pension and OPEB Expense Accruals.....	—	—	—	—	26
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
Accounts Receivable/Due From Other Funds.....	—	—	—	—	(946)
Notes/Accrued Interest Receivables.....	(10,607)	147	—	—	(145)
Inventories.....	197	—	—	—	253
Prepaid Items.....	—	—	—	—	(2,150)
Accrued Liabilities/Due to Other Funds.....	(16)	140	—	—	3,310
Unearned Revenue/Deposits.....	—	—	—	—	145
Net Cash Provided (Used) by Operating Activities.....	<u>\$ (12,010)</u>	<u>\$ (591)</u>	<u>\$ (66)</u>	<u>\$ (1)</u>	<u>\$ 129,744</u>

Continues

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
(expressed in thousands)

Continued

	Utah Correctional Industries	State Trust Lands Administration	Utah Dairy Commission	Medical Cannabis Fund	Total Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss).....	\$ (432)	\$ 5,399	\$ 391	\$ (553)	\$ 127,976
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation/Amortization Expense.....	389	10	42	7	3,999
Pension and OPEB Expense Accruals.....	(45)	674	(43)	—	612
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
Accounts Receivable/Due From Other Funds.....	1,506	2,301	34	(102)	2,793
Notes/Accrued Interest Receivables.....	—	—	—	—	(10,605)
Inventories.....	167	—	—	—	617
Prepaid Items.....	(20)	—	—	—	(2,170)
Accrued Liabilities/Due to Other Funds.....	(861)	(3,127)	(45)	457	(142)
Unearned Revenue/Deposits.....	13	25	9	—	192
Net Cash Provided (Used) by Operating Activities.....	<u>\$ 717</u>	<u>\$ 5,282</u>	<u>\$ 388</u>	<u>\$ (191)</u>	<u>\$ 123,272</u>

State of Utah

Detail Schedule of Expenditures - Budget and Actual Comparison Enterprise Funds with Legally Adopted Annual Budgets (expressed in thousands)

For the Fiscal Year Ended June 30, 2020

Appropriation Line Item Name	Source of Funding			Final Budget	Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted And Other	Nonlapse or (Deficit) Carry Forward
	State Funds	Federal Funds	Restricted and Other Funds					
ALCOHOLIC BEVERAGE CONTROL								
Alcoholic Beverage Control.....	\$ 56,441	\$ —	\$ —	\$ 56,441	\$ 55,765	\$ 176	\$ —	\$ 500
ABC Parents Empowered	2,799	—	—	2,799	2,562	—	—	237
Total Alcoholic Beverage Control....	<u>\$ 59,240</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 59,240</u>	<u>\$ 58,327</u>	<u>\$ 176</u>	<u>\$ 0</u>	<u>\$ 737</u>



Technology Services

This fund is responsible for providing data processing and various other computer services along with voice and data communication services to state agencies.

General Services

This fund manages cooperative purchasing contracts and provides purchasing card, printing and mailing services, and surplus property services to state agencies. This fund also provides warehouse services for the Department of Natural Resources.

Fleet Operations

This fund provides motor pool, fuel network, and travel services to state agencies. This fund also provides transaction entry services for the Department of Administrative Services.

Risk Management

This fund provides insurance coverage and loss prevention services to state agencies, institutions of higher education, and participating local school districts. Coverage is provided using a combination of self-insurance and private excess insurance.

Property Management

This fund is responsible for the operation and maintenance of facilities used by state agencies. This fund is also used to account for the State's facility energy efficiency program.

Human Resource Management

This fund provides human resource and payroll services to state agencies.

Attorney General Legal Services

This fund includes legal services provided to state agencies by the civil division of the Utah Office of the Attorney General.

State of Utah

Combining Statement of Net Position Internal Service Funds (expressed in thousands)

June 30, 2020

	Technology Services	General Services	Fleet Operations	Risk Management	Property Management	Human Resource Management	Attorney General Legal Services	Total
ASSETS								
Current Assets:								
Cash and Cash Equivalents	\$ —	\$ 4,743	\$ 77	\$ 88,114	\$ 8,080	\$ 861	\$ —	\$ 101,875
Receivables:								
Accounts, net	326	2,129	1,936	364	26	—	284	5,065
Due From Other Funds	25,615	2,671	3,239	429	878	132	3,313	36,277
Due From Component Units	—	16	19	5	1,163	—	—	1,203
Prepaid Items	1,759	132	3	2	85	—	4	1,985
Inventories	280	1,453	1,271	—	—	—	—	3,004
Total Current Assets	<u>27,980</u>	<u>11,144</u>	<u>6,545</u>	<u>88,914</u>	<u>10,232</u>	<u>993</u>	<u>3,601</u>	<u>149,409</u>
Noncurrent Assets:								
Prepaid Items	8,865	—	—	—	385	—	—	9,250
Capital Assets:								
Infrastructure	38	—	—	—	—	—	—	38
Buildings and Improvements	3,883	1,379	193	—	—	—	—	5,455
Machinery and Equipment	33,007	9,837	132,072	—	680	49	—	175,645
Intangible Assets—Software	7,204	1,752	465	670	120	2,468	—	12,679
Less Accumulated Depreciation	(36,706)	(10,192)	(62,766)	(656)	(675)	(1,004)	—	(111,999)
Total Capital Assets	<u>7,426</u>	<u>2,776</u>	<u>69,964</u>	<u>14</u>	<u>125</u>	<u>1,513</u>	<u>—</u>	<u>81,818</u>
Total Noncurrent Assets	<u>16,291</u>	<u>2,776</u>	<u>69,964</u>	<u>14</u>	<u>510</u>	<u>1,513</u>	<u>—</u>	<u>91,068</u>
Total Assets	<u>\$ 44,271</u>	<u>\$ 13,920</u>	<u>\$ 76,509</u>	<u>\$ 88,928</u>	<u>\$ 10,742</u>	<u>\$ 2,506</u>	<u>\$ 3,601</u>	<u>\$ 240,477</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred Outflows Relating to Pensions	8,965	897	261	371	677	912	3,079	15,162
Deferred Outflows Relating to Other Postemployment Benefit	816	47	—	—	90	123	175	1,251
Total Deferred Outflows of Resources	<u>\$ 9,781</u>	<u>\$ 944</u>	<u>\$ 261</u>	<u>\$ 371</u>	<u>\$ 767</u>	<u>\$ 1,035</u>	<u>\$ 3,254</u>	<u>\$ 16,413</u>
LIABILITIES								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 13,964	\$ 2,263	\$ 3,433	\$ 259	\$ 2,477	\$ 558	\$ 1,433	\$ 24,387
Due To Other Funds	1,231	301	2	1,143	775	2	46	3,500
Due To Component Units	—	4	—	—	—	—	—	4
Interfund Loans Payable	989	702	13,112	—	—	—	700	15,503
Unearned Revenue	578	4	—	—	2	—	—	584
Policy Claims Liabilities	—	—	—	32,079	—	—	—	32,079
Contracts/Notes Payable	—	—	—	—	49	—	—	49
Revenue Bonds Payable	—	21	—	—	—	—	—	21
Total Current Liabilities	<u>16,762</u>	<u>3,295</u>	<u>16,547</u>	<u>33,481</u>	<u>3,303</u>	<u>560</u>	<u>2,179</u>	<u>76,127</u>
Noncurrent Liabilities:								
Unearned Revenue	548	13	—	—	—	—	—	561
Interfund Loans Payable	—	811	7,999	—	—	—	578	9,388
Policy Claims Liabilities	—	—	—	41,543	—	—	—	41,543
Contracts/Notes Payable	—	—	—	—	134	—	—	134
Net Pension Liability	35,792	2,391	1,232	1,434	3,003	4,287	12,303	60,442
Net Other Postemployment Benefit Liability	1,229	169	—	—	45	224	49	1,716
Total Noncurrent Liabilities	<u>37,569</u>	<u>3,384</u>	<u>9,231</u>	<u>42,977</u>	<u>3,182</u>	<u>4,511</u>	<u>12,930</u>	<u>113,784</u>
Total Liabilities	<u>\$ 54,331</u>	<u>\$ 6,679</u>	<u>\$ 25,778</u>	<u>\$ 76,458</u>	<u>\$ 6,485</u>	<u>\$ 5,071</u>	<u>\$ 15,109</u>	<u>\$ 189,911</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred Inflows Relating to Pensions	\$ 12,714	\$ 867	\$ 398	\$ 607	\$ 1,110	\$ 1,761	\$ 1,730	\$ 19,187
Deferred Inflows Relating to Other Postemployment Benefit	2,003	118	—	—	229	288	504	3,142
Total Deferred Inflows of Resources	<u>\$ 14,717</u>	<u>\$ 985</u>	<u>\$ 398</u>	<u>\$ 607</u>	<u>\$ 1,339</u>	<u>\$ 2,049</u>	<u>\$ 2,234</u>	<u>\$ 22,329</u>
NET POSITION								
Net Investment in Capital Assets	\$ 7,426	\$ 2,861	\$ 69,964	\$ 14	\$ 125	\$ 1,513	\$ —	\$ 81,903
Restricted for:								
Insurance Programs	—	—	—	9,356	—	—	—	9,356
Unrestricted (Deficit)	(22,422)	4,339	(19,370)	2,864	3,560	(5,092)	(10,488)	(46,609)
Total Net Position	<u>\$ (14,996)</u>	<u>\$ 7,200</u>	<u>\$ 50,594</u>	<u>\$ 12,234</u>	<u>\$ 3,685</u>	<u>\$ (3,579)</u>	<u>\$ (10,488)</u>	<u>\$ 44,650</u>

State of Utah

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds (expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Technology Services	General Services	Fleet Operations	Risk Management	Property Management	Human Resource Management	Attorney General Legal Services	Total
OPERATING REVENUES								
Charges for Services/Premiums	\$ 128,404	\$ 20,804	\$ 56,066	\$ 55,446	\$ 36,996	\$ 14,902	\$ 24,865	\$ 337,483
Miscellaneous	—	76	154	—	69	—	—	299
Total Operating Revenues	128,404	20,880	56,220	55,446	37,065	14,902	24,865	337,782
OPERATING EXPENSES								
Administration	90,982	5,816	3,404	4,196	11,619	12,506	25,816	154,339
Materials and Services for Resale	6,809	10,598	24,575	26,154	—	—	—	68,136
Rentals and Leases	85	51	7,240	19	294	19	2	7,710
Maintenance	288	279	11,515	6	12,626	2	1	24,717
Depreciation/Amortization	3,810	1,392	11,639	1	40	486	—	17,368
Benefit Claims	—	—	—	15,318	—	—	—	15,318
Miscellaneous Other:								
Data Processing	13,348	414	711	833	589	2,282	165	18,342
Supplies	657	107	375	147	181	40	10	1,517
Utilities	8,917	44	161	31	9,143	115	100	18,511
Other	2,689	931	3,439	1,095	1,165	464	215	9,998
Total Operating Expenses	127,585	19,632	63,059	47,800	35,657	15,914	26,309	335,956
Operating Income (Loss)	819	1,248	(6,839)	7,646	1,408	(1,012)	(1,444)	1,826
NONOPERATING REVENUES (EXPENSES)								
Investment Earnings	—	—	—	1,459	29	—	—	1,488
Disposal of Capital Assets	4	(8)	296	—	—	—	—	292
Interest Expense	—	(2)	—	—	(10)	—	—	(12)
Refunds Paid to Federal Government	—	(104)	—	(220)	—	6	—	(318)
Other Revenues (Expenses)	1,068	(195)	25	50	—	119	—	1,067
Total Nonoperating Revenues (Expenses)	1,072	(309)	321	1,289	19	125	0	2,517
Income (Loss) before Capital Contributions and Transfers	1,891	939	(6,518)	8,935	1,427	(887)	(1,444)	4,343
Capital Contributions	—	—	3,375	—	—	—	—	3,375
Transfers In	—	—	2,588	—	—	—	2,125	4,713
Transfers Out	—	—	—	—	—	—	—	—
Change in Net Position	1,891	939	(555)	8,935	1,427	(887)	681	12,431
Net Position – Beginning	(16,887)	5,908	51,502	3,299	2,258	(2,692)	(11,169)	32,219
Adjustment to Beginning Net Position	—	353	(353)	—	—	—	—	—
Net Position – Beginning as Adjusted	(16,887)	6,261	51,149	3,299	2,258	(2,692)	(11,169)	32,219
Net Position – Ending	\$ (14,996)	\$ 7,200	\$ 50,594	\$ 12,234	\$ 3,685	\$ (3,579)	\$ (10,488)	\$ 44,650

State of Utah

Combining Statement of Cash Flows Internal Service Funds (expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Technology Services	General Services	Fleet Operations	Risk Management	Property Management	Human Resource Management	Attorney General Legal Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from Customers/Fees/ Premiums.....	\$ 1,995	\$ 13,159	\$ 16,242	\$ 20,926	\$ 55	\$ 554	\$ 2,392	\$ 55,323
Receipts from State Departments and Component Unit Customers.....	374,048	43,927	41,410	34,161	36,944	15,124	22,413	568,027
Payments to Suppliers/Claims/Grants.....	(277,045)	(46,509)	(21,380)	(34,051)	(23,617)	—	—	(402,602)
Payments for Employee Services and Benefits.....	(89,077)	(5,742)	(3,300)	(4,046)	(11,395)	(12,190)	(24,722)	(150,472)
Payments to State Suppliers and Grants.....	(5,901)	(2,478)	(27,467)	(110)	—	(3,207)	(261)	(39,424)
Net Cash Provided (Used) by Operating Activities.....	4,020	2,357	5,505	16,880	1,987	281	(178)	30,852
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Borrowings Under Interfund Loans.....	—	151	17	—	—	—	—	168
Repayments Under Interfund Loans.....	—	(464)	(8)	—	—	—	(1,947)	(2,419)
Payments of Bonds, Notes, Deposits, and Refunds.....	—	—	—	—	(44)	—	—	(44)
Interest Paid on Bonds, Notes, and Financing Costs.....	—	—	—	—	(10)	—	—	(10)
Transfers In from Other Funds.....	—	—	—	—	—	—	2,125	2,125
Net Cash Provided (Used) by Noncapital Financing Activities.....	0	(313)	9	0	(54)	0	178	(180)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Borrowings Under Interfund Loans.....	2,392	62	14,289	—	—	—	—	16,743
Repayments Under Interfund Loans.....	(4,072)	(170)	(16,777)	—	—	—	—	(21,019)
Proceeds from Disposition of Capital Assets.....	52	43	5,275	—	—	—	—	5,370
Federal Grants and Other Revenues.....	—	—	3,375	—	—	—	—	3,375
Principal Paid on Debt and Contract Maturities.....	—	(86)	—	—	—	—	—	(86)
Acquisition and Construction of Capital Assets.....	(2,392)	(485)	(14,289)	(15)	(42)	—	—	(17,223)
Interest Paid on Bonds, Notes, and Capital Leases.....	—	(1)	—	—	—	—	—	(1)
Transfers In from Other Funds.....	—	—	2,588	—	—	—	—	2,588
Net Cash Provided (Used) by Capital and Related Financing Activities.....	(4,020)	(637)	(5,539)	(15)	(42)	0	0	(10,253)
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts of Interest and Dividends from Investments.....	—	—	—	1,459	29	—	—	1,488
Net Cash Provided (Used) by Investing Activities.....	0	0	0	1,459	29	0	0	1,488
Net Cash Provided (Used) – All Activities.....	0	1,407	(25)	18,324	1,920	281	0	21,907
Cash and Cash Equivalents – Beginning....	0	3,336	102	69,790	6,160	580	0	79,968
Cash and Cash Equivalents – Ending.....	\$ 0	\$ 4,743	\$ 77	\$ 88,114	\$ 8,080	\$ 861	\$ 0	\$ 101,875

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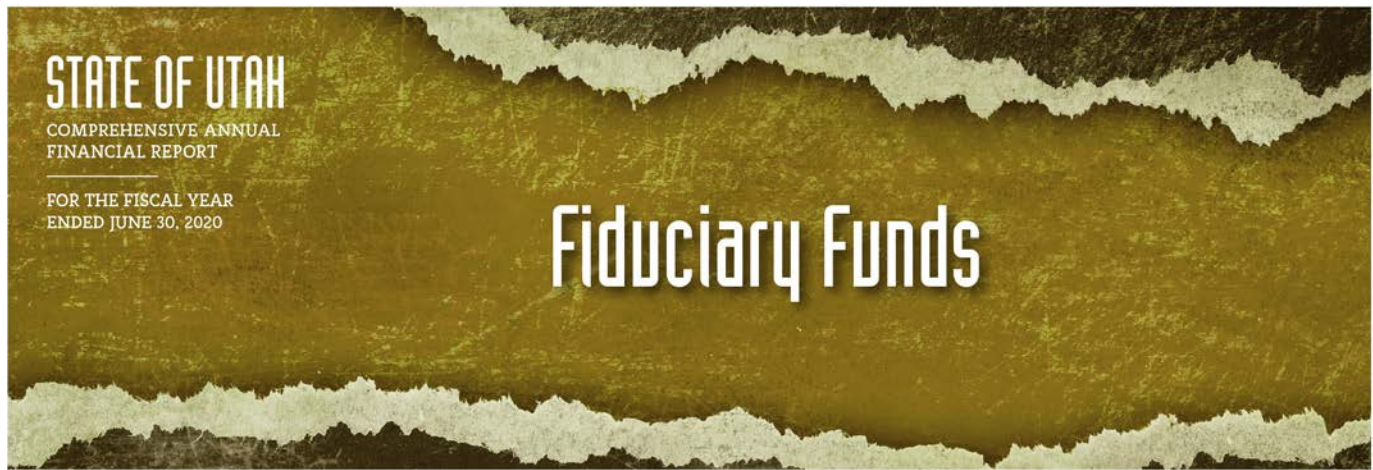
Combining Statement of Cash Flows
Internal Service Funds
(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

Continued

	Technology Services	General Services	Fleet Operations	Risk Management	Property Management	Human Resource Management	Attorney General Legal Services	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Operating Income (Loss).....	\$ 819	\$ 1,248	\$ (6,839)	\$ 7,646	\$ 1,408	\$ (1,012)	\$ (1,444)	\$ 1,826
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Depreciation/Amortization Expense.....	3,810	1,392	11,639	1	40	486	—	17,368
Pension and OPEB Expense Accruals..	1,416	13	88	118	101	237	14	1,987
Miscellaneous Gains, Losses, and Other Items.....	1,068	(299)	25	(170)	—	125	—	749
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:								
Accounts Receivable/Due From Other Funds.....	3,018	927	1,407	121	(266)	402	(9)	5,600
Inventories.....	(133)	(231)	405	—	—	—	—	41
Prepaid Items/Other Assets.....	(2,130)	62	—	764	(210)	—	(4)	(1,518)
Accrued Liabilities/Due to Other Funds.....	(4,715)	(401)	(1,220)	(1,664)	917	43	1,265	(5,775)
Unearned Revenue/Deposits.....	867	(354)	—	—	(3)	—	—	510
Policy Claims Liabilities.....	—	—	—	10,064	—	—	—	10,064
Net Cash Provided (Used) by Operating Activities.....	<u>\$ 4,020</u>	<u>\$ 2,357</u>	<u>\$ 5,505</u>	<u>\$ 16,880</u>	<u>\$ 1,987</u>	<u>\$ 281</u>	<u>\$ (178)</u>	<u>\$ 30,852</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES								
Increase (Decrease) in Fair Value of Investments.....	\$ —	\$ —	\$ —	\$ (66)	\$ —	\$ —	\$ —	\$ (66)
Total Noncash Investing, Capital, and Financing Activities.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (66)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (66)</u>

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PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

Defined Benefit Pension Plans and Defined Contribution Plans

These funds are used to account for the various pension trust funds and defined contribution plans administered by the Utah Retirement Systems. Funding comes from employee and employer contributions and investment earnings. Contributions in some systems are augmented by fees, insurance premium taxes, or legislative appropriations.

Post-Retirement Benefits Trust Funds

The State administers the State Employee and the Elected Official Other Postemployment Benefit Plans as irrevocable trusts. These trust funds account for the assets accumulated and the payments made for other postemployment benefits provided to current and future state employee and elected official retirees. Funding comes from employer contributions and investment earnings.

Other Employee Benefits Trust Funds

These trust funds are used to pay other employee benefits upon retirement or termination.

PRIVATE PURPOSE TRUST FUNDS

Utah Navajo Trust

This fund receives oil royalties, operating, and other trust revenues. Funds received are used for the health, education, and general welfare of Navajo residents of San Juan County, Utah.

Unclaimed Property Trust

This fund is used to account for unclaimed property escheated to the State. Proceeds of the fund pay the administrative costs to operate the fund and any claims. The remaining proceeds are deposited in the Education Fund and can only be used to help fund public education.

Employers' Reinsurance Trust

This fund primarily provides compensation to individuals injured from industrial accidents or occupational diseases occurring on or before June 30, 1994, where the injury is of a permanent nature and workers' compensation benefits have expired. Revenues come from assessments on insurance premiums and court-ordered penalties. The net position of the fund is held in trust for injured workers and cannot be used for any other purpose.

Petroleum Storage Tank Trust

This fund is used to pay the costs of damage caused by petroleum storage tank releases and provide revolving loan capital. Sources of funding include fees from participating companies, recovered costs and settlements from responsible parties, and investment income. The net position of this fund is held in trust for the benefit of participants and cannot be used for any other purpose.

Utah Educational Savings Plan Trust (dba My529)

This fund was created as a means to encourage investment in a public trust to pay for future higher education costs. Participant contributions are used to pay for future college expenses.

Miscellaneous Restricted Trust

This is made up of various small individual funds created to receive and disburse funds in accordance with applicable laws and trust agreements.

AGENCY FUNDS

Taxes and Social Security

This fund is used to account for federal withholding and social security taxes on the State's payroll.

County and Local Collections

This fund receives and disburses various taxes collected by the State on behalf of county and local governments.

State Courts

This fund receives and disburses various fines and forfeitures collected by the state courts on behalf of state and local agencies.

Deposits, Suspense, and Miscellaneous

This fund is made up of small individual funds established to account for various receipts and disbursements.

Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefits Trust Funds
(expressed in thousands)

June 30, 2020

	Pension Trust					Governors and Legislative Pension Plan
	Non- Contributory System	Contributory System	Public Safety System	Firefighters System	Judges System	
ASSETS						
Cash and Cash Equivalents.....	\$ 1,431,063	\$ 65,434	\$ 206,301	\$ 72,120	\$ 11,399	\$ 589
Receivables:						
Member Contributions.....	—	77	6	671	—	—
Employer Contributions.....	44,599	224	5,493	272	337	—
Court Fees and Fire Insurance Premiums...	—	—	—	—	119	—
Investments.....	271,139	12,401	39,099	13,669	2,160	111
Total Receivables.....	315,738	12,702	44,598	14,612	2,616	111
Investments:						
Debt Securities.....	4,849,738	221,819	699,329	244,485	38,640	1,994
Equity Investments.....	10,549,504	482,516	1,521,231	531,822	84,054	4,338
Absolute Return.....	4,070,137	186,162	586,911	205,184	32,429	1,673
Private Equity.....	3,150,876	144,116	454,354	158,842	25,105	1,295
Real Assets.....	3,884,863	177,687	560,194	195,844	30,953	1,597
Invested Securities Lending Collateral.....	694,246	31,754	100,108	34,999	5,531	285
Total Investments.....	27,199,364	1,244,054	3,922,127	1,371,176	216,712	11,182
Capital Assets:						
Land.....	1,397	64	202	70	11	1
Buildings and Improvements.....	16,234	743	2,343	818	128	7
Machinery and Equipment.....	3,218	147	464	162	25	1
Intangible Assets.....	8,603	394	1,242	433	68	4
Less Accumulated Depreciation.....	(22,503)	(1,030)	(3,248)	(1,133)	(177)	(10)
Total Capital Assets.....	6,949	318	1,003	350	55	3
Total Assets.....	\$ 28,953,114	\$ 1,322,508	\$ 4,174,029	\$ 1,458,258	\$ 230,782	\$ 11,885
LIABILITIES						
Accounts Payable.....	\$ 510,724	\$ 23,329	\$ 73,552	\$ 26,049	\$ 4,064	\$ 210
Securities Lending Liability.....	694,246	31,754	100,108	34,999	5,531	285
Leave/Postemployment Benefits.....	14,072	643	2,030	709	112	5
Insurance Reserves.....	3,926	180	566	198	31	2
Real Estate Liabilities.....	94,223	4,310	13,587	4,750	751	39
Total Liabilities.....	\$ 1,317,191	\$ 60,216	\$ 189,843	\$ 66,705	\$ 10,489	\$ 541
NET POSITION						
Restricted for:						
Pension Benefits.....	\$ 27,635,923	\$ 1,262,292	\$ 3,984,186	\$ 1,391,553	\$ 220,293	\$ 11,344
Other Postemployment Benefits.....	—	—	—	—	—	—
Other Employee Benefits.....	—	—	—	—	—	—
Defined Contribution.....	—	—	—	—	—	—
Total Net Position.....	\$ 27,635,923	\$ 1,262,292	\$ 3,984,186	\$ 1,391,553	\$ 220,293	\$ 11,344

Continues

State of Utah

Combining Statement of Fiduciary Net Position Pension and Other Employee Benefits Trust Funds (expressed in thousands)

June 30, 2020

Continued

	Pension Trust		Defined Contributions Plans		
	Tier 2 Public Employees	Tier 2 Public Safety and Firefighters	401(k) Plan	457(b) Plan	IRA Plans
ASSETS					
Cash and Cash Equivalents.....	\$ 31,363	\$ 4,184	\$ 9,971	\$ 634	\$ 189
Receivables:					
Member Contributions.....	—	—	—	—	—
Employer Contributions.....	6,733	711	—	—	—
Court Fees and Fire Insurance Premiums.....	—	—	—	—	—
Investments.....	5,944	793	85,529	10,908	—
Total Receivables.....	12,677	1,504	85,529	10,908	0
Investments:					
Debt Securities.....	106,314	14,179	1,836,767	195,221	132,489
Equity Investments.....	231,262	30,843	3,565,110	413,629	196,449
Absolute Return.....	89,224	11,900	—	—	—
Private Equity.....	69,072	9,212	—	—	—
Real Assets.....	85,162	11,358	235,957	25,303	15,799
Invested Securities Lending Collateral.....	15,219	2,030	—	—	—
Total Investments.....	596,253	79,522	5,637,834	634,153	344,737
Capital Assets:					
Land.....	31	4	—	—	—
Buildings and Improvements.....	355	47	—	—	—
Machinery and Equipment.....	70	9	—	—	—
Intangible Assets.....	188	25	—	—	—
Less Accumulated Depreciation.....	(492)	(65)	—	—	—
Total Capital Assets.....	152	20	0	0	0
Total Assets.....	\$ 640,445	\$ 85,230	\$ 5,733,334	\$ 645,695	\$ 344,926
LIABILITIES					
Accounts Payable.....	\$ 11,182	\$ 1,491	\$ 10,494	\$ 242	\$ 161
Securities Lending Liability.....	15,219	2,030	—	—	—
Leave/Postemployment Benefits.....	309	41	—	—	—
Insurance Reserves.....	86	12	—	—	—
Real Estate Liabilities.....	2,066	275	—	—	—
Total Liabilities.....	\$ 28,862	\$ 3,849	\$ 10,494	\$ 242	\$ 161
NET POSITION					
Restricted for:					
Pension Benefits.....	\$ 611,583	\$ 81,381	\$ —	\$ —	\$ —
Other Postemployment Benefits.....	—	—	—	—	—
Other Employee Benefits.....	—	—	—	—	—
Defined Contribution.....	—	—	5,722,840	645,453	344,765
Total Net Position.....	\$ 611,583	\$ 81,381	\$ 5,722,840	\$ 645,453	\$ 344,765

Continues

Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefits Trust Funds
(expressed in thousands)

June 30, 2020

Continued

	Post-Retirement Benefits Trust		Other Employee Benefits Trust		
	State Employee	Elected Official	Other Employee Benefits	Annual Leave	Total
ASSETS					
Cash and Cash Equivalents	\$ 3,631	\$ 129	\$ 0	\$ 34	\$ 1,837,041
Receivables:					
Member Contributions	—	—	—	—	754
Employer Contributions	1,251	—	1,297	565	61,482
Court Fees and Fire Insurance Premiums	—	—	—	—	119
Investments	—	—	—	—	441,753
Total Receivables	1,251	0	1,297	565	504,108
Investments:					
Debt Securities	285,258	8,816	54,245	11,193	8,700,487
Equity Investments	—	8,085	—	—	17,618,843
Absolute Return	—	—	—	—	5,183,620
Private Equity	—	—	—	—	4,012,872
Real Assets	7,064	402	—	—	5,232,183
Invested Securities Lending Collateral	—	—	—	—	884,172
Total Investments	292,322	17,303	54,245	11,193	41,632,177
Capital Assets:					
Land	—	—	—	—	1,780
Buildings and Improvements	—	—	—	—	20,675
Machinery and Equipment	—	—	—	—	4,096
Intangible Assets	—	—	—	—	10,957
Less Accumulated Depreciation	—	—	—	—	(28,658)
Total Capital Assets	0	0	0	0	8,850
Total Assets	\$ 297,204	\$ 17,432	\$ 55,542	\$ 11,792	\$ 43,982,176
LIABILITIES					
Accounts Payable	\$ —	\$ —	\$ —	\$ —	\$ 661,498
Securities Lending Liability	—	—	—	—	884,172
Leave/Postemployment Benefits	2,655	—	605	314	21,495
Insurance Reserves	—	—	—	—	5,001
Real Estate Liabilities	—	—	—	—	120,001
Total Liabilities	\$ 2,655	\$ 0	\$ 605	\$ 314	\$ 1,692,167
NET POSITION					
Restricted for:					
Pension Benefits	\$ —	\$ —	\$ —	\$ —	\$ 35,198,555
Other Postemployment Benefits	294,549	17,432	—	—	311,981
Other Employee Benefits	—	—	54,937	11,478	66,415
Defined Contribution	—	—	—	—	6,713,058
Total Net Position	\$ 294,549	\$ 17,432	\$ 54,937	\$ 11,478	\$ 42,290,009

Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Pension Trust					
	Non-Contributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Governors and Legislative Pension Plan
ADDITIONS						
Contributions:						
Member.....	\$ 11,730	\$ 1,950	\$ 856	\$ 18,701	\$ —	\$ —
Employer.....	888,078	5,433	150,467	7,443	8,500	384
Court Fees and Fire Insurance Premiums.....	—	—	—	41,859	1,536	—
Total Contributions.....	899,808	7,383	151,323	68,003	10,036	384
Investment Income:						
Net Increase (Decrease) in Fair Value of Investments.....	2,969,243	139,108	426,532	147,767	23,569	1,257
Interest, Dividends, and Other Investment Income.....	579,304	27,140	83,217	28,830	4,598	245
Total Income From Investment Activity.....	3,548,547	166,248	509,749	176,597	28,167	1,502
Less Investment Expenses.....	(53,752)	(2,518)	(7,721)	(2,675)	(427)	(23)
Net Income from Investment Activity.....	3,494,795	163,730	502,028	173,922	27,740	1,479
Income from Security Lending Activity.....	5,051	236	725	252	40	2
Less Security Lending Expenses.....	(658)	(31)	(96)	(33)	(5)	—
Net Income from Security Lending Activity.....	4,393	205	629	219	35	2
Net Investment Income.....	3,499,188	163,935	502,657	174,141	27,775	1,481
Transfers From Affiliated Systems.....	—	9,775	5,512	2,027	2,339	—
Total Additions.....	4,398,996	181,093	659,492	244,171	40,150	1,865
DEDUCTIONS						
Retirement Benefits.....	1,184,852	75,044	168,702	48,331	12,850	848
Cost of Living Benefits.....	212,131	13,083	33,026	11,350	2,496	164
Supplemental Retirement Benefits.....	—	35	195	166	—	—
Retiree Healthcare Benefits.....	—	—	—	—	—	—
Refunds/Plan Distributions.....	3,127	2,660	76	255	—	—
Administrative Expenses.....	9,411	408	1,376	405	81	4
Transfers To Affiliated Systems.....	19,611	—	—	—	—	42
Total Deductions.....	1,429,132	91,230	203,375	60,507	15,427	1,058
Change in Net Position Restricted for:						
Pension Benefits.....	2,969,864	89,863	456,117	183,664	24,723	807
Other Postemployment Benefits.....	—	—	—	—	—	—
Other Employee Benefits.....	—	—	—	—	—	—
Defined Contribution.....	—	—	—	—	—	—
Net Position – Beginning.....	24,666,059	1,172,429	3,528,069	1,207,889	195,570	10,537
Net Position – Ending.....	\$ 27,635,923	\$ 1,262,292	\$3,984,186	\$ 1,391,553	\$220,293	\$ 11,344

Continues

Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

Continued

	Pension Trust		Defined Contribution Plans		
	Tier 2 Public Employees	Tier 2 Public Safety and Firefighters	401(k) Plan	457(b) Plan	IRA Plans
ADDITIONS					
Contributions:					
Member.....	\$ —	\$ —	\$ 324,333	\$ 34,919	\$ 69,356
Employer.....	119,839	18,197	—	—	—
Court Fees and Fire Insurance Premiums.....	—	—	—	—	—
Total Contributions.....	119,839	18,197	324,333	34,919	69,356
Investment Income:					
Net Increase (Decrease) in Fair Value of Investments.....	57,865	7,599	892,251	101,397	45,837
Interest, Dividends, and Other Investment Income.....	11,328	1,486	4,508	558	—
Total Income From Investment Activity.....	69,193	9,085	896,759	101,955	45,837
Less Investment Expenses.....	(1,051)	(138)	(3,810)	(417)	(240)
Net Income from Investment Activity.....	68,142	8,947	892,949	101,538	45,597
Income from Security Lending Activity.....	99	13	—	—	—
Less Security Lending Expenses.....	(13)	(2)	—	—	—
Net Income from Security Lending Activity.....	86	11	—	—	—
Net Investment Income.....	68,228	8,958	892,949	101,538	45,597
Transfers From Affiliated Systems.....	—	—	—	—	—
Total Additions.....	188,067	27,155	1,217,282	136,457	114,953
DEDUCTIONS					
Retirement Benefits.....	962	90	—	—	—
Cost of Living Benefits.....	3	—	—	—	—
Supplemental Retirement Benefits.....	—	—	—	—	—
Retiree Healthcare Benefits.....	—	—	—	—	—
Refunds/Plan Distributions.....	—	—	321,069	34,328	21,462
Administrative Expenses.....	152	20	7,456	833	422
Transfers To Affiliated Systems.....	—	—	—	—	—
Total Deductions.....	1,117	110	328,525	35,161	21,884
Change in Net Position Restricted for:					
Pension Benefits.....	186,950	27,045	—	—	—
Other Postemployment Benefits.....	—	—	—	—	—
Other Employee Benefits.....	—	—	—	—	—
Defined Contribution.....	—	—	888,757	101,296	93,069
Net Position – Beginning.....	424,633	54,336	4,834,083	544,157	251,696
Net Position – Ending.....	\$ 611,583	\$ 81,381	\$ 5,722,840	\$ 645,453	\$ 344,765

Continues

Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

Continued

	Post-Retirement Benefits Trust		Other Employee Benefits Trust		
	State Employee	Elected Official	Other Employee Benefits	Annual Leave	Total
ADDITIONS					
Contributions:					
Member.....	\$ —	\$ —	\$ —	\$ —	\$ 461,845
Employer.....	26,659	1,388	27,643	12,031	1,266,062
Court Fees and Fire Insurance Premiums.....	—	—	—	—	43,395
Total Contributions.....	26,659	1,388	27,643	12,031	1,771,302
Investment Income:					
Net Increase (Decrease) in Fair Value of Investments.....	(13,705)	(401)	148	—	4,798,467
Interest, Dividends, and Other Investment Income.....	39,344	1,443	899	182	783,082
Total Income From Investment Activity.....	25,639	1,042	1,047	182	5,581,549
Less Investment Expenses.....	—	—	—	—	(72,772)
Net Income from Investment Activity.....	25,639	1,042	1,047	182	5,508,777
Income from Security Lending Activity.....	—	—	—	—	6,418
Less Security Lending Expenses.....	—	—	—	—	(838)
Net Income from Security Lending Activity.....	0	0	0	0	5,580
Net Investment Income.....	25,639	1,042	1,047	182	5,514,357
Transfers From Affiliated Systems.....	—	—	—	—	19,653
Total Additions.....	52,298	2,430	28,690	12,213	7,305,312
DEDUCTIONS					
Retirement Benefits.....	—	—	—	—	1,491,679
Cost of Living Benefits.....	—	—	—	—	272,253
Supplemental Retirement Benefits.....	—	—	—	—	396
Retiree Healthcare Benefits.....	29,605	864	—	—	30,469
Refunds/Plan Distributions.....	—	—	12,067	8,219	403,263
Administrative Expenses.....	—	—	—	—	20,568
Transfers To Affiliated Systems.....	—	—	—	—	19,653
Total Deductions.....	29,605	864	12,067	8,219	2,238,281
Change in Net Position Restricted for:					
Pension Benefits.....	—	—	—	—	3,939,033
Other Postemployment Benefits.....	22,693	1,566	—	—	24,259
Other Employee Benefits.....	—	—	16,623	3,994	20,617
Defined Contribution.....	—	—	—	—	1,083,122
Net Position – Beginning.....	271,856	15,866	38,314	7,484	37,222,978
Net Position – Ending.....	\$ 294,549	\$ 17,432	\$ 54,937	\$ 11,478	\$ 42,290,009

Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
(expressed in thousands)

June 30, 2020

	Utah Navajo Trust	Unclaimed Property Trust	Employers' Reinsurance Trust	Petroleum Storage Tank Trust	Utah Educational Savings Plan Trust	Miscellaneous Restricted Trust	Total
ASSETS							
Cash and Cash Equivalents	\$ 815	\$ —	\$ 1,294	\$ 1,554	\$ 1,261	\$ 3,823	\$ 8,747
Receivables:							
Accounts	7	—	6,087	43	11	252	6,400
Accrued Assessments	—	—	2,743	—	—	—	2,743
Loans	36	—	—	1,272	—	—	1,308
Due From Other Funds	127	—	—	—	—	—	127
Investments:							
Debt Securities	69,538	97,930	201,772	18,853	3,463,951	8,206	3,860,250
Equity Investments	6,702	—	14,075	—	11,978,366	—	11,999,143
Total Investments	76,240	97,930	215,847	18,853	15,442,317	8,206	15,859,393
Other Assets	143	20,950	—	—	—	—	21,093
Capital Assets:							
Land	687	—	—	—	—	—	687
Buildings and Improvements	10,951	—	—	—	—	—	10,951
Machinery and Equipment	385	—	—	—	2,566	10	2,961
Intangible Assets	11	—	—	—	—	—	11
Less Accumulated Depreciation	(5,424)	—	—	—	(1,907)	(3)	(7,334)
Total Capital Assets	6,610	0	0	0	659	7	7,276
Total Assets	<u>\$ 83,978</u>	<u>\$ 118,880</u>	<u>\$ 225,971</u>	<u>\$ 21,722</u>	<u>\$ 15,444,248</u>	<u>\$ 12,288</u>	<u>\$ 15,907,087</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows Relating to Pensions	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 483</u>	<u>\$ 0</u>	<u>\$ 483</u>
LIABILITIES							
Accounts Payable	\$ 81	\$ 240	\$ 315	\$ 80	\$ 1,334	\$ 476	\$ 2,526
Due To Other Funds	33	1	25	—	—	1	60
Unearned Revenue	—	—	—	387	—	—	387
Policy Claims Liabilities	—	—	189,942	26,118	—	—	216,060
Net Pension Liability	—	—	—	—	408	—	408
Total Liabilities	<u>\$ 114</u>	<u>\$ 241</u>	<u>\$ 190,282</u>	<u>\$ 26,585</u>	<u>\$ 1,742</u>	<u>\$ 477</u>	<u>\$ 219,441</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows Relating to Pensions	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 317</u>	<u>\$ 0</u>	<u>\$ 317</u>
NET POSITION							
Restricted for:							
Individuals, Organizations, and Other Governments	\$ 83,864	\$ 118,639	\$ 35,689	\$ (4,863)	\$ 15,442,672	\$ 11,811	\$ 15,687,812
Total Net Position	<u>\$ 83,864</u>	<u>\$ 118,639</u>	<u>\$ 35,689</u>	<u>\$ (4,863)</u>	<u>\$ 15,442,672</u>	<u>\$ 11,811</u>	<u>\$ 15,687,812</u>

State of Utah

Combining Statement of Changes in Fiduciary Net Position Private Purpose Trust Funds (expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Utah Navajo Trust	Unclaimed Property Trust	Employers' Reinsurance Trust	Petroleum Storage Tank Trust	Utah Educational Savings Plan Trust	Miscellaneous Restricted Trust	Total
ADDITIONS							
Contributions:							
Member	\$ —	\$ —	\$ —	\$ —	\$ 1,379,288	\$ 7,229	\$ 1,386,517
Total Contributions	0	0	0	0	1,379,288	7,229	1,386,517
Investment Income:							
Net Increase (Decrease) in Fair Value of Investments	939	(165)	(5,290)	—	168,165	—	163,649
Interest, Dividends, and Other Investment Income	1,815	2,479	22,171	375	394,218	158	421,216
Total Income From Investment Activity	2,754	2,314	16,881	375	562,383	158	584,865
Other Additions:							
Escheats	—	50,379	—	—	—	—	50,379
Royalties and Rents	2,977	—	—	—	—	—	2,977
Fees, Assessments, and Revenues	688	—	14,337	7,676	—	21,880	44,581
Court Settlement / Miscellaneous	—	—	5	82	—	5,928	6,015
Total Other	3,665	50,379	14,342	7,758	0	27,808	103,952
Total Additions	6,419	52,693	31,223	8,133	1,941,671	35,195	2,075,334
DEDUCTIONS							
Trust Operating Expenses	1,741	—	—	—	—	25,874	27,615
Distributions and Benefit Payments	516	38,308	5,331	—	716,942	8,063	769,160
Administrative and General Expenses	1,426	3,194	3,136	4,647	13,152	606	26,161
Total Deductions	3,683	41,502	8,467	4,647	730,094	34,543	822,936
Change in Net Position Restricted for:							
Individuals, Organizations, and Other Governments	2,736	11,191	22,756	3,486	1,211,577	652	1,252,398
Net Position – Beginning	80,480	107,448	12,933	(8,349)	14,231,095	11,159	14,434,766
Adjustment to Beginning Net Position	648	—	—	—	—	—	648
Net Position – Beginning as Adjusted	81,128	107,448	12,933	(8,349)	14,231,095	11,159	14,435,414
Net Position – Ending	<u>\$ 83,864</u>	<u>\$ 118,639</u>	<u>\$ 35,689</u>	<u>\$ (4,863)</u>	<u>\$15,442,672</u>	<u>\$ 11,811</u>	<u>\$15,687,812</u>

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
(expressed in thousands)

June 30, 2020

	Taxes and Social Security	Country and Local Collections	State Courts	Deposits, Suspense, and Miscellaneous	Total
ASSETS					
Cash and Cash Equivalents	\$ 262	\$ 181,608	\$ 45,041	\$ 27,246	\$ 254,157
Accounts Receivable	—	—	1	20,071	20,072
Due From Other Funds	—	—	6	265	271
Investments:					
Debt Securities	—	204	—	4,294	4,498
Other Assets	—	—	—	16,930	16,930
Total Assets	<u>\$ 262</u>	<u>\$ 181,812</u>	<u>\$ 45,048</u>	<u>\$ 68,806</u>	<u>\$ 295,928</u>
LIABILITIES					
Due To Individuals, Organizations, and Other Governments...	\$ 262	\$ 181,812	\$ 45,048	\$ 68,806	\$ 295,928
Total Liabilities	<u>\$ 262</u>	<u>\$ 181,812</u>	<u>\$ 45,048</u>	<u>\$ 68,806</u>	<u>\$ 295,928</u>

State of Utah

Combining Statement of Changes in Assets and Liabilities Agency Funds (expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
TAXES AND SOCIAL SECURITY				
Assets				
Cash and Cash Equivalents	\$ 39	\$ 323,165	\$ 322,942	\$ 262
Total Assets	<u>\$ 39</u>	<u>\$ 323,165</u>	<u>\$ 322,942</u>	<u>\$ 262</u>
Liabilities				
Due To Individuals, Organizations, and Other Governments...	\$ 39	\$ 323,415	\$ 323,192	\$ 262
Total Liabilities	<u>\$ 39</u>	<u>\$ 323,415</u>	<u>\$ 323,192</u>	<u>\$ 262</u>
COUNTY AND LOCAL COLLECTIONS				
Assets				
Cash and Cash Equivalents	\$ 148,606	\$ 2,433,321	\$ 2,400,319	\$ 181,608
Investments	\$ 117	\$ 2,942	\$ 2,855	\$ 204
Total Assets	<u>\$ 148,723</u>	<u>\$ 2,436,263</u>	<u>\$ 2,403,174</u>	<u>\$ 181,812</u>
Liabilities				
Due To Individuals, Organizations, and Other Governments ..	\$ 148,723	\$ 2,471,731	\$ 2,438,642	\$ 181,812
Total Liabilities	<u>\$ 148,723</u>	<u>\$ 2,471,731</u>	<u>\$ 2,438,642</u>	<u>\$ 181,812</u>
STATE COURTS				
Assets				
Cash and Cash Equivalents	\$ 6,706	\$ 15,415	\$ (22,920)	\$ 45,041
Accounts Receivable	—	3	2	1
Due From Other Funds	—	6	—	6
Other Assets	37,791	81,565	119,356	—
Total Assets	<u>\$ 44,497</u>	<u>\$ 96,989</u>	<u>\$ 96,438</u>	<u>\$ 45,048</u>
Liabilities				
Due To Individuals, Organizations, and Other Governments...	\$ 44,497	\$ 97,654	\$ 97,103	\$ 45,048
Total Liabilities	<u>\$ 44,497</u>	<u>\$ 97,654</u>	<u>\$ 97,103</u>	<u>\$ 45,048</u>
DEPOSITS, SUSPENSE, AND MISCELLANEOUS				
Assets				
Cash and Cash Equivalents	\$ 25,654	\$ 450,054	\$ 448,462	\$ 27,246
Investments	3,192	1,955	853	4,294
Receivables:				
Accounts Receivable	20,048	1,298	1,275	20,071
Due From Other Funds	123	320	178	265
Other Assets	16,330	600	—	16,930
Total Assets	<u>\$ 65,347</u>	<u>\$ 454,227</u>	<u>\$ 450,768</u>	<u>\$ 68,806</u>
Liabilities				
Due To Individuals, Organizations, and Other Governments...	\$ 65,347	\$ 458,484	\$ 455,025	\$ 68,806
Total Liabilities	<u>\$ 65,347</u>	<u>\$ 458,484</u>	<u>\$ 455,025</u>	<u>\$ 68,806</u>
TOTAL — ALL AGENCY FUNDS				
Assets				
Cash and Cash Equivalents	\$ 181,005	\$ 3,221,955	\$ 3,148,803	\$ 254,157
Investments	3,309	4,897	3,708	4,498
Receivables:				
Accounts Receivable	20,048	1,301	1,277	20,072
Due From Other Funds	123	326	178	271
Other Assets	54,121	82,165	119,356	16,930
Total Assets	<u>\$ 258,606</u>	<u>\$ 3,310,644</u>	<u>\$ 3,273,322</u>	<u>\$ 295,928</u>
Liabilities				
Due To Individuals, Organizations, and Other Governments...	\$ 258,606	\$ 3,351,284	\$ 3,313,962	\$ 295,928
Total Liabilities	<u>\$ 258,606</u>	<u>\$ 3,351,284</u>	<u>\$ 3,313,962</u>	<u>\$ 295,928</u>

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Utah Communications Authority

The Utah Communications Authority (UCA) provides public safety communications services and facilities on a statewide basis for the benefit and use of state, local, and federal agencies. UCA supports statewide interoperability of emergency communications throughout the State, and manages the 911 funds collected by the State for the benefit of the Public Safety Answering Points within the State. UCA operations are funded through service charges supplemented with federal grants and state fees and appropriations.

Utah Schools for the Deaf and the Blind

The Schools were created to provide education to individuals with hearing and/or vision impairments, through direct and indirect education services, as well as consultation to their families and service providers.

Military Installation Development Authority

This Authority is an independent, nonprofit entity whose purpose is to provide for the development and improvement of project areas near military installations throughout the State. Operations are funded through service charges, project revenue, and state appropriations.

Heber Valley Historic Railroad Authority

This Authority was created to operate, maintain, improve, and provide for a scenic and historic railway in and around the Heber Valley in Wasatch County. Operations are funded primarily through user charges.

Utah State Fair Corporation

This Corporation was created to operate the State Fair Park and conduct the Utah State Fair and other expositions and entertainment events. Operations are funded through admissions, rentals, donations, and state appropriations.

Point of the Mountain Development Authority

This Authority is an independent, nonprofit corporation whose purpose is to facilitate the disposition of land, nearly 700 acres, where the Utah State Prison now stands and oversee the process of developing the current site once the prison has been relocated. Operations are funded through state appropriations.

Utah Inland Port Authority

This Authority is an independent, nonprofit corporation whose purpose is to facilitate the development of the authority jurisdictional land to maximize the long-term economic and other benefits for the State. Operations are funded through state appropriations.

Colleges and Universities

The colleges and universities are the State's public institutions of higher education. The nonmajor institutions of higher education are:

Weber State University | Southern Utah University | Salt Lake Community College | Utah Valley University | Dixie State University | Snow College | Utah System of Technical Colleges

Combining Statement of Net Position

Nonmajor Component Units

(expressed in thousands)

June 30, 2020

	Utah Communications Authority	Utah Schools for the Deaf and the Blind	Military Installation Development Authority	Heber Valley Historic Railroad Authority	Utah State Fair Corporation
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 1,271	\$ 5,419	\$ 3,921	\$ 348	\$ 3,333
Investments	51,861	—	—	—	—
Receivables:					
Accounts, net	3,235	314	294	5	588
Notes/Loans/Mortgages/Pledges, net	—	—	—	—	—
Accrued Interest	—	—	—	—	—
Due From Primary Government	—	338	—	—	—
Prepaid Items	68	—	—	—	81
Inventories	168	—	—	8	—
Other Assets	—	—	—	—	—
Total Current Assets	56,603	6,071	4,215	361	4,002
Noncurrent Assets:					
Restricted Investments	—	—	7,576	—	—
Accounts Receivables, net	—	—	20,403	—	—
Investments	—	—	—	—	—
Notes/Loans/Mortgages/Pledges Receivables, net	—	—	—	—	—
Other Assets	112	—	—	—	—
Capital Assets (net of Accumulated Depreciation)	10,974	40,109	14,315	5,527	1,514
Total Noncurrent Assets	11,086	40,109	42,294	5,527	1,514
Total Assets	\$ 67,689	\$ 46,180	\$ 46,509	\$ 5,888	\$ 5,516
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amount on Refundings of Bonded Debt	\$ —	\$ —	\$ —	\$ —	\$ —
Deferred Outflows Relating to Pensions	1,412	2,012	81	142	295
Deferred Outflows Relating to Other Postemployment Benefit	—	210	—	—	—
Total Deferred Outflows of Resources	\$ 1,412	\$ 2,222	\$ 81	\$ 142	\$ 295
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 590	\$ 1,619	\$ 2,377	\$ 79	\$ 839
Deposits	—	—	—	—	—
Due To Primary Government	—	125	—	—	—
Unearned Revenue	19	—	424	—	48
Current Portion of Long-term Liabilities	340	—	127	789	7
Total Current Liabilities	949	1,744	2,928	868	894
Noncurrent Liabilities:					
Accounts Payable and Accrued Liabilities	—	—	—	—	—
Unearned Revenue	—	—	—	—	—
Net Pension Liability	2,831	6,794	105	312	570
Net Other Postemployment Benefit Liability	—	58	—	—	—
Long-term Liabilities	821	—	16,675	1,785	127
Total Noncurrent Liabilities	3,652	6,852	16,780	2,097	697
Total Liabilities	\$ 4,601	\$ 8,596	\$ 19,708	\$ 2,965	\$ 1,591
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Relating to Beneficial Interests	\$ —	\$ —	\$ —	\$ —	\$ —
Deferred Amount on Refundings of Bonded Debt	—	—	—	—	—
Deferred Inflows Relating to Pensions	42	3,331	74	6	30
Deferred Inflows Relating to Other Postemployment Benefit	—	541	—	—	—
Total Deferred Inflows of Resources	\$ 42	\$ 3,872	\$ 74	\$ 6	\$ 30
NET POSITION					
Net Investment in Capital Assets	\$ 10,546	\$ 40,109	\$ 4,220	\$ 2,960	\$ 1,514
Restricted for:					
Nonexpendable:					
Higher Education	—	—	—	—	—
Expendable:					
Higher Education	—	—	—	—	—
Other	30,856	—	21,357	—	16
Unrestricted (Deficit)	23,056	(4,175)	1,231	99	2,660
Total Net Position	\$ 64,458	\$ 35,934	\$ 26,808	\$ 3,059	\$ 4,190

Continues

Combining Statement of Net Position
Nonmajor Component Units - continued

(expressed in thousands)

June 30, 2020

	Point of the Mountain Development Authority	Utah Inland Port Authority	Weber State University	Southern Utah University	Salt Lake Community College
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ —	\$ 265	\$ 74,177	\$ 13,353	\$ 99,478
Investments	—	—	6,659	6,834	27,169
Receivables:					
Accounts, net	—	—	7,722	6,742	9,787
Notes/Loans/Mortgages/Pledges, net	—	—	2,314	255	523
Accrued Interest	—	—	179	—	—
Due From Primary Government	900	500	—	—	—
Prepaid Items	—	17	1,102	1,258	3,075
Inventories	—	—	2,821	861	544
Other Assets	—	—	443	—	43
Total Current Assets	900	782	95,417	29,303	140,619
Noncurrent Assets:					
Restricted Investments	—	—	18,049	1,452	7,961
Accounts Receivables, net	—	—	4,040	—	—
Investments	—	—	184,163	76,118	53,637
Notes/Loans/Mortgages/Pledges Receivables, net	—	—	5,231	11,184	120
Other Assets	—	—	9,028	826	302
Capital Assets (net of Accumulated Depreciation)	—	17	408,396	163,593	258,290
Total Noncurrent Assets	—	17	628,907	253,173	320,310
Total Assets	\$ 900	\$ 799	\$ 724,324	\$ 282,476	\$ 460,929
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amount on Refundings of Bonded Debt	\$ —	\$ —	\$ 779	\$ —	\$ —
Deferred Outflows Relating to Pensions	—	—	9,156	2,721	11,166
Deferred Outflows Relating to Other Postemployment Benefit	—	—	—	—	—
Total Deferred Outflows of Resources	\$ 0	\$ 0	\$ 9,935	\$ 2,721	\$ 11,166
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	\$ —	\$ 166	\$ 2,839	\$ 7,548	\$ 14,860
Deposits	—	—	—	1,280	512
Due To Primary Government	466	8	2,351	586	5,281
Unearned Revenue	—	—	8,174	7,958	8,366
Current Portion of Long-term Liabilities	—	—	6,393	5,657	5,449
Total Current Liabilities	466	174	19,757	23,029	34,468
Noncurrent Liabilities:					
Accounts Payable and Accrued Liabilities	57	—	—	—	—
Unearned Revenue	—	—	—	—	—
Net Pension Liability	—	—	7,923	9,582	9,225
Net Other Postemployment Benefit Liability	—	—	—	—	—
Long-term Liabilities	—	—	46,393	17,422	13,484
Total Noncurrent Liabilities	57	0	54,316	27,004	22,709
Total Liabilities	\$ 523	\$ 174	\$ 74,073	\$ 50,033	\$ 57,177
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Relating to Beneficial Interests	\$ —	\$ —	\$ 8,742	\$ 477	\$ —
Deferred Amount on Refundings of Bonded Debt	—	—	—	—	—
Deferred Inflows Relating to Pensions	—	—	5,311	3,204	6,125
Deferred Inflows Relating to Other Postemployment Benefit	—	—	—	—	—
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 14,053	\$ 3,681	\$ 6,125
NET POSITION					
Net Investment in Capital Assets	\$ —	\$ —	\$ 364,417	\$ 150,722	\$ 247,407
Restricted for:					
Nonexpendable:					
Higher Education	—	—	112,338	24,738	8,530
Expendable:					
Higher Education	—	—	61,778	23,633	14,357
Other	—	—	—	—	—
Unrestricted (Deficit)	377	625	107,600	32,390	138,499
Total Net Position	\$ 377	\$ 625	\$ 646,133	\$ 231,483	\$ 408,793

Continues

Combining Statement of Net Position
Nonmajor Component Units - continued
(expressed in thousands)

June 30, 2020

	Utah Valley University	Dixie State University	Snow College	Utah System of Technical Colleges	Total Nonmajor Component Units
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 47,872	\$ 26,189	\$ 11,193	\$ 35,115	\$ 321,934
Investments	48,357	259	3,988	1,697	146,824
Receivables:					
Accounts, net	11,428	7,512	911	3,982	52,520
Notes/Loans/Mortgages/Pledges, net	1,941	—	—	42	5,075
Accrued Interest	—	—	—	—	179
Due From Primary Government	—	—	—	—	1,738
Prepaid Items	2,422	511	98	310	8,942
Inventories	1,584	636	188	2,120	8,930
Other Assets	—	—	—	—	486
Total Current Assets	<u>113,604</u>	<u>35,107</u>	<u>16,378</u>	<u>43,266</u>	<u>546,628</u>
Noncurrent Assets:					
Restricted Investments	65,422	40,621	3,205	4,498	148,784
Accounts Receivables, net	29,645	1,989	40	—	56,117
Investments	101,925	33,628	12,935	836	463,242
Notes/Loans/Mortgages/Pledges Receivables, net	11,672	—	—	—	28,207
Other Assets	2,537	53	(173)	—	12,685
Capital Assets (net of Accumulated Depreciation)	485,060	227,407	119,957	233,682	1,968,841
Total Noncurrent Assets	<u>696,261</u>	<u>303,698</u>	<u>135,964</u>	<u>239,016</u>	<u>2,677,876</u>
Total Assets	<u>\$ 809,865</u>	<u>\$ 338,805</u>	<u>\$ 152,342</u>	<u>\$ 282,282</u>	<u>\$ 3,224,504</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amount on Refundings of Bonded Debt	\$ 23	\$ —	\$ —	\$ —	\$ 802
Deferred Outflows Relating to Pensions	13,105	3,723	2,068	9,742	55,623
Deferred Outflows Relating to Other Postemployment Benefit	—	—	—	—	210
Total Deferred Outflows of Resources	<u>\$ 13,128</u>	<u>\$ 3,723</u>	<u>\$ 2,068</u>	<u>\$ 9,742</u>	<u>\$ 56,635</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 22,988	\$ 4,256	\$ 2,649	\$ 7,283	\$ 68,093
Deposits	687	542	440	8	3,469
Due To Primary Government	1,221	7,557	325	571	18,491
Unearned Revenue	10,968	1,860	292	2,425	40,534
Current Portion of Long-term Liabilities	8,304	4,111	1,291	2,252	34,720
Total Current Liabilities	<u>44,168</u>	<u>18,326</u>	<u>4,997</u>	<u>12,539</u>	<u>165,307</u>
Noncurrent Liabilities:					
Accounts Payable and Accrued Liabilities	—	—	—	146	203
Unearned Revenue	686	—	—	—	686
Net Pension Liability	11,246	3,140	5,171	24,046	80,945
Net Other Postemployment Benefit Liability	—	—	—	—	58
Long-term Liabilities	82,841	91,108	13,781	24,971	309,408
Total Noncurrent Liabilities	<u>94,773</u>	<u>94,248</u>	<u>18,952</u>	<u>49,163</u>	<u>391,300</u>
Total Liabilities	<u>\$ 138,941</u>	<u>\$ 112,574</u>	<u>\$ 23,949</u>	<u>\$ 61,702</u>	<u>\$ 556,607</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Relating to Beneficial Interests	\$ 1,994	\$ 673	\$ —	\$ —	\$ 11,886
Deferred Amount on Refundings of Bonded Debt	346	—	—	—	346
Deferred Inflows Relating to Pensions	7,546	1,919	179	952	28,719
Deferred Inflows Relating to Other Postemployment Benefit	—	—	—	—	541
Total Deferred Inflows of Resources	<u>\$ 9,886</u>	<u>\$ 2,592</u>	<u>\$ 179</u>	<u>\$ 952</u>	<u>\$ 41,492</u>
NET POSITION					
Net Investment in Capital Assets	\$ 426,855	\$ 176,110	\$ 105,716	\$ 209,497	\$ 1,740,073
Restricted for:					
Nonexpendable:					
Higher Education	40,719	23,041	6,509	1,527	217,402
Expendable:					
Higher Education	92,099	11,916	4,346	4,607	212,736
Other	—	—	3,599	1,524	57,352
Unrestricted (Deficit)	114,493	16,295	10,112	12,215	455,477
Total Net Position	<u>\$ 674,166</u>	<u>\$ 227,362</u>	<u>\$ 130,282</u>	<u>\$ 229,370</u>	<u>\$ 2,683,040</u>

State of Utah

Combining Statement of Activities Nonmajor Component Units (expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Utah Communications Authority	Utah Schools for the Deaf and the Blind	Military Installation Development Authority	Heber Valley Historic Railroad Authority	Utah State Fair Corporation
Expenses.....	\$ 10,689	\$ 44,503	\$ 4,046	\$ 2,301	\$ 5,827
Program Revenues:					
Charges for Services:					
Tuition and Fees.....	—	—	—	—	—
Scholarship Allowances.....	—	—	—	—	—
Sales, Services, and Other Revenues.....	8,723	8,368	4,806	2,588	5,909
Operating Grants and Contributions.....	1,171	1,275	275	1	—
Capital Grants and Contributions.....	—	14,573	—	—	—
Total Program Revenues.....	9,894	24,216	5,081	2,589	5,909
Net (Expenses) Revenues.....	(795)	(20,287)	1,035	288	82
General Revenues:					
State Appropriations.....	28,179	32,510	—	—	550
Gain (Loss) on Sale of Capital Assets.....	27	—	—	—	77
Miscellaneous.....	—	—	19,510	2	—
Permanent Endowments Contributions.....	—	—	—	—	—
Total General Revenues and Contributions.....	28,206	32,510	19,510	2	627
Change in Net Position.....	27,411	12,223	20,545	290	709
Net Position – Beginning.....	37,047	23,711	6,263	2,769	3,481
Net Position – Ending.....	\$ 64,458	\$ 35,934	\$ 26,808	\$ 3,059	\$ 4,190

Continues

State of Utah

Combining Statement of Activities Nonmajor Component Units - continued

(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Point of the Mountain Development Authority	Utah Inland Port Authority	Weber State University	Southern Utah University	Salt Lake Community College
Expenses.....	\$ 523	\$ 2,295	\$ 252,571	\$ 179,045	\$ 213,253
Program Revenues:					
Charges for Services:					
Tuition and Fees.....	—	—	127,052	104,030	79,279
Scholarship Allowances.....	—	—	(39,183)	(32,907)	(19,925)
Sales, Services, and Other Revenues.....	—	—	26,611	21,252	22,923
Operating Grants and Contributions.....	—	18	60,311	36,667	48,325
Capital Grants and Contributions.....	—	—	6,513	5,004	363
Total Program Revenues.....	0	18	181,304	134,046	130,965
Net (Expenses) Revenues.....	(523)	(2,277)	(71,267)	(44,999)	(82,288)
General Revenues:					
State Appropriations.....	900	1,500	91,724	45,543	102,985
Gain (Loss) on Sale of Capital Assets.....	—	—	—	—	—
Miscellaneous.....	—	—	2,439	—	—
Permanent Endowments Contributions.....	—	—	2,588	1,331	598
Total General Revenues and Contributions.....	900	1,500	96,751	46,874	103,583
Change in Net Position.....	377	(777)	25,484	1,875	21,295
Net Position – Beginning.....	—	1,402	620,649	229,608	387,498
Net Position – Ending.....	\$ 377	\$ 625	\$ 646,133	\$ 231,483	\$ 408,793

Continues

State of Utah

Combining Statement of Activities Nonmajor Component Units - continued

(expressed in thousands)

For the Fiscal Year Ended June 30, 2020

	Utah Valley University	Dixie State University	Snow College	Utah System of Technical Colleges	Total Nonmajor Component Units
Expenses	\$ 385,244	\$ 121,472	\$ 57,881	\$ 133,221	\$ 1,412,871
Program Revenues:					
Charges for Services:					
Tuition and Fees	201,412	64,098	16,949	15,039	607,859
Scholarship Allowances	(55,306)	(16,239)	(6,481)	(3,705)	(173,746)
Sales, Services, and Other Revenues	31,607	18,377	5,834	(807)	156,191
Operating Grants and Contributions	138,633	28,700	1,907	22,144	339,427
Capital Grants and Contributions	4,278	29,576	25,053	16,819	102,179
Total Program Revenues	320,624	124,512	43,262	49,490	1,031,910
Net (Expenses) Revenues	(64,620)	3,040	(14,619)	(83,731)	(380,961)
General Revenues:					
State Appropriations	109,627	41,080	28,610	96,873	580,081
Gain (Loss) on Sale of Capital Assets	—	—	—	111	215
Miscellaneous	—	—	—	79	22,030
Permanent Endowments Contributions	—	86	494	20	5,117
Total General Revenues and Contributions	109,627	41,166	29,104	97,083	607,443
Change in Net Position	45,007	44,206	14,485	13,352	226,482
Net Position – Beginning	629,159	183,156	115,797	216,018	2,456,558
Net Position – Ending	\$ 674,166	\$ 227,362	\$ 130,282	\$ 229,370	\$ 2,683,040

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STATE OF UTAH

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2020

Statistical Section



windstorm
September 8, 2020



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STATISTICAL SECTION

Fiscal Year Ended June 30, 2020

This section of the State of Utah's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes to the financial statements, and required supplementary information says about the State's overall financial health.

Financial Trends Information

These schedules present trend information to help the reader understand how the State's financial performance and fiscal health have changed over time.

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Revenue Capacity Information

These schedules contain information to help the reader understand the State's capacity to raise revenues and the sources of those revenues.

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Debt Capacity Information

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These graphs and schedules offer a historical view of expenditures in constant dollars.

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Sources: Unless otherwise noted, the information in the following schedules is derived from the State of Utah Comprehensive Annual Financial Report.

Schedule A-1
Net Position by Component*
Last Ten Fiscal Years
(expressed in thousands)

	Fiscal Year			
	2020	2019	2018	2017
Governmental Activities				
Net Investment in Capital Assets	\$ 18,041,509	\$ 17,147,477	\$ 16,827,887	\$ 16,370,572
Restricted ¹	5,579,823	4,953,627	4,693,165	4,251,152
Unrestricted ²	1,550,994	1,847,710	1,249,827	819,880
Total Governmental Activities Net Position	25,172,326	23,948,814	22,770,879	21,441,604
Business-type Activities				
Net Investment in Capital Assets	41,047	32,972	29,237	19,440
Restricted ³	2,092,141	2,286,785	2,221,712	2,110,776
Unrestricted ⁴	1,334,431	1,319,130	1,287,673	1,228,915
Total Business-type Activities Net Position	3,467,619	3,638,887	3,538,622	3,359,131
Primary Government				
Net Investment in Capital Assets	18,082,556	17,180,449	16,857,124	16,390,012
Restricted	7,671,964	7,240,412	6,914,877	6,361,928
Unrestricted	2,885,425	3,166,840	2,537,500	2,048,795
Total Primary Government Net Position	\$ 28,639,945	\$ 27,587,701	\$ 26,309,501	\$ 24,800,735

*This schedule is presented using the accrual basis of accounting.

Note: This schedule has been restated for prior period adjustments, if practical, which were made to the fiscal year and preceding fiscal year in which the prior period adjustment was identified.

¹ In fiscal years 2011 to 2013, restricted net position increased due to slightly higher revenues from a strengthening economy. In fiscal year 2014 to 2017, restricted net position increased primarily due to an increase in investment values because of general market conditions. In fiscal year 2015, higher tax revenues also contributed to the increase in restricted net position. In fiscal year 2017, unspent restricted revenue as a result of a gas tax increase also contributed to the increase in restricted net position. In fiscal year 2018, restricted net position increased due to higher tax revenues from continued growth in the economy, an increase in unspent bond proceeds for transportation and capital projects, and an increase in investment values because of general market conditions. In fiscal year 2019, restricted net position increased due to an increase in investment values because of general market conditions and higher tax revenues from continued growth in the economy. Recent federal tax changes also caused a temporary surge in corporate tax revenues as corporations repatriated foreign corporate earnings. In fiscal year 2020, restricted net position increased primarily due to overall higher individual income taxes and revenues generated from land use and gains on sale of trust lands.

² In fiscal year 2014, governmental activities' unrestricted net position increased due to an increase in carry-forward balances. In fiscal year 2015, unrestricted net position decreased due to the implementation of Governmental Accounting Standards Board Statement 68, *Accounting and Financial Reporting for Pensions* that required the measurement and recognition of the State's net pension liability. In fiscal year 2017, unrestricted net position decreased primarily due to a decrease in amounts unspent and carried forward in the General Fund and for transportation and capital projects. In fiscal years 2018 to 2019, unrestricted net position increased due to an increase in amounts unspent and carried forward in the General Fund and for transportation and capital related projects. In fiscal year 2020, unrestricted net position decreased due to an increase in expenditures that utilized unrestricted net position for transportation projects and capital projects.

³ From fiscal year 2011 to 2019, restricted net position has continued to steadily increase due to unemployment revenues exceeding related claims. In fiscal year 2020, restricted net position decreased due to reduced contributions to unemployment compensation and insurance programs coupled with a sharp increase in benefit claims as a result of economic decline triggered by the COVID-19 pandemic.

⁴ In fiscal years 2012 to 2014, business-type activities' unrestricted net position increased primarily due to the State providing additional capital to the loan funds from mineral lease revenue and dedicated sales tax revenues. In fiscal years 2017 to 2020, business-type activities' unrestricted net position increased primarily due to the State providing additional capital to the loan funds from dedicated sales tax revenues.

State of Utah

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ 15,478,397	\$ 14,789,631	\$ 14,025,472	\$ 13,481,005	\$ 12,773,959	\$ 12,358,579
3,864,294	3,877,468	3,600,039	3,120,501	2,601,082	2,337,607
1,011,204	888,526	1,496,537	1,305,793	1,083,417	1,055,226
20,353,895	19,555,625	19,122,048	17,907,299	16,458,458	15,751,412
20,384	16,740	14,198	14,012	13,293	12,862
2,065,552	1,975,859	1,734,512	1,616,819	1,463,006	1,311,865
1,169,162	1,157,416	1,231,623	1,094,041	1,053,270	984,552
3,255,098	3,150,015	2,980,333	2,724,872	2,529,569	2,309,279
15,498,781	14,806,371	14,039,670	13,495,017	12,787,252	12,371,441
5,929,846	5,853,327	5,334,551	4,737,320	4,064,088	3,649,472
2,180,366	2,045,942	2,728,160	2,399,834	2,136,687	2,039,778
\$ 23,608,993	\$ 22,705,640	\$ 22,102,381	\$ 20,632,171	\$ 18,988,027	\$ 18,060,691

Schedule A-2
Changes in Net Position*
 Last Ten Fiscal Years
(expressed in thousands)

	Fiscal Year			
	2020	2019	2018	2017
GOVERNMENTAL ACTIVITIES				
Expenses				
General Government	\$ 682,799	\$ 576,183	\$ 503,430	\$ 476,428
Human Services and Juvenile Justice Services	987,683	932,553	854,614	818,058
Corrections	339,380	340,123	314,701	297,587
Public Safety	314,582	363,510	307,121	266,032
Courts	172,154	165,833	162,049	150,066
Health and Environmental Quality ¹	3,410,176	2,979,063	2,807,215	2,719,553
Higher Education	1,312,020	1,339,338	1,318,207	1,104,855
Employment and Family Services	781,075	769,277	753,205	760,777
Natural Resources	279,871	264,093	238,545	225,176
Heritage and Arts ²	42,670	31,928	30,279	28,874
Business, Labor, and Agriculture	133,129	122,449	116,964	106,523
Public Education ³	4,422,984	4,141,443	3,981,186	3,748,684
Transportation ⁴	1,583,608	1,288,760	970,442	888,854
Interest and Other Charges on Long-Term Debt	78,745	83,657	85,141	84,820
Total Expenses	14,540,876	13,398,210	12,443,099	11,676,287
Program Revenues				
Charges for Services:				
General Government	204,787	208,338	216,929	182,026
Human Services and Juvenile Justice Services	21,000	10,843	11,399	12,674
Corrections	2,229	1,960	3,199	4,824
Public Safety	81,252	78,901	73,939	59,581
Courts	49,817	54,481	52,563	51,645
Health and Environmental Quality ⁵	487,658	391,072	337,171	315,962
Higher Education	—	500	—	—
Employment and Family Services	7,838	9,153	9,639	8,911
Natural Resources	134,642	107,817	105,790	101,933
Heritage and Arts	3,024	3,325	3,041	3,961
Business, Labor, and Agriculture	129,467	119,166	104,113	94,305
Public Education	61,914	75,944	79,337	191,968
Transportation	259,022	222,588	214,221	206,963
Operating Grants and Contributions ⁶	4,595,460	4,162,578	4,057,460	3,994,614
Capital Grants and Contributions	180,207	155,265	164,278	132,708
Total Program Revenues	6,218,317	5,601,931	5,433,079	5,362,075
Net Program (Expense) - Governmental Activities	(8,322,559)	(7,796,279)	(7,010,020)	(6,314,212)
General Revenues and Other Changes in Net Position				
Taxes:				
Sales Tax and Use Tax ⁷	3,070,713	2,804,457	2,648,552	2,402,809
Individual Income Tax Imposed for Education ⁷	4,779,868	4,346,855	4,072,919	3,646,721
Corporate Tax Imposed for Education ⁷	406,423	529,279	422,980	327,266
Motor and Special Fuel Taxes				
Imposed for Transportation	498,400	521,012	500,080	483,922
Other Taxes	425,507	398,486	398,940	355,075
Investment Income	44,541	60,503	34,424	22,058
Gain on Sale of Capital Assets	58,651	65,471	40,871	54,012
Miscellaneous	110,835	104,415	139,753	106,723
Special Item:				
Comprehensive Health Insurance Pool Transfer	—	—	—	—
Transfers—Internal Activities	151,133	143,736	96,245	135,338
Prior Period Adjustments and Restatements	—	—	(15,469)	1,207
Total General Revenues and Other Changes in Net Position	9,546,071	8,974,214	8,339,295	7,535,131
Change in Net Position — Governmental Activities — Increase (Decrease)	1,223,512	1,177,935	1,329,275	1,220,919

State of Utah

Schedule A-2 Changes in Net Position* - continued

Last Ten Fiscal Years
(expressed in thousands)

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ 457,564	\$ 442,340	\$ 417,067	\$ 406,065	\$ 420,612	\$ 402,543
765,027	718,731	690,117	671,831	646,565	648,456
282,538	273,695	268,346	255,679	249,569	243,616
245,598	231,250	243,783	254,503	241,101	204,627
142,913	129,951	128,877	124,660	123,405	123,604
2,600,928	2,503,794	2,410,760	2,259,695	2,145,929	2,001,233
1,137,364	1,004,382	908,795	884,775	1,115,301	828,660
710,018	724,477	693,789	786,221	712,388	707,019
198,190	194,026	189,641	178,670	157,145	187,164
27,048	23,207	22,447	21,147	154,759	159,755
112,809	100,566	105,987	99,655	100,385	94,397
3,554,337	3,338,653	3,202,327	3,096,089	3,000,117	3,058,046
825,923	797,392	847,752	836,488	738,877	721,240
93,598	98,442	110,034	112,994	121,192	104,887
11,153,855	10,580,906	10,239,722	9,988,472	9,927,345	9,485,247
166,386	181,907	148,213	182,731	178,354	140,794
10,725	11,744	12,529	18,204	11,905	12,140
3,836	5,106	5,463	4,743	4,715	5,988
61,395	60,528	63,831	61,543	57,257	55,394
51,868	54,615	52,390	53,900	56,148	57,959
325,024	313,376	289,198	268,753	230,318	150,763
—	—	—	—	194	90
8,082	7,440	12,659	16,602	11,802	10,476
90,561	88,304	91,967	85,685	79,577	73,645
3,443	2,524	2,696	2,316	3,148	5,804
94,924	89,722	89,426	86,962	83,758	67,582
89,269	75,123	110,564	82,676	80,425	71,757
207,554	243,301	253,094	249,288	339,488	254,682
3,632,735	3,717,276	3,954,581	3,802,274	3,704,709	4,079,907
87,942	114,490	100,481	114,156	157,564	109,669
4,833,744	4,965,456	5,187,092	5,029,833	4,999,362	5,096,650
(6,320,111)	(5,615,450)	(5,052,630)	(4,958,639)	(4,927,983)	(4,388,597)
2,300,368	2,206,633	2,121,518	2,090,841	1,931,045	1,812,271
3,435,425	3,280,568	2,918,991	2,969,128	2,525,082	2,384,025
354,979	369,747	321,424	331,080	284,666	226,726
425,366	370,974	359,822	351,553	351,346	355,042
354,800	386,228	431,901	399,788	415,190	397,908
9,365	7,804	8,829	6,726	8,464	7,480
27,048	28,131	20,012	30,580	17,294	19,727
82,882	94,616	40,577	46,884	58,851	35,403
—	16,288	—	—	—	—
128,148	109,028	44,305	76,231	43,091	47,431
—	1,940	—	104,669	—	(56,010)
7,118,381	6,871,957	6,267,379	6,407,480	5,635,029	5,230,003
798,270	1,256,507	1,214,749	1,448,841	707,046	841,406

Schedule A-2
Changes in Net Position* - continued
 Last Ten Fiscal Years
(expressed in thousands)

	Fiscal Year			
	2020	2019	2018	2017
BUSINESS-TYPE ACTIVITIES				
Expenses				
Student Assistance Programs	\$ 107,416	\$ 114,087	\$ 120,169	\$ 136,037
Unemployment Compensation ⁸	1,152,794	152,359	156,121	175,354
Water Loan Programs	12,266	13,744	12,613	15,998
Community and Economic Loan Programs	5,361	2,402	4,991	9,074
Liquor Retail Sales	327,070	311,261	292,936	277,965
Other Business-type Activities	43,694	45,344	45,065	45,612
Total Expenses	<u>1,648,601</u>	<u>639,197</u>	<u>631,895</u>	<u>660,040</u>
Program Revenues				
Charges for Services:				
Student Assistance Programs	87,691	97,239	101,350	108,057
Unemployment Compensation	181,404	169,468	187,754	210,907
Water Loan Programs	3,322	729	234	746
Community and Economic Loan Programs	2,759	3,159	3,137	3,393
Liquor Retail Sales	449,760	430,829	407,694	384,009
Other Business-type Activities	47,928	45,891	43,991	47,994
Operating Grants and Contributions ^{9, 10}	755,894	33,575	44,392	39,053
Total Program Revenues	<u>1,528,758</u>	<u>780,890</u>	<u>788,552</u>	<u>794,159</u>
Net Program Revenue (Expense) — Business-type Activities	<u>(119,843)</u>	<u>141,693</u>	<u>156,657</u>	<u>134,119</u>
General Revenues and Other Changes in Net Position				
Taxes:				
Sales Tax and Use Tax	36,607	34,278	59,864	57,528
Investment Income ¹⁰	62,620	68,162	56,561	49,349
Gain on Sale of Capital Assets	—	(132)	—	529
Miscellaneous	482	—	2,654	—
Transfers—Internal Activities	(151,133)	(143,736)	(96,245)	(135,338)
Capital Contributions	—	—	—	37
Prior Period Adjustments and Restatements	—	—	—	—
Total General Revenues and Other Changes in Net Position	<u>(51,424)</u>	<u>(41,428)</u>	<u>22,834</u>	<u>(27,895)</u>
Change in Net Position — Business-type Activities – Increase (Decrease)	<u>(171,267)</u>	<u>100,265</u>	<u>179,491</u>	<u>106,224</u>
Total Primary Government Change in Net Position	<u>\$ 1,052,245</u>	<u>\$ 1,278,200</u>	<u>\$ 1,508,766</u>	<u>\$ 1,327,143</u>

*This schedule is presented using the accrual basis of accounting.

Notes: This schedule also has been restated for prior period adjustments, if practical, which were made to the fiscal year and preceding fiscal year in which the prior period adjustment was identified.

¹ Health and Environmental Quality expenditures have increased over the last ten fiscal years due to rising Medicaid program costs.

² In fiscal year 2013, legislative action moved the Housing and Community Development Division from Heritage and Arts to Employment and Family Services.

³ Public Education expenses continue to increase for both enrollment growth and benefit-related costs for educators.

⁴ In fiscal years 2019 and 2020, Transportation expenses increased primarily due to an increase in the amount spent for capital outlay.

⁵ In fiscal years 2020, Health and Environmental Quality revenues increased over the last year due to an increase in Medicaid drug rebates and new litigation proceeds.

⁶ In fiscal year 2020, Operating Grants and Contributions increased due to an increase in federal funding provided to Medicaid programs and economic relief due to the COVID-19 pandemic.

⁷ In fiscal years 2011 to 2019, general tax revenues increased due to higher revenues from a strengthening economy. In fiscal year 2019, corporate tax revenues also increased due to recent federal tax changes, which created a temporary surge as corporations repatriated foreign corporate earnings. In fiscal year 2020, corporate tax revenues decreased following the temporary surge caused by repatriated foreign corporate earnings in the prior year.

⁸ In fiscal years 2011 to 2015, Unemployment Compensation expenses decreased reflecting Utah's improving economy and employment. In fiscal year 2020, significantly more claims paid as a result of COVID-19 pandemic, and the additional benefit provided by the federal government.

Schedule A-2
Changes in Net Position* - continued
 Last Ten Fiscal Years
(expressed in thousands)

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ 154,247	\$ 111,437	\$ 79,963	\$ 99,379	\$ 111,662	\$ 93,422
182,516	177,105	233,403	307,444	436,880	642,023
14,913	18,276	13,778	12,828	19,045	38,069
5,253	2,967	8,603	2,420	2,604	1,770
260,755	242,933	225,948	213,395	201,976	190,373
37,849	36,720	54,983	75,361	47,341	33,796
655,533	589,438	616,678	710,827	819,508	999,453
123,218	88,188	59,784	63,727	66,312	71,966
240,709	295,851	357,059	384,114	380,533	296,847
902	406	12,329	13,464	13,710	10,584
3,208	5,562	10,051	11,152	11,843	10,583
364,482	338,039	313,444	293,978	272,363	252,225
34,968	38,892	40,832	39,010	33,555	44,230
46,118	48,482	75,568	168,514	262,035	403,847
813,605	815,420	869,067	973,959	1,040,351	1,090,282
158,072	225,982	252,389	263,132	220,843	90,829
29,841	28,384	27,304	25,891	24,264	21,819
45,318	41,421	20,073	16,636	14,727	17,169
—	—	—	—	—	—
—	—	—	425	3,547	4,290
(128,148)	(109,028)	(44,305)	(76,231)	(43,091)	(47,431)
—	—	—	—	—	—
—	(367)	—	(34,550)	—	—
(52,989)	(39,590)	3,072	(67,829)	(553)	(4,153)
105,083	186,392	255,461	195,303	220,290	86,676
\$ 903,353	\$ 1,442,899	\$ 1,470,210	\$ 1,644,144	\$ 927,336	\$ 928,082

⁹ In fiscal year 2011, Operating Grants and Contributions increased overall from the preceding and subsequent years, primarily due to increased federal programs funded in part by the American Recovery and Reinvestment Act in the Unemployment Compensation Fund and additional operating grants issued for loan related programs. In fiscal year 2020, significant increases are due to increased federal grants as a result of the COVID-19 pandemic, and the increased demand for unemployment compensation benefits.

¹⁰ In fiscal year 2016, Investment Income of business-type activities was reclassified to other general revenues from operating grants and contributions. This change was made to comply with applicable governmental accounting standards. Prior years have been restated.

Schedule A-3
Fund Balances — Governmental Funds*
 Last Ten Fiscal Years
(expressed in thousands)

	Fiscal Year			
	2020	2019	2018	2017
General Fund				
Nonspendable:				
Long-term Portion of Interfund Loans Receivable.....	\$ 9,388	\$ 12,063	\$ 14,950	\$ 18,927
Prepaid Items ¹	183,074	7,625	2,463	14,475
Inventories ¹	27,564	421	721	687
Restricted ²	69,366	43,241	38,978	33,516
Committed ³	855,925	835,171	675,228	559,791
Assigned ⁴	294,255	339,999	314,910	194,174
Unassigned.....	14,456	—	7,966	9,585
Total General Fund.....	1,454,028	1,238,520	1,055,216	831,155
All Other Governmental Funds				
Nonspendable:				
Prepaid Items.....	\$ 528	\$ 437	\$ 874	\$ —
Inventories.....	13,093	12,769	12,959	13,905
Permanent Fund Principal ⁵	1,841,255	1,785,184	1,707,449	2,504,560
Restricted ⁶	4,045,256	2,733,925	2,731,594	1,308,585
Committed ⁷	874,589	999,561	876,576	686,583
Assigned ⁸	205,129	546,447	235,974	305,065
Total All Other Governmental Funds.....	6,979,850	6,078,323	5,565,426	4,818,698
Total Fund Balances — Governmental Funds.....	\$ 8,433,878	\$ 7,316,843	\$ 6,620,642	\$ 5,649,853

*This schedule is presented using the modified accrual basis of accounting.

Notes: This schedule has been restated for prior period adjustments, if practical, which were made to the fiscal year and preceding fiscal year in which the prior period adjustment was identified.

¹ Nonspendable fund balance within the General Fund as to prepaid items varies from year to year due to the timing of yearend payments. The long-term portion of interfund loans receivable with Internal Service Funds varies from year to year based on changes in loan balances and projections for repayments for the next year. In fiscal year 2020, prepaid items increased due to timing of Medicaid payments to Accountable Care Organizations and special relief funding for eligible expenditures distributed to state and local governments in response to the COVID-19 pandemic. Inventories also increased due to the acquisition of personal protective equipment in response to the pandemic.

² In fiscal year 2020, restricted fund balance within the General Fund increased as a result of loans provided to small businesses impacted by the economic recession caused by the COVID-19 pandemic, and fewer expenditures than revenues in the mineral lease account due to declining production and pricing.

³ In fiscal year 2018 and 2019, the committed fund balance within the General Fund increased due to an increase in monies set aside for specific purposes.

⁴ In fiscal year 2018, the assigned fund balance increased due to an increase in the amount set aside for next year's budget. In fiscal year 2020, the assigned fund balance decreased due to an increase in inventory and prepaid items classified as nonspendable. Items classified as nonspendable reduce the assigned fund balance.

⁵ In fiscal years 2013 to 2017, the nonspendable fund balance within other governmental funds increased primarily due to a change in investment values as a result of the rebounding and then prospering economy. In fiscal year 2018, the nonspendable balance decreased due to the reclassification of a portion of the fund balance within the Permanent Fund to restricted fund balance. This reclassification was the result of a constitutional amendment that implemented a new spending plan to allow the distribution of Permanent Fund earnings.

⁶ In fiscal year 2017, the restricted fund balance within other governmental funds increased primarily due to an increase in the unspent balance of restricted resources within the Transportation Fund as the result of an increase in the motor and special fuels tax and also higher fuel consumption. In fiscal year 2018, the increase within other governmental funds was primarily due to the reclassification of a portion of the Permanent Fund, as explained in note 5 above. The balance of the increase was due to an increase in the unspent balance of restricted resources within the Education Fund as a result of growth in the individual and corporate income tax and increases within the Capital Projects and Transportation Investment Funds due to unspent bond proceeds. In fiscal year 2020, the increase is primarily due to unspent bond proceeds in the Capital Projects and Transportation Investment Funds. The Education Fund restricted balance contributed the balance of the increase due to unspent restricted resources as a result of growth in individual income tax.

⁷ In fiscal years 2012 to 2014, the committed fund balance within other governmental funds increased as a result of sales and use tax diversions for transportation projects. In fiscal years 2016 and 2017, the committed fund balance decreased as expenditures increased for transportation projects utilizing sales and use tax revenue. In fiscal year 2018, the committed fund balance increased due to growth in sales and use tax revenue allocated for transportation projects. In fiscal year 2019, the committed fund balance increased primarily due to growth in sales and use tax revenue for transportation, and also due to new sales and use tax diversions for the Medicaid and outdoor recreation grant programs. In fiscal year 2020, the decrease is due to an increase in transportation expenditures that utilized dedicated sales and use tax revenue.

⁸ The assigned fund balance within other governmental funds varies from year to year due to changes in funding provided for capital projects.

State of Utah

Schedule A-3
Fund Balances — Governmental Funds* - continued
 Last Ten Fiscal Years
(expressed in thousands)

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ 26,747	\$ 26,996	\$ 38,832	\$ 44,360	\$ 13,537	\$ 10,134
106,745	96,939	73,033	67,790	23,450	—
434	662	926	800	662	538
38,124	34,278	40,898	41,931	39,745	31,523
546,782	496,758	507,380	496,795	489,487	445,540
132,126	255,841	197,842	224,452	159,082	212,002
7,196	—	7,224	—	11,342	609
858,154	911,474	866,135	876,128	737,305	700,346
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
13,990	13,605	14,018	11,980	11,583	10,523
2,267,538	2,244,902	2,089,334	1,690,261	1,436,623	1,355,565
1,189,881	1,188,672	1,160,581	1,094,754	1,089,030	1,191,591
758,530	843,483	865,786	698,264	631,983	390,278
347,321	163,194	128,631	63,586	112,015	174,737
4,577,260	4,453,856	4,258,350	3,558,845	3,281,234	3,122,694
<u>\$ 5,435,414</u>	<u>\$ 5,365,330</u>	<u>\$ 5,124,485</u>	<u>\$ 4,434,973</u>	<u>\$ 4,018,539</u>	<u>\$ 3,823,040</u>

Schedule A-4
Changes in Fund Balances — Governmental Funds*
 Last Ten Fiscal Years
(dollars expressed in thousands)

	Fiscal Year			
	2020	2019	2018	2017
Revenues				
Sales and Use Tax ¹	\$ 3,068,002	\$ 2,805,618	\$ 2,646,996	\$ 2,403,347
Individual Income Tax ¹	4,758,082	4,336,437	4,033,320	3,646,112
Corporate Tax ¹	405,632	534,977	423,019	325,701
Motor and Special Fuels Tax ²	498,402	521,199	500,049	484,677
Other Taxes ³	425,482	398,684	399,286	354,863
Federal Contracts and Grants ⁴	4,648,234	3,973,026	3,893,654	3,828,715
Charges for Services/Royalties ⁵	859,452	780,790	740,282	667,665
Licenses, Permits, and Fees	225,258	219,972	211,045	203,830
Federal Mineral Lease ⁶	58,606	77,607	76,693	73,787
Intergovernmental	8,057	16,029	11,801	19,273
Investment Income ⁷	(13,567)	218,077	198,082	266,775
Miscellaneous and Other ⁸	560,138	433,733	448,431	394,167
Total Revenues	15,501,778	14,316,149	13,582,658	12,668,912
Expenditures				
General Government ⁹	608,657	492,800	460,569	409,626
Human Services and Juvenile Justice Services	984,607	919,227	858,099	804,283
Corrections	337,885	328,586	317,425	305,438
Public Safety	341,668	340,210	294,693	253,976
Courts	165,465	165,369	170,233	152,262
Health and Environmental Quality ¹⁰	3,427,211	2,997,039	2,823,947	2,733,374
Higher Education—State Administration ¹¹	125,335	96,323	78,773	73,641
Higher Education—Colleges and Universities	1,109,447	1,102,310	1,018,286	981,938
Employment and Family Services	778,046	755,613	749,620	754,530
Natural Resources ¹²	272,994	251,545	231,665	225,387
Heritage and Arts ¹³	41,864	31,981	30,965	29,335
Business, Labor, and Agriculture	132,022	119,491	119,158	107,800
Public Education ¹⁴	4,409,279	4,140,263	3,983,098	3,732,813
Transportation ¹⁵	1,166,194	996,728	1,024,576	975,662
Capital Outlay ¹⁶	1,286,659	847,541	778,543	668,768
Debt Service — Principal Retirement	281,801	260,949	288,051	342,622
Debt Service — Interest and Other Charges	190,114	103,417	103,866	105,023
Total Expenditures	15,659,248	13,949,392	13,331,567	12,656,478
Revenues Over (Under) Expenditures	(157,470)	366,757	251,091	12,434
Other Financing Sources (Uses)				
General Obligation Bonds Issued ¹⁷	895,745	127,715	485,225	—
Revenue Bonds Issued	—	—	2,920	—
Refunding Bonds Issued	—	—	144,610	—
Premium on Bonds Issued	173,585	23,308	71,360	—
Payment to Refunded Bond Escrow Agent	—	(27,770)	(118,495)	—
Capital Leases/Contracts Issued	—	—	13,705	—
Sale of Capital Assets	58,756	65,331	40,277	53,025
Transfers In	1,899,963	2,581,581	1,880,116	1,792,074
Transfers Out	(1,753,543)	(2,440,721)	(1,784,551)	(1,657,967)
Special Item				
Comprehensive Health Insurance Pool Transfer ¹⁸	—	—	—	—
Prior Period Adjustments and Restatements	—	—	(15,469)	1,207
Total Other Financing Sources (Uses)	1,274,506	329,444	719,698	188,339
Net Change in Fund Balances	\$ 1,117,036	\$ 696,201	\$ 970,789	\$ 200,773
Debt Service as a Percentage of Noncapital Expenditures	3.22 %	2.74 %	3.18 %	3.78 %

*This schedule is presented using the modified accrual basis of accounting.

Notes: This schedule also has been restated for prior period adjustments, if practical, which were made to the fiscal year and preceding fiscal year in which the prior period adjustment was identified.

¹ In fiscal years 2011 to 2019, tax revenues increased due to a rebounding and then prospering economy. In fiscal 2019, an increase in corporate tax revenue was also due to recent federal tax changes, creating a temporary surge as corporations repatriated foreign corporate earnings. In fiscal year 2020, sales and use tax revenue is up due in part to increased consumer spending in response to the COVID-19 pandemic as a result of federal economic stimulus payments made to individuals. The increase in sales and use tax is also the result of new legislation to tax online marketplaces, effective October 2019. Individual income tax increased primarily due to accruals of income after individual income tax payments due were shifted from April 2020 to July 2020. Corporate tax is decreasing due to timing and the residual effect of the temporary surge seen in the prior year.

² In fiscal years 2016 and 2017, motor and special fuels tax increased due in part to a tax increase that became effective in mid-2016, and also as a result of higher fuel consumption. In fiscal 2019, the increase in motor and special fuels tax was due in part to a tax increase that became effective in mid-2019, and also as a result of higher fuel consumption.

³ In fiscal year 2020, other taxes were up due to overall increases in beer, cigarette, tobacco tax, insurance premium tax, mine occupation tax, and other taxes.

⁴ In fiscal year 2017, federal contracts and grants increased due to an increase in funding provided for the Medicaid program and highway projects. In fiscal years 2018 to 2020, the increase was the result of an increase in funding provided for the Medicaid program. The federal CARES Act provided additional funding to the state for relief assistance as a result of the COVID-19 pandemic. Additionally, the Education Fund saw increases due to the Families First Coronavirus Response Act that provided increased funds for nutrition and food distribution. The Transportation fund received additional federal grant money for road and highway construction.

⁵ In fiscal year 2020, charges for services and royalties increased due to overall demand for government services.

Schedule A-4
Changes in Fund Balances — Governmental Funds* - continued
 Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ 2,302,886	\$ 2,204,389	\$ 2,121,249	\$ 2,094,132	\$ 1,934,035	\$ 1,812,011
3,393,087	3,211,476	2,916,015	2,865,195	2,518,373	2,332,562
354,615	366,543	322,748	329,726	285,541	230,888
425,343	371,412	359,176	351,197	353,299	352,918
355,229	386,066	432,178	400,111	414,744	397,248
3,573,699	3,478,563	3,463,045	3,489,515	3,561,512	3,626,354
630,300	682,288	706,125	677,119	625,831	528,568
199,748	194,648	188,653	185,976	183,630	188,998
69,245	138,635	158,193	138,122	183,739	135,979
11,264	12,620	7,211	32,704	34,407	18,537
34,168	133,092	353,653	221,139	46,133	274,797
388,295	384,968	327,880	305,267	393,010	332,722
11,737,879	11,564,700	11,356,126	11,090,203	10,534,254	10,231,582
412,204	386,059	374,134	362,845	356,752	316,440
766,186	723,663	692,277	669,091	645,418	646,411
290,217	272,053	266,246	251,118	245,829	238,090
263,417	266,586	271,716	255,727	239,453	207,426
146,510	137,901	132,886	129,693	127,066	128,676
2,622,797	2,517,513	2,434,410	2,252,166	2,141,835	2,008,356
79,567	56,935	48,920	51,901	49,359	48,836
915,432	875,610	781,998	735,438	721,074	718,026
708,184	730,972	703,441	781,178	706,181	703,786
196,188	190,378	184,465	178,330	153,698	189,430
27,826	24,041	24,231	22,428	155,575	160,338
111,186	101,331	105,915	99,828	99,689	93,149
3,556,897	3,340,290	3,202,007	3,097,161	2,999,706	3,059,351
835,111	903,700	902,788	951,277	1,064,449	946,692
523,937	499,705	380,930	524,582	973,206	1,236,168
348,576	319,739	329,659	309,268	266,300	223,952
118,805	135,994	150,101	154,472	168,047	142,452
11,923,040	11,482,470	10,986,124	10,826,503	11,113,637	11,067,579
(185,161)	82,230	370,002	263,700	(579,383)	(835,997)
—	—	226,175	33,240	609,920	1,034,970
93,625	—	—	1,900	5,250	—
—	221,765	—	22,612	—	196,610
4,405	47,562	24,656	8,346	92,558	94,689
—	(267,870)	—	(24,358)	—	(234,873)
5,100	—	—	2,824	—	—
30,688	29,274	24,596	31,243	22,158	20,256
1,998,019	1,659,616	1,489,272	1,360,691	1,097,387	1,125,598
(1,876,592)	(1,549,960)	(1,445,189)	(1,283,764)	(1,052,391)	(1,077,907)
—	16,288	—	—	—	—
—	1,940	—	—	—	—
255,245	158,615	319,510	152,734	774,882	1,159,343
\$ 70,084	\$ 240,845	\$ 689,512	\$ 416,434	\$ 195,499	\$ 323,346
4.17 %	4.22 %	4.60 %	4.59 %	4.45 %	3.85 %

⁶ In fiscal year 2016 and 2020, federal mineral lease revenue decreased due to lower energy prices and a decline in production.

⁷ Significant changes in investment income from year to year are due to the change in the fair value of investments as a result of general market conditions.

⁸ In fiscal year 2020, an increase to miscellaneous and other revenues is due to health insurance rebates and an increase Medicaid drug rebates.

⁹ In fiscal year 2020, General Government expenditures increased due to the distribution of federal CARES Act relief monies in advance to local governments, and the purchase of personal protective equipment in response to the COVID-19 pandemic.

¹⁰ Expenditures for Health and Environmental Quality have increased over the last ten fiscal years due to rising Medicaid program costs. In fiscal year 2020, increases are due to growth of Medicaid Expansion, increased enrollment due to the COVID-19 pandemic, and increased payments to service providers.

¹¹ Higher Education - State Administration expenditures increased due to an increase in appropriation allotment payments.

¹² Expenditures increased for Natural Resources due to an increase in expenditures for wildland fire suppression, purchase of property, and changes in transfers.

¹³ In fiscal year 2013, legislative action transferred the Housing and Community Development Division from Heritage and Arts to Employment and Family Services.

¹⁴ Public education expenditures continue to increase for both enrollment growth and benefit-related costs for educators.

¹⁵ Expenditures for transportation vary from year to year due to the timing of highway construction projects. In fiscal year 2012, the Transportation Investment Fund was reclassified as a capital projects fund. Expenditures relating to this fund have been reclassified from transportation expenditures to capital outlay for prior years.

¹⁶ Expenditures for capital outlay vary from year to year due to changes in funding from bond proceeds or state appropriations provided for buildings, highways, and other projects.

¹⁷ Expenditures for debt service increased due to the issuance of general obligation bonds and related premiums, as explained in [Note 10, B](#).

¹⁸ In fiscal year 2015, the Comprehensive Health Insurance Pool (nonmajor discrete component unit) was dissolved and the remaining cash balance was transferred to the State's General Fund.

State of Utah

Schedule B-1
Revenue Base
Last Ten Calendar Years
(dollars expressed in thousands)

	Calendar Year			
	2019	2018	2017	2016
Taxable Sales, Services, and Use Tax Purchases ¹				
Agriculture, Forestry, and Fishing	\$ 22,535	\$ 20,664	\$ 19,438	\$ 16,790
Mining	320,753	562,722	555,332	473,021
Construction	1,147,119	1,048,607	930,707	793,332
Manufacturing	2,942,959	2,692,334	2,500,510	2,334,180
Transportation	150,515	165,418	150,783	129,326
Communications and Utilities	4,797,280	4,554,313	4,575,019	4,603,701
Wholesale Trade	5,774,636	5,420,375	4,922,340	4,508,459
Retail	38,154,835	34,806,178	33,029,982	30,458,131
Finance, Insurance, and Real Estate	2,171,717	1,835,800	1,715,813	1,562,251
Services	12,239,990	11,229,829	10,636,808	10,058,980
Public Administration	272,759	275,969	265,678	256,124
Prior Period Payments and Refunds	928,042	2,370,315	1,729,282	1,308,139
Total Taxable Sales, Services and Use Tax Purchases	<u>\$ 68,923,140</u>	<u>\$ 64,982,524</u>	<u>\$ 61,031,692</u>	<u>\$ 56,502,434</u>
State Sales Tax Rate	4.85 %	4.70 %	4.70 %	4.70 %
Personal Income by Industry				
Federal Civilian	\$ 3,909,153	\$ 3,755,880	\$ 3,640,850	\$ 3,503,288
Federal Military	880,548	807,528	754,588	745,003
State and Local Government	13,290,250	12,670,392	12,023,320	11,377,417
Forestry, Fishing, and Related Activities	97,377	93,312	81,560	79,894
Mining	931,535	917,021	728,766	677,740
Utilities	1,015,433	962,616	734,147	581,721
Construction	9,502,215	8,847,094	8,126,268	7,497,605
Manufacturing	10,739,324	10,251,192	9,839,547	9,335,841
Wholesale Trade	5,214,932	4,998,104	4,772,174	4,433,918
Retail Trade	8,465,697	8,090,145	7,659,363	7,462,318
Transportation and Warehousing	4,829,611	4,515,650	4,219,443	4,055,241
Information	4,181,422	3,763,888	3,508,693	3,308,820
Financial, Insurance, Real Estate, Rental, and Leasing	11,038,542	10,540,492	9,683,027	9,169,397
Services	40,576,932	37,687,654	34,897,156	32,839,863
Farm Earnings	501,284	393,503	334,015	338,436
Other ²	41,722,026	39,946,150	35,540,769	33,000,523
Total Personal Income	<u>\$ 156,896,281</u>	<u>\$ 148,240,621</u>	<u>\$ 136,543,686</u>	<u>\$ 128,407,025</u>
Highest Income Tax Rate	4.95 %	4.95 %	5.00 %	5.00 %

Sources: Taxable Sales, Services, and Use Tax Purchases – Utah State Tax Commission; Personal Income by Industry – U.S. Department of Commerce, Bureau of Economic Analysis and the Utah Department of Workforce Services. Prior year information has been updated with the most recent data available.

¹ Taxable Sales, Services, and Use Tax Purchases utilize *American Industrial Classification* codes.

² Other personal income includes dividends, interest, rents, residence adjustment, government transfers to individuals, and deduction for social insurance contributions.

State of Utah

Schedule B-1
Revenue Base - continued
 Last Ten Calendar Years
(dollars expressed in thousands)

Calendar Year					
2015	2014	2013	2012	2011	2010
\$ 15,400	\$ 16,721	\$ 15,083	\$ 13,880	\$ 14,082	\$ 12,747
606,129	842,837	850,275	961,570	848,168	757,601
719,199	718,877	686,116	749,572	654,043	662,141
2,394,889	2,439,019	2,251,708	2,283,863	2,209,327	2,082,345
119,530	116,776	151,582	123,695	274,577	236,609
4,640,315	4,764,084	4,609,452	4,515,800	4,250,457	4,147,437
4,544,672	4,564,362	4,397,645	4,647,539	4,065,152	3,615,569
28,847,726	27,160,751	25,848,614	24,351,361	22,794,901	21,480,510
1,518,729	1,441,941	1,378,991	1,327,864	1,337,530	1,328,491
9,383,910	8,696,364	8,108,526	7,670,035	7,137,503	6,737,174
254,337	262,250	250,212	245,093	229,227	224,668
888,441	685,181	855,842	640,908	339,856	622,276
<u>\$ 53,933,277</u>	<u>\$ 51,709,163</u>	<u>\$ 49,404,046</u>	<u>\$ 47,531,180</u>	<u>\$ 44,154,823</u>	<u>\$ 41,907,568</u>
4.70 %	4.70 %	4.70 %	4.70 %	4.70 %	4.70 %
\$ 3,362,932	\$ 3,226,299	\$ 3,127,049	\$ 3,201,034	\$ 3,556,359	\$ 3,427,143
715,450	732,507	758,348	782,075	1,023,592	1,066,165
11,214,437	10,932,387	10,438,482	10,479,690	9,440,193	9,056,491
73,334	71,162	79,070	69,036	69,173	59,568
919,572	1,055,022	1,488,131	1,451,372	1,134,370	939,571
559,871	518,729	509,579	510,476	531,434	517,919
6,757,362	6,139,119	5,749,752	5,310,328	5,033,034	4,851,542
9,074,439	8,607,123	8,372,774	8,079,603	7,787,202	7,523,277
4,457,942	4,019,735	3,920,138	3,778,828	3,473,443	3,142,845
7,036,881	6,688,936	6,245,965	5,817,378	5,478,538	5,352,492
3,664,221	3,319,368	3,148,136	2,983,157	2,977,382	2,871,728
2,939,164	2,729,627	2,527,863	2,426,304	2,146,263	1,931,461
7,951,465	7,068,780	7,101,517	6,281,226	6,113,185	5,578,130
30,551,475	28,810,801	27,872,193	26,044,184	24,676,881	23,756,996
465,109	509,130	510,235	231,074	266,260	202,854
28,980,981	26,415,095	24,223,342	23,716,925	20,693,761	19,972,051
<u>\$ 118,724,635</u>	<u>\$ 110,843,820</u>	<u>\$ 106,072,574</u>	<u>\$ 101,162,690</u>	<u>\$ 94,401,070</u>	<u>\$ 90,250,233</u>
5.00 %	5.00 %	5.00 %	5.00 %	5.00 %	5.00 %

State of Utah

Schedule B-2
Revenue Payers by Industry – Taxable Sales, Services, and Use Tax Purchases
Most Current Calendar Year and Historical Comparison
(dollars expressed in thousands)

	Calendar Year 2010		Calendar Year 2019	
	Taxable Sales and Purchases	Percent of Total	Taxable Sales and Purchases	Percent of Total
Agriculture, Forestry, and Fishing.....	\$ 65,270	0.20 %	\$ 22,535	0.10 %
Mining.....	760,065	1.80 %	320,753	0.50 %
Construction.....	607,492	1.40 %	1,147,119	1.60 %
Manufacturing.....	1,934,301	4.60 %	2,942,959	4.30 %
Transportation.....	111,054	0.30 %	150,515	0.20 %
Communications and Utilities.....	3,799,335	9.10 %	4,797,280	7.00 %
Wholesale Trade.....	3,613,568	8.70 %	5,774,636	8.40 %
Retail.....	24,287,556	58.50 %	38,154,835	55.40 %
Finance, Insurance, and Real Estate.....	284,765	0.70 %	2,171,717	3.10 %
Services.....	5,585,519	13.50 %	12,239,990	17.70 %
Public Administration.....	197,152	0.50 %	272,759	0.40 %
Prior Period Payments, Refunds.....	281,880	0.70 %	928,042	1.30 %
Total Taxable Sales, Services, and Use Tax Purchases.....	<u>\$ 41,527,957</u>	<u>100.00 %</u>	<u>\$ 68,923,140</u>	<u>100.00 %</u>
State Sales Tax Rates.....	4.70 % except 2.00 % for Communications and Utilities		4.85 % except 2.85 % for Communications and Utilities	

Source: Utah State Tax Commission

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue.

Schedule B-3
Revenue Payers – Personal Income Tax
Most Current Calendar Year and Historical Comparison
(dollars expressed in thousands)

	Calendar Year 2009				Calendar Year 2018			
	Number of Filers	Percent of Total	Tax Liability	Percent of Total	Number of Filers	Percent of Total	Tax Liability	Percent of Total
Adjusted Gross Income Class								
\$10,000 and under.....	163,078	16.10 %	\$ 1,083	0.10 %	160,738	12.73 %	\$ 270	0.01 %
\$10,001–20,000.....	155,658	15.40 %	20,396	1.10 %	153,462	12.15 %	8,857	0.24 %
\$20,001–30,000.....	135,872	13.40 %	58,432	3.10 %	146,035	11.57 %	59,049	1.61 %
\$30,001–40,000.....	107,335	10.60 %	90,399	4.90 %	128,865	10.21 %	111,459	3.04 %
\$40,001–50,000.....	85,796	8.50 %	112,329	6.00 %	102,796	8.14 %	141,257	3.85 %
\$50,001–75,000.....	159,013	15.70 %	341,595	18.30 %	194,424	15.40 %	442,259	12.05 %
\$75,001–100,000.....	95,814	9.50 %	324,602	17.40 %	134,981	10.69 %	479,135	13.05 %
\$100,001–250,000.....	97,161	9.60 %	588,540	31.60 %	205,053	16.24 %	1,355,678	36.93 %
Over \$250,000.....	12,253	1.20 %	325,962	17.50 %	36,298	2.87 %	1,072,671	29.22 %
Total.....	<u>1,011,980</u>	<u>100.00 %</u>	<u>\$ 1,863,338</u>	<u>100.00 %</u>	<u>1,262,652</u>	<u>100.00 %</u>	<u>\$ 3,670,635</u>	<u>100.00 %</u>

Source: Utah State Tax Commission, for full-year residents only.

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue. The most current period available for personal income tax information is calendar year 2018.

Schedule B-4
Personal Income Tax Rates
 Last Ten Calendar Years

	Calendar Year	
	2018 to 2019	2010 to 2017
	Single and Married Filing Separately	
Tax Rate.....	4.95 %	5.00 %
	Married Filing Joint, Head of Household, and Qualifying Widow(er)	
Tax Rate.....	4.95 %	5.00 %

Source: Utah State Tax Commission

Note: The Utah State Legislature can raise the income tax rates by legislation, no vote of the populace is required; *Utah Constitution*, Article XIII, Section 5.

Schedule C-1
Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
(dollars expressed in millions)

	Fiscal Year			
	2020	2019	2018	2017
Governmental Activities				
General Obligation Bonds	\$ 3,061	\$ 2,374	\$ 2,498	\$ 2,235
State Building Ownership Authority				
Lease Revenue Bonds	21	205	244	230
Capital Leases	28	31	33	22
Contracts/Notes Payable	—	—	—	—
Total Governmental Activities	3,110	2,610	2,775	2,487
Business-type Activities				
Student Assistance Revenue Bonds ¹	1,069	1,254	1,495	1,812
State Building Ownership Authority				
Lease Revenue Bonds	91	77	83	73
Water Loan Recapitalization Revenue Bonds	20	26	31	37
Contracts/Notes Payable ¹	—	1	1	—
Total Business-type Activities	1,180	1,358	1,610	1,922
Total Primary Government	\$ 4,290	\$ 3,968	\$ 4,385	\$ 4,409
Debt as a Percentage of Personal Income ²	2.51 %	2.53 %	2.96 %	3.23 %
Amount of Debt Per Capita (expressed in dollars) ²	\$ 1,320	\$ 1,237	\$ 1,390	\$ 1,421
Net General Obligation Bonded Debt				
General Obligation Bonds	\$ 3,061	\$ 2,374	\$ 2,498	\$ 2,235
Net General Obligation Bonded Debt as a Percentage of Taxable Property Value ³	0.93 %	0.80 %	0.92 %	0.89 %
Amount of Net General Obligation Bonded Debt Per Capita (expressed in dollars) ²	\$ 942	\$ 741	\$ 792	\$ 721

Sources: Utah Department of Administrative Services, Division of Finance; Utah State Tax Commission – Property Tax; and Utah Governor’s Office of Management and Budget – Demographics.

Note: Net general obligation and revenue bonded debt includes principal, premiums, discounts, and deferred amount on refundings of bonded debt for years prior to 2014. Beginning in 2014, deferred amounts on refunding of bonded debt was no longer reported as part of long-term liabilities, but as Deferred Outflows or Inflows of Resources per the implementation of Governmental Accounting Standards Board (GASB) Statement 65, *Items Previously Reported as Assets and Liabilities*.

¹ During 2015 the Student Assistance Programs issued a line of credit to acquire federally guaranteed student loans. In 2017, the Student Assistance Programs issued additional bonds to retire its line of credit issued in 2015 related to acquiring federally guaranteed student loans.

² Ratios are calculated using personal income and population data. See Schedule D-1 for personal income and population data. During 2010 to 2012, the State issued just under \$1 billion in General Obligation bonds to take advantage of historically low interest rates and ease budget constraints for highway and building construction projects.

³ The percentage of Net General Obligation Bonded Debt based upon taxable property value is presented for comparative purposes. The State does not presently levy ad valorem property taxes for General Obligation Bonded Debt, but is authorized to do so in accordance with Title 59, Chapter 2, Part 901 of the *Utah Code*. See Schedule C-3 for taxable property value.

Schedule C-1

Ratios of Outstanding Debt by Type - continued

Last Ten Fiscal Years
(dollars expressed in millions)

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ 2,585	\$ 2,950	\$ 3,271	\$ 3,361	\$ 3,660	\$ 3,256
249	170	187	200	213	223
23	20	22	23	24	26
—	—	6	10	—	—
2,857	3,140	3,486	3,594	3,897	3,505
1,255	1,511	1,284	1,274	970	1,243
79	80	81	85	90	95
42	47	52	58	62	67
922	1,152	—	—	552	648
2,298	2,790	1,417	1,417	1,674	2,053
<u>\$ 5,155</u>	<u>\$ 5,930</u>	<u>\$ 4,903</u>	<u>\$ 5,011</u>	<u>\$ 5,571</u>	<u>\$ 5,558</u>
4.01 %	5.04 %	4.42 %	4.78 %	5.51 %	5.89 %
\$ 1,693	\$ 1,979	\$ 1,665	\$ 1,727	\$ 1,951	\$ 1,975
<u>\$ 2,585</u>	<u>\$ 2,950</u>	<u>\$ 3,271</u>	<u>\$ 3,361</u>	<u>\$ 3,660</u>	<u>\$ 3,256</u>
1.10 %	1.33 %	1.58 %	1.67 %	1.82 %	1.59 %
\$ 849	\$ 985	\$ 1,111	\$ 1,159	\$ 1,282	\$ 1,157

Schedule C-2
Long-term Debt and Other Long-term Liabilities

Last Ten Fiscal Years
(expressed in thousands)

	Fiscal Year			
	2020	2019	2018	2017
Governmental Activities				
General Obligation Bonds ¹	\$ 2,704,640	\$ 2,155,675	\$ 2,396,875	\$ 2,173,985
General Obligation Bonds - Direct Placement ²	116,300	117,600	—	—
State Building Ownership Authority (SBOA)				
Lease Revenue Bonds	166,693	174,076	237,426	225,163
SBOA Lease Revenue Bonds - Direct Placement ²	21,105	25,910	—	—
Net Unamortized Premiums	243,120	106,066	108,115	66,423
Deferred Amount on Refundings ³	—	—	—	—
Capital Leases - Direct Borrowing ²	25,849	28,203	33,132	21,616
Notes Payable - Direct Borrowing ²	183	227	268	305
Capital Leases	2,531	2,803	—	—
Compensated Absences ⁴	210,811	211,138	184,505	181,557
Claims Liability	73,622	63,558	57,330	53,645
Pollution Remediation Obligation	5,308	5,324	5,366	5,891
Settlement Obligations	1,113	227	273	319
Net Pension Liability ⁷	719,708	1,140,766	763,753	1,031,449
Net Other Post Employment Benefit Obligation ⁸	—	—	—	—
Net Other Post Employment Benefit Liability ⁸	18,410	68,335	99,058	109,618
Arbitrage Liability	418	544	—	—
Total Governmental Activities	<u>4,309,811</u>	<u>4,100,452</u>	<u>3,886,101</u>	<u>3,869,971</u>
Business-type Activities				
Student Assistance Revenue Bonds ⁵	1,081,161	1,265,880	1,506,965	1,822,807
State Building Ownership Authority				
Lease Revenue Bonds	85,612	72,549	77,704	67,438
Water Loan Recapitalization Revenue Bonds	19,565	25,520	31,225	36,680
Net Unamortized Premiums/(Discounts)	(6,811)	(8,000)	(6,418)	(5,437)
Deferred Amount on Refundings ³	—	—	—	—
Notes Payable - Direct Borrowing ^{2,6}	—	618	635	—
Claims and Uninsured Liabilities	79,789	3,279	4,365	4,810
Arbitrage Liability	—	—	—	—
Net Pension Liability ⁷	11,064	19,065	12,038	17,468
Net Other Post Employment Benefit Liability ⁸	350	1,108	1,564	1,731
Total Business-type Activities	<u>1,270,730</u>	<u>1,380,019</u>	<u>1,628,078</u>	<u>1,945,497</u>
Total Primary Government Other Long-term Liabilities	<u>\$ 5,580,541</u>	<u>\$ 5,480,471</u>	<u>\$ 5,514,179</u>	<u>\$ 5,815,468</u>

Note: Details regarding the liabilities listed above can be found in [Note 10. Long-term Liabilities](#) in the financial statements.

¹ During 2010 to 2012, the State issued just under \$1 billion in General Obligation bonds to take advantage of historically low interest rates and ease budget constraints for highway and building construction projects.

² In 2019, GASB Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, requires separate disclosure of debt issued directly to an investor.

³ Beginning in 2014, deferred amount on refundings are no longer reported in the financial statements as part of other long-term liabilities under Governmental and Business-type Activities. This obligation is now being reported as Deferred Outflows or Inflows of Resources per the implementation of Governmental Accounting Standards Board (GASB) Statement 65, *Items Previously Reported as Assets and Liabilities*.

⁴ During 2011 and 2019, a new actuary valuation was performed for GASB Statement 16, *Accounting for Compensated Absences* and as a result the total liability increased.

⁵ During 2012, the Student Assistance Programs advance refunded certain outstanding student loan revenue bonds to manage its interest costs. In 2017, the Student Assistance Programs issued additional bonds to retire its line of credit issued in 2015 related to acquiring federally guaranteed student loans.

⁶ In 2015, the Student Assistance Programs issued a line of credit to acquire federally guaranteed student loans.

Schedule C-2
Long-term Debt and Other Long-term Liabilities - continued
 Last Ten Fiscal Years
(expressed in thousands)

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ 2,498,895	\$ 2,830,150	\$ 3,136,755	\$ 3,225,435	\$ 3,487,680	\$ 3,128,890
—	—	—	—	—	—
242,976	166,773	183,590	198,485	210,384	220,380
—	—	—	—	—	—
92,827	122,321	138,187	159,882	200,979	162,003
—	—	—	(22,546)	(26,248)	(31,904)
23,498	20,287	21,794	23,213	24,270	25,799
339	370	5,983	9,758	446	466
—	—	—	—	—	—
182,707	185,792	184,679	185,711	185,701	182,543
48,092	46,931	48,585	48,190	44,700	42,731
6,401	5,086	5,327	6,222	6,640	7,083
365	4,471	6,928	25,020	34,007	38,926
992,495	802,543	—	—	—	—
3,848	4,126	4,331	5,206	5,439	7,142
—	—	—	—	—	—
—	—	—	—	—	—
4,092,443	4,188,850	3,736,159	3,864,576	4,173,998	3,784,059
1,256,026	1,509,543	1,277,837	1,240,407	930,422	1,218,390
72,674	73,207	79,106	83,795	88,161	92,445
41,915	46,940	51,800	56,545	61,205	65,800
5,434	8,696	9,110	13,143	16,917	29,092
—	—	—	23,413	25,445	(994)
921,995	1,152,207	—	—	552,423	647,842
5,726	7,587	9,283	18,694	17,866	16,179
—	—	—	—	10,000	11,968
17,845	12,853	—	—	—	—
—	—	—	—	—	—
2,321,615	2,811,033	1,427,136	1,435,997	1,702,439	2,080,722
\$ 6,414,058	\$ 6,999,883	\$ 5,163,295	\$ 5,300,573	\$ 5,876,437	\$ 5,864,781

⁷ During 2015, the State implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions* which replaced GASB Statements 27 and 50 as they relate to pensions that are provided through pension plans administered as trust or equivalent arrangements that meet certain criteria. In part, GASB Statement 68 requires the reporting of the net Pension liability. GASB Statement 27 only required the reporting of a Pension obligation when contributions were less than the actuary's Annual Required Contribution.

⁸ During 2017, the State implemented GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which replaced GASB Statement 45. In part, GASB Statement 75 requires the reporting of the net Other Postemployment Benefit (OPEB) liability. GASB Statement 45 only required the reporting of an OPEB obligation when contributions were less than the actuary's Annual Required Contribution.

State of Utah

Schedule C-3 Legal Debt Margin Last Ten Fiscal Years (dollars expressed in millions)

	Fiscal Year			
	2020	2019	2018	2017
Taxable Property, Taxable Value ¹	\$ 329,096	\$ 298,114	\$ 271,649	\$ 251,598
Taxable Property, Fair Market Value ¹	461,064	415,650	377,260	347,716
Debt Limit (Fair Market Value times 1.50 %)	1.50 %	1.50 %	1.50 %	1.50 %
Debt Limit Amount	6,916	6,235	5,659	5,216
Net General Obligation Bonded Debt ^{2,3}	3,061	2,374	2,498	2,235
Legal Debt Margin	\$ 3,855	\$ 3,861	\$ 3,161	\$ 2,981
Net General Obligation Bonded Debt				
As a Percentage of the Debt Limit Amount	44.26 %	38.08 %	44.14 %	42.85 %

Source: Utah State Tax Commission and the Utah Department of Administrative Services, Division of Finance.

Note: Article XIV, Section 1 of the *Utah Constitution* allows the State to contract debts not exceeding 1.50 percent of the total taxable property in the State. The Legislature authorizes general obligation indebtedness within this limit. The State uses outstanding general obligation bond debt to comply within the constitutional debt limit. The State has other long-term contract liabilities consisting of unused vacation for employees of \$107.438 million as of fiscal yearend. These contract liabilities do not affect the State's compliance with the constitutional debt limit.

¹ Taxable property is assessed January 1 of each year. The value used for the fiscal year limitation is from the prior calendar year; assessed values as of January 1, 2019, are used for fiscal year 2020.

Schedule C-4 Statutory Debt Limit Last Ten Fiscal Years (dollars expressed in millions)

	Fiscal Year			
	2020	2019	2018	2017
Appropriations Limitation Amount	\$ 3,990	\$ 3,911	\$ 3,738	\$ 3,567
Limit (Appropriations Limitation Amount times applicable percentage)	45.00 %	45.00 %	45.00 %	45.00 %
Statutory Debt Limit Amount	1,796	1,760	1,682	1,605
Net General Obligation Bonded Debt ¹	3,061	2,374	2,498	2,235
Less: Exempt Highway Construction Bonds	(2,534)	(2,175)	(2,282)	(2,180)
Net General Obligation Bonded Debt Subject to Statutory Debt Limit	527	199	216	55
Additional General Obligation Debt Incurring Capacity	\$ 1,269	\$ 1,561	\$ 1,466	\$ 1,550

Source: Utah Governor's Office of Management and Budget and the Utah Department of Administrative Services, Division of Finance.

Note: Article XIV, Section 5 of the *Utah Constitution* limits any funds borrowed to be used solely for purposes as authorized by law. In addition, Title 63J-3-402 of the *Utah Code* limits outstanding state general obligation debt to not exceed the applicable percentage (unless approved by more than two-thirds of both houses of the Legislature) of that fiscal year's appropriations limit. The State uses outstanding general obligation bond debt to comply within the constitutional debt limit. The State has other long-term contract liabilities consisting of unused vacation for employees of \$107.438 million as of fiscal yearend. These contract liabilities do not affect the State's compliance with the constitutional debt limit.

Schedule C-3
Legal Debt Margin - continued
 Last Ten Fiscal Years
(dollars expressed in millions)

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ 235,273	\$ 221,650	\$ 207,211	\$ 201,294	\$ 201,473	\$ 205,284
323,367	303,725	282,489	272,954	274,806	280,846
1.50 %	1.50 %	1.50 %	1.50 %	1.50 %	1.50 %
4,851	4,556	4,237	4,094	4,122	4,213
2,585	2,950	3,271	3,361	3,660	3,256
\$ 2,266	\$ 1,606	\$ 966	\$ 733	\$ 462	\$ 957
53.29 %	64.75 %	77.20 %	82.10 %	88.79 %	77.28 %

² During 2011 to 2012, the State issued general obligation bonds to take advantage of low interest rates and ease budget constraints.

³ Net general obligation bonded debt includes principal, premiums, discounts, and deferred amount on refundings of bonded debt for years prior to 2014. Beginning in 2014, deferred amount on refundings of bonded debt was no longer reported as part of long-term liabilities, but as Deferred Outflows or Inflows of Resources per the implementation of Governmental Accounting Standards Board (GASB) Statement 65, *Items Previously Reported as Assets and Liabilities*.

Schedule C-4
Statutory Debt Limit - continued
 Last Ten Fiscal Years
(dollars expressed in millions)

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ 3,469	\$ 3,315	\$ 3,250	\$ 3,142	\$ 3,034	\$ 2,849
45.00 %	45.00 %	45.00 %	45.00 %	45.00 %	45.00 %
1,561	1,492	1,463	1,414	1,365	1,282
2,585	2,950	3,271	3,361	3,660	3,256
(2,402)	(2,622)	(2,860)	(2,869)	(3,132)	(2,698)
183	328	411	492	528	558
\$ 1,378	\$ 1,164	\$ 1,051	\$ 922	\$ 837	\$ 724

¹ Net general obligation bonded debt includes principal, premiums, discounts, and deferred amount on refundings of bonded debt for years prior to 2014. Beginning in 2014, deferred amount on refundings of bonded debt was no longer reported as part of long-term liabilities, but as Deferred Outflows or Inflows of Resources per the implementation of Governmental Accounting Standards Board (GASB) Statement 65, *Items Previously Reported as Assets and Liabilities*.

Schedule C-5
Pledged Revenue Bond Coverage
 Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year	Gross Revenues ¹	Less Operating Expenses ²	Net Available Revenue	Debt Service		Coverage ³
				Principal	Interest	
Water Loan Programs						
2011	\$ 3,742	\$ —	\$ 3,742	\$ —	\$ 2,424	1.54
2012	\$ 3,860	\$ —	\$ 3,860	\$ 4,595	\$ 2,371	0.55
2013	\$ 3,649	\$ —	\$ 3,649	\$ 4,660	\$ 2,297	0.52
2014	\$ 3,877	\$ —	\$ 3,877	\$ 4,745	\$ 2,197	0.56
2015	\$ 3,920	\$ —	\$ 3,920	\$ 4,860	\$ 2,067	0.57
2016	\$ 3,744	\$ —	\$ 3,744	\$ 5,025	\$ 1,851	0.54
2017	\$ 3,628	\$ —	\$ 3,628	\$ 5,235	\$ 1,658	0.53
2018	\$ 3,756	\$ —	\$ 3,756	\$ 5,455	\$ 1,406	0.55
2019	\$ 4,113	\$ —	\$ 4,113	\$ 5,705	\$ 1,167	0.60
2020	\$ 3,648	\$ —	\$ 3,648	\$ 5,955	\$ 908	0.53
Student Assistance Programs						
2011	\$ 27,188 ⁴	\$ (20,137)	\$ 47,325	\$ 557,894	\$ 20,655	0.08
2012	\$ 25,404	\$ 14,904	\$ 10,500	\$ 797,350	\$ 10,620	0.01
2013	\$ 44,378	\$ 27,914	\$ 16,464	\$ 208,715	\$ 9,747	0.08
2014	\$ 49,679	\$ 36,697	\$ 12,982	\$ 171,000	\$ 7,631	0.07
2015	\$ 75,796	\$ 59,463	\$ 16,333	\$ 967,584 ⁵	\$ 6,646	0.02
2016	\$ 110,982 ⁶	\$ 87,889	\$ 23,093	\$ 483,729	\$ 25,338	0.05
2017	\$ 92,421	\$ 65,327	\$ 27,094	\$ 1,227,465 ⁷	\$ 30,833	0.02
2018	\$ 79,408	\$ 40,098	\$ 39,310	\$ 315,842	\$ 38,403	0.11
2019	\$ 69,749	\$ 22,821	\$ 46,928	\$ 241,085	\$ 44,081	0.16
2020	\$ 58,733	\$ 28,819	\$ 29,914	\$ 184,719	\$ 28,496	0.14

Note: Details regarding the State's outstanding bonds can be found in [Note 10. Long-term Liabilities](#) in the financial statements.

¹ Revenues for Water Loan Programs are primarily interest on revolving loan receivables; principal repayments are not included in gross revenues, but are pledged to cover debt service payments. Revenues for Student Assistance Programs are primarily interest on student loans and federal allowances.

² Operating Expenses do not include interest, depreciation, or amortization expenses.

³ Coverage equals net available revenue divided by debt service.

⁴ During 2011, the Student Assistance Programs had a substantial decrease in its provision for interest arbitrage rebate of \$37.200 million on its 1988 and 1993 revenue bonds.

⁵ Prior to 2015, only Student Loan Purchase Program bonds were presented. During 2015, a line of credit was issued for \$1.600 billion in order to acquire federally guaranteed student loans.

⁶ During 2016, the Student Assistance Programs had a substantial increase in interest on loans related to the line of credit that was issued in 2015 to acquire federally guaranteed student loans.

⁷ During 2017, the Student Assistance Programs retired its line of credit issued in 2015 related to acquiring federally guaranteed student loans.

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Schedule D-1
Demographic and Economic Indicators
Last Ten Calendar Years

Calendar Year	Population <i>(in thousands)</i>				Unemployment Rate		Utah Net Migration
	Utah		U.S.		Utah	U.S.	
	Number	Change	Number	Change			
2011	2,814	1.41 %	312,300	0.71 %	6.80 %	8.90 %	2,300
2012	2,855	1.46 %	314,500	0.70 %	5.40 %	8.10 %	3,700
2013	2,901	1.61 %	316,700	0.70 %	4.40 %	7.40 %	9,200
2014	2,945	1.52 %	319,500	0.88 %	3.80 %	6.20 %	6,000
2015	2,991	1.56 %	321,500	0.63 %	3.50 %	5.30 %	14,200
2016	3,044	1.77 %	324,000	0.78 %	3.40 %	4.90 %	25,300
2017	3,103	1.94 %	326,000	0.62 %	3.30 %	4.40 %	30,000
2018	3,154	1.64 %	327,000	0.31 %	3.10 %	3.90 %	22,300
2019	3,206	1.65 %	329,000	0.61 %	2.60 %	3.70 %	20,200
2020 (est.)	3,250	1.37 %	330,000	0.30 %	4.90 %	8.20 %	16,600

Calendar Year	Personal Income <i>(in millions)</i>				Per Capita Income <i>(in dollars)</i>			
	Utah		U.S.		Utah		U.S.	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change
2011	\$ 94,401	4.60 %	\$12,947,000	5.07 %	\$ 33,547	3.15 %	\$ 41,457	4.33 %
2012	\$ 101,163	7.16 %	\$13,888,000	7.27 %	\$ 35,434	5.62 %	\$ 44,159	6.52 %
2013	\$ 104,910	3.70 %	\$14,167,000	2.01 %	\$ 36,163	2.06 %	\$ 44,733	1.30 %
2014	\$ 110,844	5.66 %	\$14,810,000	4.54 %	\$ 37,638	4.08 %	\$ 46,354	3.62 %
2015	\$ 118,725	7.11 %	\$15,553,000	5.02 %	\$ 39,694	5.46 %	\$ 48,376	4.36 %
2016	\$ 128,407	8.15 %	\$16,125,000	3.68 %	\$ 42,184	6.27 %	\$ 49,769	2.88 %
2017	\$ 136,544	6.34 %	\$16,879,000	4.68 %	\$ 44,004	4.31 %	\$ 51,776	4.03 %
2018	\$ 148,241	8.57 %	\$17,852,000	5.76 %	\$ 47,001	6.81 %	\$ 54,593	5.44 %
2019	\$ 156,896	5.84 %	\$18,552,000	3.92 %	\$ 48,938	4.12 %	\$ 56,389	3.29 %
2020 (est.)	\$ 170,732	8.82 %	\$19,917,000	7.36 %	\$ 52,533	7.35 %	\$ 60,355	7.03 %

Source: Population – Utah Population Estimates Committee at July 1 each year. The 2020 estimate is from the Utah Revenue Assumption Committee.

Source: Unemployment Rate – Utah Department of Workforce Services. The 2020 estimate is from the Utah Revenue Assumption Committee.

Source: Utah Net Migration – Utah Population Estimates Committee at July 1 each year. The 2020 estimate is from the Utah Revenue Assumption Committee.

Source: Personal Income – U.S. Department of Commerce, Bureau of Economic Analysis, and Utah Department of Workforce Services. The 2020 estimate is from the Utah Revenue Assumption Committee.

Note: Prior year information has been updated with the most recent data available. Per Capita Income is calculated by dividing total personal income by population. Amounts may not be exact due to rounding.

State of Utah

Schedule D-2
Principal Employers
Most Current Calendar Year and Historical Comparisons

Entity Name	Calendar Year 2010			Calendar Year 2019		
	Number of Employees	Rank	Percent of All Employees	Number of Employees	Rank	Percent of All Employees
Intermountain Health Care (IHC).....	20,000 +	1	2.20 %	20,000 +	1	2.40 %
University of Utah (includes Hospital).....	20,000 +	2	2.00 %	20,000 +	2	2.20 %
State of Utah.....	20,000 +	3	1.90 %	20,000 +	3	1.40 %
Brigham Young University.....	15,000 – 19,999	4	1.50 %	15,000 – 19,999	4	1.30 %
Wal-Mart Stores.....	15,000 – 19,999	5	1.50 %	15,000 – 19,999	5	1.10 %
Hill Air Force Base.....	10,000 – 14,999	6	1.00 %	10,000 – 14,999	6	0.80 %
Utah State University.....	7,000 – 9,999	8	0.80 %	7,000 – 9,999	7	0.60 %
Davis County School District.....	7,000 – 9,999	9	0.70 %	7,000 – 9,999	8	0.60 %
Smith's Food and Drug Centers.....				7,000 – 9,999	9	0.60 %
Granite School District.....	7,000 – 9,999	7	0.80 %	7,000 – 9,999	10	0.60 %
Alpine School District.....	5,000 – 6,999	10	0.60 %			
Total Employees of Principal Employers.....	164,000		13.00 %	180,900		11.60 %

Source: Utah Department of Workforce Services.

Note: Number of employees is based on a calendar year average.

Schedule D-3
Composition of the Labor Force
 Last Ten Calendar Years

	Calendar Year			
	2019	2018	2017	2016
Nonagricultural Jobs				
Government	253,790	247,904	244,311	239,416
Mining	9,359	9,470	8,618	8,494
Construction	109,491	104,341	97,495	91,537
Manufacturing	136,921	133,006	129,199	125,926
Trade, Transportation, and Utilities	290,944	286,355	278,526	271,432
Information	39,579	38,080	38,429	36,860
Financial Activity	90,020	87,540	84,072	81,710
Professional and Business Services	223,900	217,642	206,987	202,175
Education and Health Services	210,017	203,484	198,251	190,935
Leisure and Hospitality	153,458	148,530	143,029	138,591
Other Services	42,266	41,189	40,210	39,472
Total Nonagricultural Jobs	<u>1,559,745</u>	<u>1,517,541</u>	<u>1,469,127</u>	<u>1,426,548</u>
Civilian Labor Force	1,604,548	1,572,136	1,548,263	1,511,279
Total Employed	1,562,288	1,523,158	1,497,812	1,459,309
Unemployed	42,260	48,978	50,451	51,970
Unemployment Rate	2.60 %	3.10 %	3.30 %	3.40 %

Source: Utah Department of Workforce Services and the Utah Revenue Assumption Committee. Prior year information has been updated with the most recent data available.

Schedule D-3
Composition of the Labor Force - continued
 Last Ten Calendar Years

Calendar Year					
2015	2014	2013	2012	2011	2010
233,658	230,619	225,917	223,298	220,772	216,828
10,372	12,160	12,107	12,553	11,659	10,442
84,676	78,676	73,462	69,231	65,166	65,223
123,695	120,706	118,747	116,667	113,684	111,075
263,158	252,574	246,900	241,815	233,251	229,108
34,402	33,320	32,427	31,295	29,495	29,276
79,020	74,965	72,869	69,537	68,391	67,981
194,127	185,121	177,462	167,268	159,420	152,335
182,273	174,309	170,541	163,590	159,210	155,001
133,657	128,086	123,521	118,640	113,512	110,662
38,689	37,604	36,425	35,054	34,090	33,625
<u>1,377,727</u>	<u>1,328,140</u>	<u>1,290,378</u>	<u>1,248,948</u>	<u>1,208,650</u>	<u>1,181,556</u>
1,464,404	1,431,553	1,418,522	1,376,628	1,353,257	1,362,489
1,412,473	1,377,013	1,355,720	1,302,641	1,261,698	1,252,517
51,931	54,540	62,802	73,987	91,559	109,972
3.50 %	3.80 %	4.40 %	5.40 %	6.80 %	8.10 %

State of Utah

Schedule D-4 Public Education Student Enrollment (K-12) Last Ten Academic Years

	Academic Year			
	2019-20	2018-19	2017-18	2016-17
Elementary.....	358,817	358,908	358,190	356,686
Secondary.....	308,008	299,893	294,158	287,790
Total All Grades.....	666,825	658,801	652,348	644,476

Source: State of Utah Office of Education

Note: Public Education Student Enrollment count is based on October 1st counts.

Schedule D-5 Public Higher Education Enrollment Last Ten Academic Years

	Academic Year			
	2020-21	2019-20	2018-19	2017-18
University of Utah.....	33,080	32,852	33,023	32,800
Utah State University.....	27,691	27,810	27,932	27,679
Weber State University.....	29,596	29,644	28,247	27,949
Southern Utah University.....	12,582	11,224	10,196	9,468
Salt Lake Community College.....	27,293	29,517	29,156	29,620
Utah Valley University.....	40,936	41,728	39,931	37,282
Dixie State University.....	12,043	11,193	9,950	9,673
Snow College.....	5,800	5,383	5,514	5,563
Utah System of Technical Colleges.....	18,284	20,130	19,418	16,838
Total All Institutions.....	207,305	209,481	203,367	196,872

Source: Utah State Board of Regents

Note: Utah Higher Education Enrollment count is based on fall semester third week headcounts.

Schedule D-4
Public Education Student Enrollment (K-12) - continued
 Last Ten Academic Years

Academic Year					
2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
353,050	349,382	345,967	340,443	334,110	329,111
280,846	272,771	266,584	260,542	253,635	247,134
633,896	622,153	612,551	600,985	587,745	576,245

Schedule D-5
Public Higher Education Enrollment - continued
 Last Ten Academic Years

Academic Year					
2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
32,061	31,673	31,515	32,080	32,398	31,673
28,118	28,622	27,662	27,812	28,786	28,994
26,809	25,955	26,266	25,301	26,680	25,483
8,955	8,881	7,656	7,745	8,297	7,750
29,901	28,814	29,537	31,137	30,112	33,167
34,978	33,211	31,332	30,564	31,556	33,395
8,993	8,503	8,570	8,350	8,863	9,086
5,350	5,111	4,779	4,605	4,599	4,465
17,293	16,933	14,834	14,851	15,418	15,536
192,458	187,703	182,151	182,445	186,709	189,549

Schedule E-1
Full-Time Equivalent State Employees by Function
 Last Ten Fiscal Years

	Fiscal Year			
	2020	2019	2018	2017
General Government:				
Government Operations.....	2,180	2,150	2,122	2,095
Tax Commission.....	674	685	690	690
All Other.....	196	191	184	185
Human Services and Juvenile Justice Services.....	4,041	3,978	4,046	4,113
Corrections.....	2,501	2,513	2,527	2,453
Public Safety:				
Department of Public Safety.....	1,435	1,403	1,341	1,333
Utah National Guard.....	266	261	253	247
State Courts.....	1,009	1,004	983	986
Health and Environmental Quality:				
Department of Health.....	1,057	992	977	954
Department of Environmental Quality.....	361	358	361	365
Employment and Family Services ^{1, 2}	2,026	2,013	2,043	1,989
Natural Resources.....	1,384	1,355	1,361	1,334
Heritage and Arts ¹	142	128	124	126
Business, Labor, and Agriculture.....	806	796	786	773
Education:				
Public Education Support ²	786	749	721	816
Higher Education Support.....	369	422	399	274
Transportation.....	1,694	1,693	1,638	1,642
Total Full-time Equivalent State Employees.....	<u>20,927</u>	<u>20,691</u>	<u>20,556</u>	<u>20,375</u>

Source: Utah Department of Administrative Services, Division of Finance

¹ In fiscal year 2013, Legislative action transferred the Housing and Community Development Division from Heritage and Arts to Employment and Family Services.

² In fiscal year 2017, Legislative action transferred the Utah State Office of Rehabilitation from Public Education Support to Employment and Family Services.

Schedule E-1

Full-Time Equivalent State Employees by Function - continued

Last Ten Fiscal Years

Fiscal Year					
2016	2015	2014	2013	2012	2011
2,063	2,055	2,066	2,069	2,024	1,976
697	708	715	718	716	719
181	176	166	165	159	152
4,037	3,942	3,991	3,955	3,907	3,935
2,392	2,307	2,295	2,265	2,244	2,243
1,329	1,324	1,327	1,314	1,275	1,241
226	210	218	243	226	214
994	994	1,009	1,031	1,038	1,042
943	946	946	933	923	937
367	373	371	376	372	376
1,719	1,758	1,768	1,872	1,912	2,041
1,320	1,315	1,304	1,304	1,302	1,361
125	120	117	117	169	190
767	748	728	722	701	686
1,138	1,135	1,119	1,119	1,094	1,137
236	277	227	213	204	195
1,616	1,569	1,583	1,603	1,604	1,612
20,150	19,957	19,950	20,019	19,870	20,057

State of Utah

Schedule E-2 Operating Indicators by Function Last Ten Fiscal Years

	Fiscal Year			
	2020	2019	2018	2017
General Government				
Government Operations:				
Construction Projects Managed	1,058	1,052	1,155	896
Tax Commission:				
Percent of Data Managed Electronically	89.00 %	86.00 %	84.50 %	83.80 %
Number of Returns Filed Electronically	1,256,658	1,307,267	1,246,011	1,196,647
Motor Vehicle Registrations (in thousands)	3,113	2,976	2,950	3,027
Human Services and Juvenile Justice Services				
Food Stamp Recipients	265,352	273,779	298,396	323,768
Percent of Population	8.16 %	8.52 %	9.45 %	10.41 %
Juveniles, Daily Average in Justice System Placement	380	425	467	604
Rate of Recombitment to Juvenile Custody	25.80 %	16.90 %	14.90 %	9.90 %
Corrections: ¹				
Incarcerated Offenders	N/A	6,772	6,522	6,309
Supervised Offenders	N/A	16,775	17,329	16,855
Utah Incarceration Rate (per 100,000 population)	N/A	N/A	208	205
US Incarceration Rate (per 100,000 population)	N/A	N/A	431	441
State Courts: ²				
State Court Filings	277,250	284,152	278,392	283,449
State Court Dispositions	243,996	255,926	245,764	262,841
Health				
Children's Health Insurance Program Enrollment	17,235	18,198	19,338	19,248
Medicaid Eligible (unduplicated)	413,533	404,861	404,303	414,519
Percent of Population	12.72 %	12.60 %	12.80 %	13.33 %
Employment and Family Services				
Individuals Registered for Employment	382,178	121,759	131,386	150,168
Percent Who Entered Employment	71.00 %	67.00 %	67.00 %	73.00 %
Natural Resources				
Hatchery Fish, Pounds Raised	1,162,722	1,155,821	1,089,720	1,081,766
Hunting and Fishing Licenses Sold ^{1,3}	605,957	590,111	587,443	582,751
State Park Visitations (in thousands)	8,705	7,424	6,712	5,691
Business, Labor, and Agriculture				
Department of Commerce:				
Licenses and Registrations Issued ⁴	440,481	417,172	409,301	387,348
Department of Agriculture and Food: ¹				
Dairy Farm Inspections	N/A	435	515	525
Pounds of Turkey Inspected and Graded (in thousands)	N/A	27,692	108,130	121,106
Gas Pumps and Scales Inspected	N/A	31,655	33,774	30,116
Higher Education				
Number of Certificates and Degrees Awarded	44,031	38,622	37,756	36,701
Transportation				
Percent of Roads Which are Deficient ⁵	N/A	8.82 %	8.60 %	9.64 %
Vehicles Weighed or Inspected (in thousands)	8,583	8,542	8,116	7,893

Source: Various agencies of the State and the Utah State Board of Regents.

Note: N/A = Data Not Available

¹ Data is provided on a calendar year basis.

² State Courts includes filings and dispositions for the appellate, district, and juvenile courts; it does not include the justice courts which are operated by cities and counties.

³ Includes only licenses for elk, deer, fishing, and all other big game.

⁴ Includes professional, occupational, real estate, and securities licenses. Does not include corporation and other business registrations or filings.

⁵ Assessments are completed at a minimum of every other calendar year. See [Information About Infrastructure Assets Reported Using The Modified Approach](#).

Schedule E-2
Operating Indicators by Function - continued
 Last Ten Fiscal Years

Fiscal Year					
2016	2015	2014	2013	2012	2011
910	802	1,020	815	849	898
83.20 %	81.80 %	79.90 %	78.10 %	75.50 %	77.00 %
1,171,287	1,103,323	1,051,940	997,329	946,606	863,907
2,961	2,846	2,863	2,759	2,725	2,583
338,362	348,459	363,154	389,426	404,316	394,170
11.09 %	11.65 %	12.33 %	13.42 %	14.16 %	14.01 %
686	812	922	923	928	946
8.40 %	7.80 %	6.60 %	5.90 %	6.40 %	6.90 %
6,298	6,723	7,113	7,065	6,893	6,812
16,590	13,897	15,307	12,730	12,759	12,906
201	215	237	242	242	238
450	458	471	477	492	500
288,797	305,778	311,187	324,523	329,176	348,548
260,952	273,731	279,903	309,420	309,307	312,953
17,058	15,775	29,953	35,446	37,872	38,498
418,356	415,843	391,139	366,061	361,457	340,805
13.71 %	13.90 %	13.28 %	12.62 %	12.66 %	12.11 %
185,347	215,861	260,138	318,008	351,629	316,703
71.00 %	66.00 %	65.00 %	61.00 %	59.00 %	56.00 %
1,093,205	1,212,696	1,204,984	1,180,927	1,058,375	1,240,499
558,893	585,666	583,460	682,594	659,534	661,239
5,176	4,482	3,741	5,054	5,051	4,821
378,478	355,124	350,416	333,646	325,769	315,238
533	560	693	672	678	718
102,511	79,060	107,833	33,743	45,869	106,016
32,486	32,131	26,612	20,377	20,492	21,499
33,822	32,797	32,491	31,970	31,553	30,199
N/A	10.68 %	12.49 %	N/A	10.90 %	10.90 %
5,969	6,706	7,484	6,071	4,807	4,622

State of Utah

Schedule E-3 Capital Asset Statistics by Function Last Ten Fiscal Years

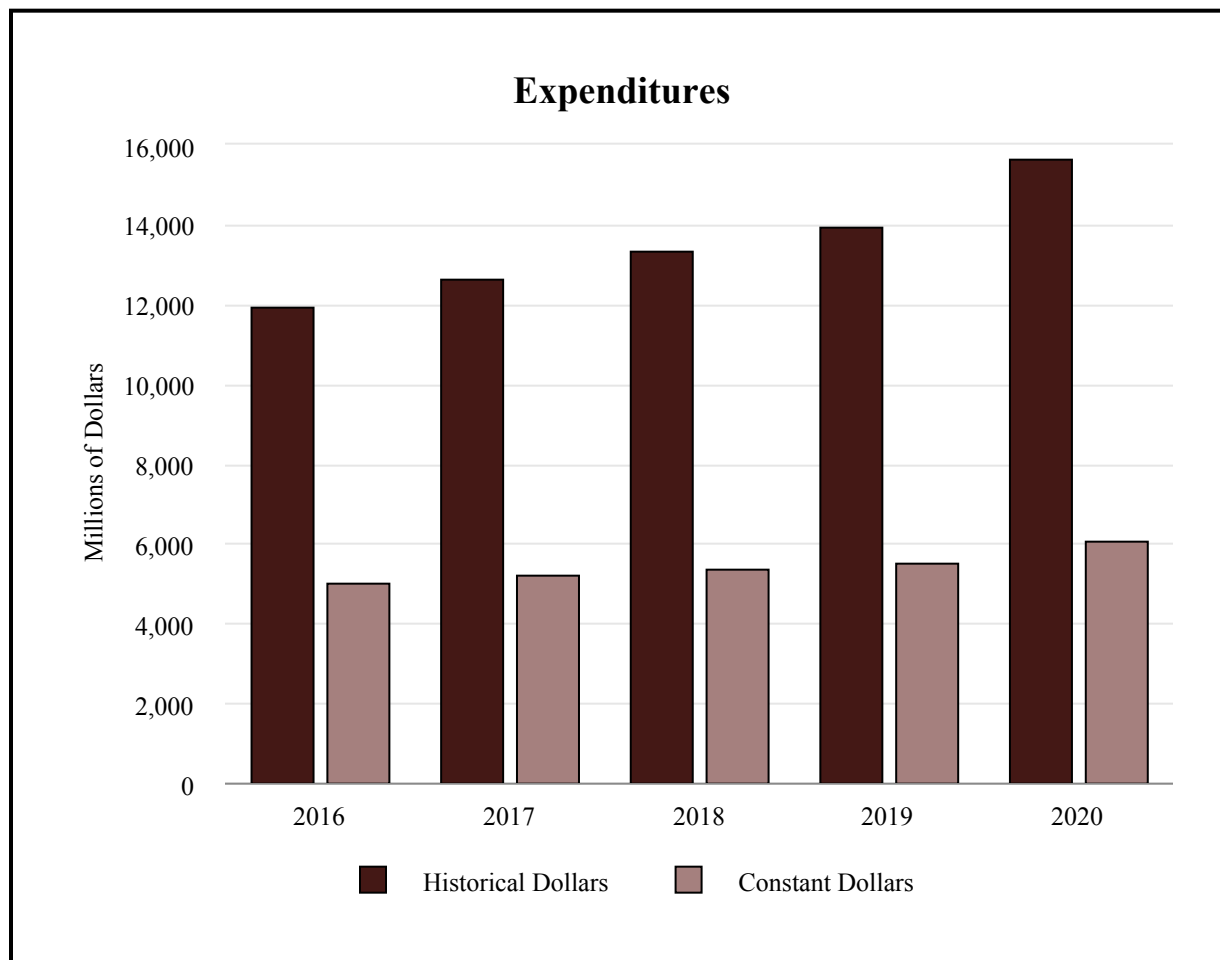
	Fiscal Year			
	2020	2019	2018	2017
General Government				
Buildings	333	332	326	323
Vehicles	8,049	7,969	7,828	7,732
Data Processing Equipment and Software	1,367	1,315	1,314	1,397
Reproduction and Printing Equipment	841	1,133	1,112	1,138
Human Services and Juvenile Justice Services				
Data Processing Equipment and Software	69	73	71	68
Corrections				
Data Processing Equipment and Software	216	217	219	220
Security and Surveillance Equipment	79	83	70	75
Public Safety				
Department of Public Safety:				
Vehicles	35	35	35	35
Data Processing Equipment and Software	230	219	208	222
Medical and Lab Equipment	216	208	205	236
Utah National Guard:				
Buildings	239	237	237	237
State Courts				
Data Processing Equipment and Software	78	72	65	60
Audio Visual Equipment	136	134	134	146
Health and Environmental Quality				
Department of Health:				
Data Processing Equipment and Software	72	71	72	69
Medical and Lab Equipment	308	299	287	283
Department of Environmental Quality:				
Monitoring and Lab Equipment	534	555	562	510
Employment and Family Services				
Data Processing Equipment and Software	407	402	393	387
Natural Resources				
Division of Parks and Recreation:				
State Parks	44	44	44	43
Buildings	793	789	785	779
Vehicles	368	359	356	351
Division of Wildlife Resources:				
Wildlife Management Areas	92	92	92	92
Fish Hatcheries	12	12	12	11
Buildings	202	195	192	191
Vehicles	234	229	224	220
Business, Labor, and Agriculture				
Data Processing Equipment and Software	116	115	112	110
Monitoring and Lab Equipment	156	142	143	138
Transportation				
Highway Center Line Miles	5,859	5,787	5,780	5,880
Buildings	456	456	446	442
Vehicles	345	330	1,010	956
Heavy Equipment	2,395	2,412	2,635	2,602

Source: Utah Department of Administrative Services, Division of Finance and various agencies of the State.

Schedule E-3
Capital Asset Statistics by Function - continued
 Last Ten Fiscal Years

Fiscal Year					
2016	2015	2014	2013	2012	2011
319	315	314	314	311	305
7,886	7,781	7,524	7,360	7,309	7,323
2,428	2,383	2,931	2,794	2,691	2,541
1,140	1,178	1,209	1,165	1,127	1,065
64	64	64	59	52	52
222	220	216	216	216	218
73	69	55	59	67	59
35	34	35	35	35	34
213	204	249	247	230	222
220	207	197	193	187	184
235	229	223	221	215	213
63	63	52	64	64	64
150	151	143	146	145	192
89	112	120	131	127	143
295	291	302	288	303	287
448	433	404	384	376	349
370	365	358	396	389	422
43	43	43	43	43	43
778	756	736	727	722	719
344	340	334	332	332	333
92	92	92	92	92	92
11	12	11	11	11	11
190	183	182	181	180	175
214	209	203	202	201	212
101	114	117	117	102	97
122	118	114	111	111	108
5,825	5,830	5,719	5,719	5,724	5,772
440	423	402	391	387	386
931	904	878	861	844	838
2,599	2,595	2,593	2,582	2,574	2,549

Schedule F-1
Expenditures — Historical and Constant Dollars
 All Governmental Fund Types
 Last Five Fiscal Years

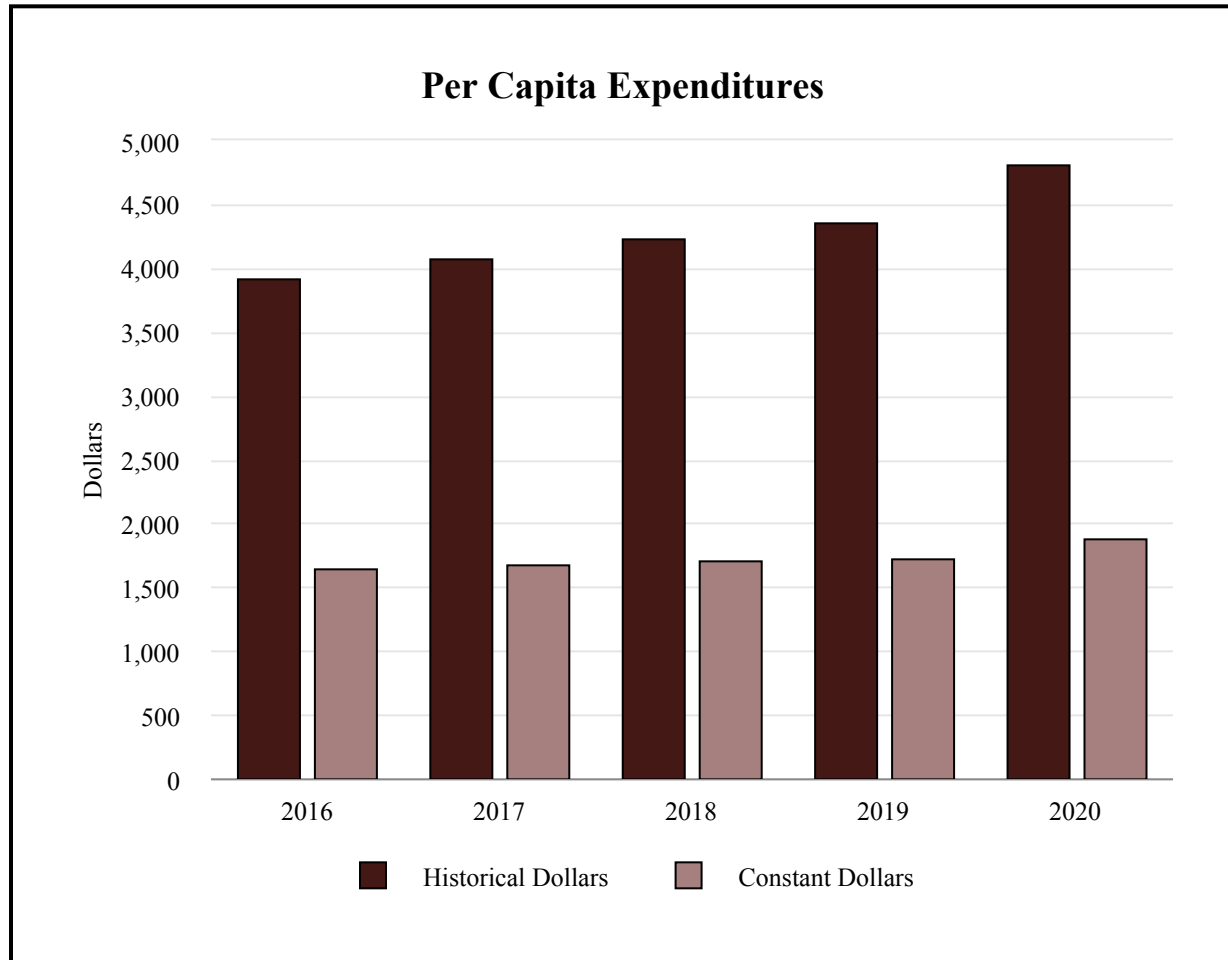


Fiscal Year	Historical Dollars		Constant Dollars	
	(in millions)	Change	(in millions)	Change
2016	\$11,923	3.84 %	\$5,004	3.15 %
2017	\$12,656	6.15 %	\$5,216	4.23 %
2018	\$13,332	5.33 %	\$5,373	3.01 %
2019	\$13,949	4.63 %	\$5,508	2.51 %
2020	\$15,659	12.26 %	\$6,088	10.53 %

Note: Historical and Constant percentage changes may not be exact due to rounding.

Source: Constant Dollars are derived using the Consumer Price Index for all urban consumers, base year 1982–84 = 100.

Schedule F-2
Per Capita Expenditures — Historical and Constant Dollars
 All Governmental Fund Types
 Last Five Fiscal Years



Fiscal Year	Per Capita Expenditures			
	Historical Dollars		Constant Dollars	
		Change		Change
2016	\$3,917	2.03 %	\$1,644	1.35 %
2017	\$4,079	4.13 %	\$1,681	2.25 %
2018	\$4,227	3.63 %	\$1,704	1.34 %
2019	\$4,351	2.94 %	\$1,718	0.85 %
2020	\$4,818	10.74 %	\$1,873	9.03 %

Note: Prior year information has been updated with the most recent population data available. Historical and Constant percentage changes may not be exact due to rounding.

Source: Historical Dollars are derived by dividing total expenditures of governmental funds by population data (See Schedule D-1). Constant Dollars are derived using the Consumer Price Index for all urban consumers, base year 1982-84 = 100.

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STATE OF UTAH

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

2020



FOR THE FISCAL YEAR
ENDED JUNE 30, 2020

DAS | Utah Department of
Administrative Services

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