

2024

STATE OF UTAH



Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Logan Canyon Spring Sunset

Photo by Gavin Vanderbeek

State of Utah

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

CONSTITUTIONAL OFFICERS OF THE STATE OF UTAH

Spencer J. Cox	Governor
Deidre M. Henderson	Lt. Governor
John Dougall	State Auditor
Marlo M. Oaks	State Treasurer
Sean D. Reyes	Attorney General
J. Stuart Adams	President of the Senate
Mike Schultz	Speaker of the House
Matthew B. Durrant	Chief Justice, Supreme Court

OTHER STATE OFFICIALS

Marvin L. Dodge	Executive Director, Department of Government Operations
Van H. Christensen, CPA	Director, Division of Finance
Sophia M. DiCaro	Executive Director, Governor’s Office of Planning 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 photo images and captions throughout the report.



Utah Department of
**Government
Operations**

**Division of Finance Accounting Standards
and Financial Reporting Section**

State of Utah
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

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State of Utah

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

Department of Government Operations

Division of Finance

MARVIN L. DODGE
Executive Director

VAN H. CHRISTENSEN, CPA
Division Director

December 16, 2024

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

It is our pleasure to present the 2024 Annual Comprehensive 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 3,462,000 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, Income Tax, Transportation, Transportation Investment, and Debt Service Funds), by function (e.g., health and human services), and activity (e.g., integrated health care services) 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.

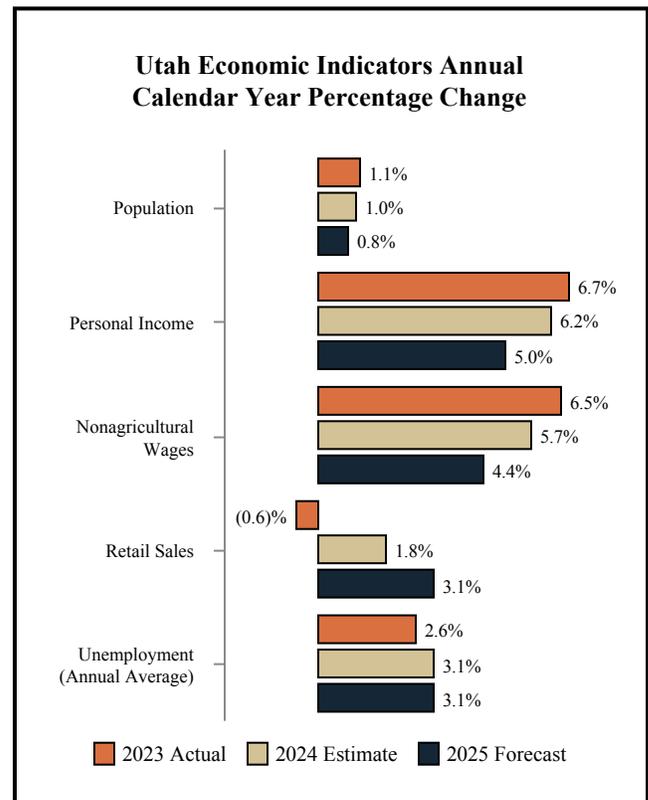
INFORMATION USEFUL IN ASSESSING A GOVERNMENT’S ECONOMIC CONDITION

Local Economy – Utah’s economy has continued to outperform the national average. During fiscal year 2024, the state added an additional 32,100 new jobs. The State’s economy experienced moderate growth compared to 2023’s vigorous pace while challenges remain in areas such as inflation and housing affordability.

people in 2023 and is expected to grow by 19,600 in 2024. Utah has had positive net migration for the past 30 years and this trend is expected to continue in the coming years.

Utah’s unemployment rate averaged 2.6 percent in calendar year 2023, and is expected to increase to an average of 3.1 percent in 2024, and 3.1 percent in 2025. In 2023, personal income increased by 6.7 percent and nonagricultural wages increased by 6.5 percent. In 2024, personal income is expected to increase by 6.2 percent and nonagricultural wages are expected to increase by 5.7 percent. Taxable retail sales decreased by 0.6 percent in 2023 and is expected to increase by 1.8 percent in 2024.

Total construction value was \$12.3 billion in 2023, a 2.7 percent decrease from the prior year. In 2024, total construction value is expected to decrease to \$11.6 billion, a 5.9 percent decrease due to a declining housing market. Residential construction was \$6.7 billion in 2023, a 5.5 percent decrease from the prior year. Residential permit value is expected to decrease 4.2 percent to \$6.4 billion in 2024. Nonresidential construction was \$3.2 billion in 2023, a 13 percent decrease from the prior year. Nonresidential construction is expected to decrease 25.3 percent to \$2.4 billion in 2024.



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

Industries – At the end of fiscal year 2024, Utah added an additional 32,100 jobs. Utah’s unemployment rate continues to be among the lowest in the nation. Utah’s nonagricultural employment opportunities are expected to increase by 1.7 percent in 2024 with the recovering economy, which is below the Utah average yearly rate of 3.1 percent (1950 through June 2024). In 2025, nonagricultural employment opportunities are expected to increase by 1.5 percent. All industrial sectors, except Trade, Transportation, and Utilities, as well as Leisure and Hospitality, contributed to job growth in Utah’s employment base. Education and Health Services saw the largest growth, adding 11,700 jobs primarily in Educational Services. The results for September 2023 to September 2024 are presented in the following table:

Jobs by Industry of Utah’s Labor Force
(expressed in thousands)

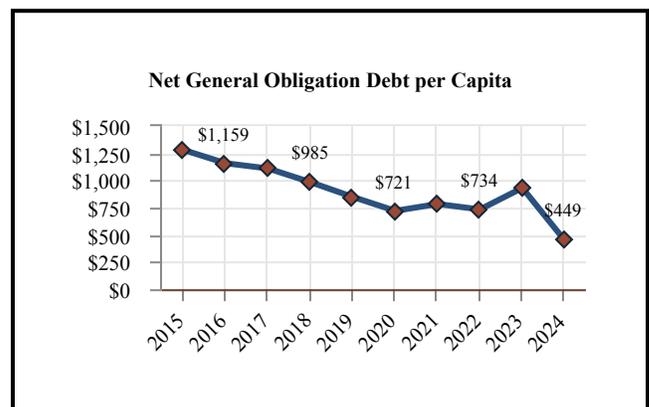
	Number of Jobs		Components of Labor Force		
	September (p) 2024	September (r) 2023	Numerical Change	September (p) 2024	
Trade, Transportation, and Utilities	310.90	315.60	(4.70)	(1.49)%	17.56 %
Professional and Business	254.90	251.70	3.20	1.27 %	14.40 %
Education and Health Services	248.40	236.70	11.70	4.94 %	14.04 %
Government (Local/Federal)	188.10	182.60	5.50	5.29 %	10.63 %
Leisure and Hospitality	173.20	173.70	(0.50)	(0.29)%	9.79 %
Manufacturing	154.90	153.00	1.90	1.24 %	8.75 %
Construction	146.30	137.70	8.60	6.25 %	8.27 %
Financial Activities	98.80	97.80	1.00	1.02 %	5.58 %
Government (State/Higher Ed.)	93.50	88.90	4.60	5.17 %	5.28 %
Other Services	46.50	46.10	0.40	0.87 %	2.63 %
Information	43.10	42.80	0.30	0.70 %	2.44 %
Natural Resources and Mining	11.10	11.00	0.10	0.91 %	0.63 %
Total	1,769.70	1,737.60	32.10	1.85 %	100.00 %

Source: Utah Department of Workforce Services and the U.S. Bureau of Labor Statistics, September 2024.
(p) = preliminary (r) = revised

Outlook – Utah's economy remains strong, driven by diverse industries, a robust job market, and sound fiscal policies. With low unemployment and ongoing population growth, the state is well-positioned for sustainable growth despite national economic challenges. Key priorities include fostering innovation, supporting education, and addressing housing and water resource issues to ensure long-term prosperity.

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 buildings, highways, 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 \$1.0 billion in general obligation bonds for highway construction projects and authorized an additional \$101.0 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 advance 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. In fiscal year 2021, the State authorized \$52.1 million in general obligation bonds for highway projects and \$266.6 million for rail and transit projects. There were no general obligation bond issuances, authorizations, or refundings in fiscal years 2023 or 2024. As of June 30, 2024, the State's general obligation debt per capita was \$449. 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 2024 consensus revenue forecast projected an decrease of 0.4 percent in fiscal year 2024 from 2023 actual revenue for the General and Income Tax Funds combined. For fiscal year 2025, a 15.3 percent decrease is projected. The long-term average revenue growth rate, adjusted for inflation, was approximately 3.7 percent for fiscal periods 1971 through 2023. See the Budgetary Highlights – General Fund in the [MD&A](#) for a comparison of budgeted to actual results for fiscal year 2024.

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 Income Tax Fund Budget Reserve Account in the Income Tax Fund (the “Income Tax 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 Income Tax Fund to be deposited in the Income Tax Reserve, in each case up to a statutory limit. State law limits the totals of the Rainy Day Fund and Income Tax Reserve based on the amount of appropriations from the General Fund and Income Tax Fund, respectively, for the fiscal year in which the surplus occurred. The General Fund did not have a revenue surplus in fiscal year 2024; therefore, no transfer was made to the Rainy Day Fund. However, the Income Tax Fund had a revenue surplus in fiscal year 2024, resulting in a \$1.953 million transfer to the Income Tax Fund Budget Reserve Account. 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 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. There was no transfer made into the account in fiscal year 2024 because there was no revenue surplus. For additional information on the State's budget stabilization accounts see [Note 12.B](#).

Public Education Growth – Projections indicate that student enrollment will continue to decline over the next decade. Although projected enrollment growth is expected to decline, public education remains 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-5-302 of the *Utah Code* requires qualifying agencies to prepare a federal funds contingency plan that identifies both short-term and long-term risks of federal funding reductions, outlines strategies to address these risks, and designates personnel responsible for implementing these strategies. Agencies are required to update their contingency plans at least every two years or when submitting federal funding requests exceeding \$10 million.

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 analysts 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. In order 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. Section 63J-3-103 of the *Utah Code* states the definition of appropriations includes only appropriations from General Fund and Income Tax Fund sources (i.e., spending for public education and for transportation is exempt from the limitation). For the fiscal year ended June 30, 2024, the State was \$82.3 million below the appropriations limitation.

Adequate Funding for Ongoing Programs – The Legislature works to ensure all programs have adequate ongoing funding. Coming into the 2024 General Session of the Legislature, before accounting for growth in either costs or revenues, Utah had a temporal surplus of \$26.6 million (i.e., ongoing projected revenue exceeded ongoing commitments by this 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. However, most of the temporal surplus was associated with budgeted reserves. At the end of the 2024 General Session, Utah’s budget had a \$7.5 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

The General Fund and Income Tax Fund consensus revenue forecast adopted during the 2024 General Session projected \$11.5 billion for fiscal year 2024 and \$11.8 billion for fiscal year 2025. The combination of projected fiscal year 2024 and 2025 revenue growth, prior year balances, and reallocations provided more than \$2.9 billion, including \$630 million of ongoing revenue growth, available for appropriations or tax cuts during the 2024 General Session.

During the 2024 General Session, the legislature reduced the income tax rate from 4.65 percent to 4.55 percent, with an ongoing revenue impact of \$168 million. Child tax credits and motion picture tax credits were also expanded. After accounting for the impact of tax cuts, the legislature enacted General Fund, Income Tax Fund, and Uniform School Fund budgets that totaled \$13.7 billion in fiscal year 2024 and \$12.9 billion in fiscal year 2025. That includes \$11.1 billion of ongoing funding in fiscal year 2024 and \$11.6 billion of ongoing funding in fiscal year 2025 (4.1 percent increase).

Fiscal year 2025 ongoing funding for K-12 education increased by \$280 million compared to fiscal year 2024. Key ongoing investments for K-12 education included \$211.7 million for a 5 percent increase in the weighted pupil unit and \$27.8 million for an at-risk students weighted pupil increase. Additionally, a \$75.5 million ongoing increase was provided for post-secondary education.

During the 2024 General Session, the legislature appropriated \$32 million of new ongoing funding and \$191 million of new one-time funding for capital facility projects. During the 2023 General Session, the legislature set aside \$335 million ongoing and \$440 million one-time for transportation infrastructure, contingent on fiscal year 2024 and fiscal year 2025 revenue staying within the estimated levels. Because the revenue estimates were upwardly revised, \$1.1 billion, including \$330 million ongoing, was appropriated for fiscal year 2025 during the 2024 General Session.

The state also made significant ongoing funding investments in state employee compensation. During the session, \$150 million of ongoing increases for state employee compensation and benefits, including funding for a 3 percent cost-of-living adjustment (COLA), a nearly 2 percent for pay for performance and discretionary increases, and target compensation adjustments for the Department of Corrections and the Utah Schools for the Deaf and the Blind.

Actual fiscal year 2024 revenue collections came in \$23 million (0.2 percent) less than what was forecasted during the 2024 general session, primarily due to lower than anticipated liquor profits. After budget adjustments, such as balances that lapse to the general fund, this deficit was reduced to \$3 million. The shortfall will be covered by reducing appropriations set aside for capital projects. At the end of fiscal year 2024, the state had combined \$1.2 billion balance in its General Fund and Income Tax Fund rainy day accounts.

State Employee Other Postemployment Benefit Plan – The Actuarially Determined Contribution (ADC) for the State Employee Other Postemployment Benefit (OPEB) plan was \$11.975 million. The Legislature considered this ADC when

establishing the OPEB budget for fiscal year 2025. If paid on an ongoing basis, the ADC represents a level of funding that is projected actuarially to fund the unfunded liability over a period of two 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 annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the thirty-ninth 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 annual comprehensive 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 annual comprehensive 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 Government Operations. 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 blue ink that reads "Van Christensen". The signature is written in a cursive style with a long horizontal flourish at the end.

Van H. Christensen, CPA
Division of Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

State of Utah

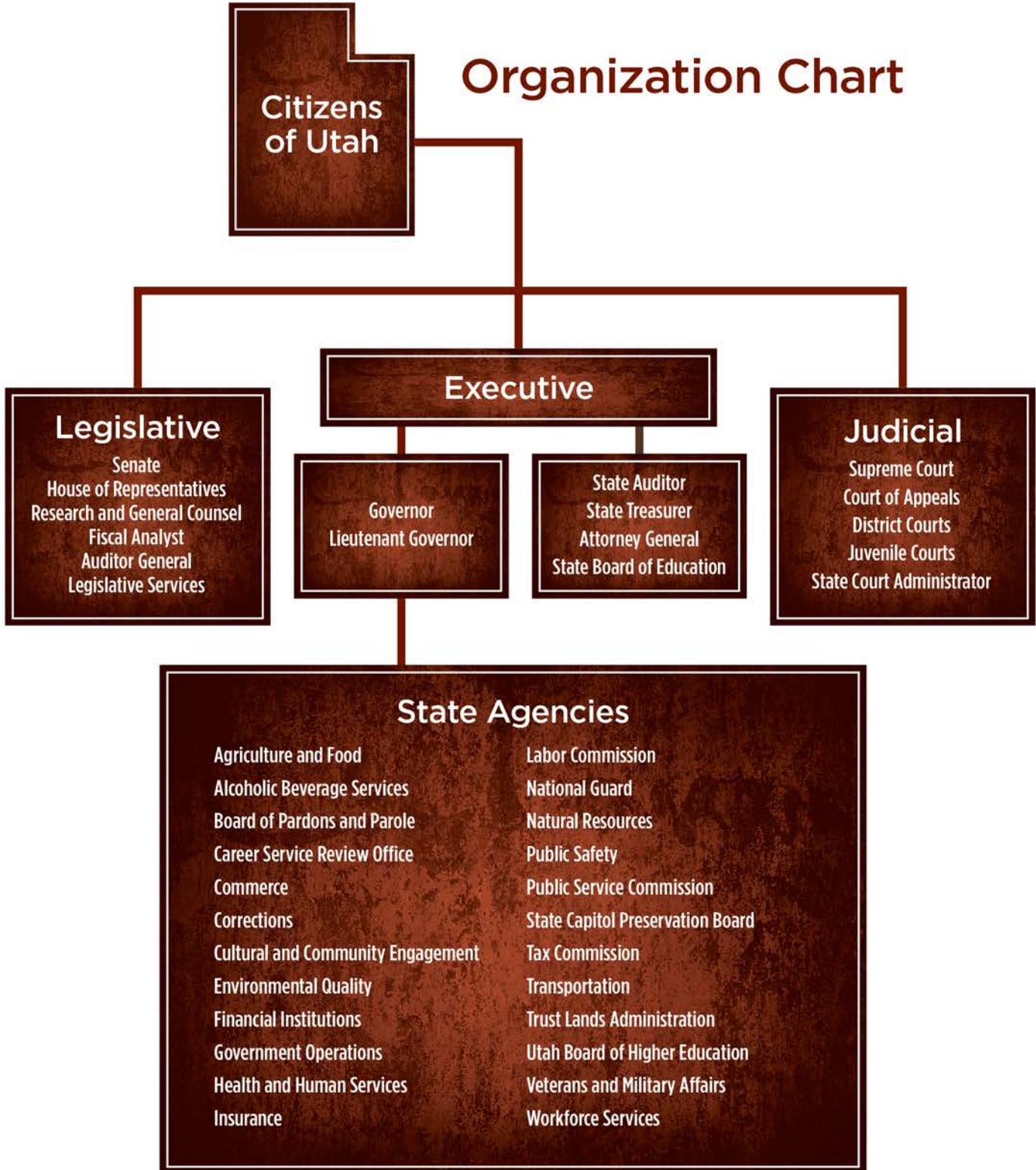
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

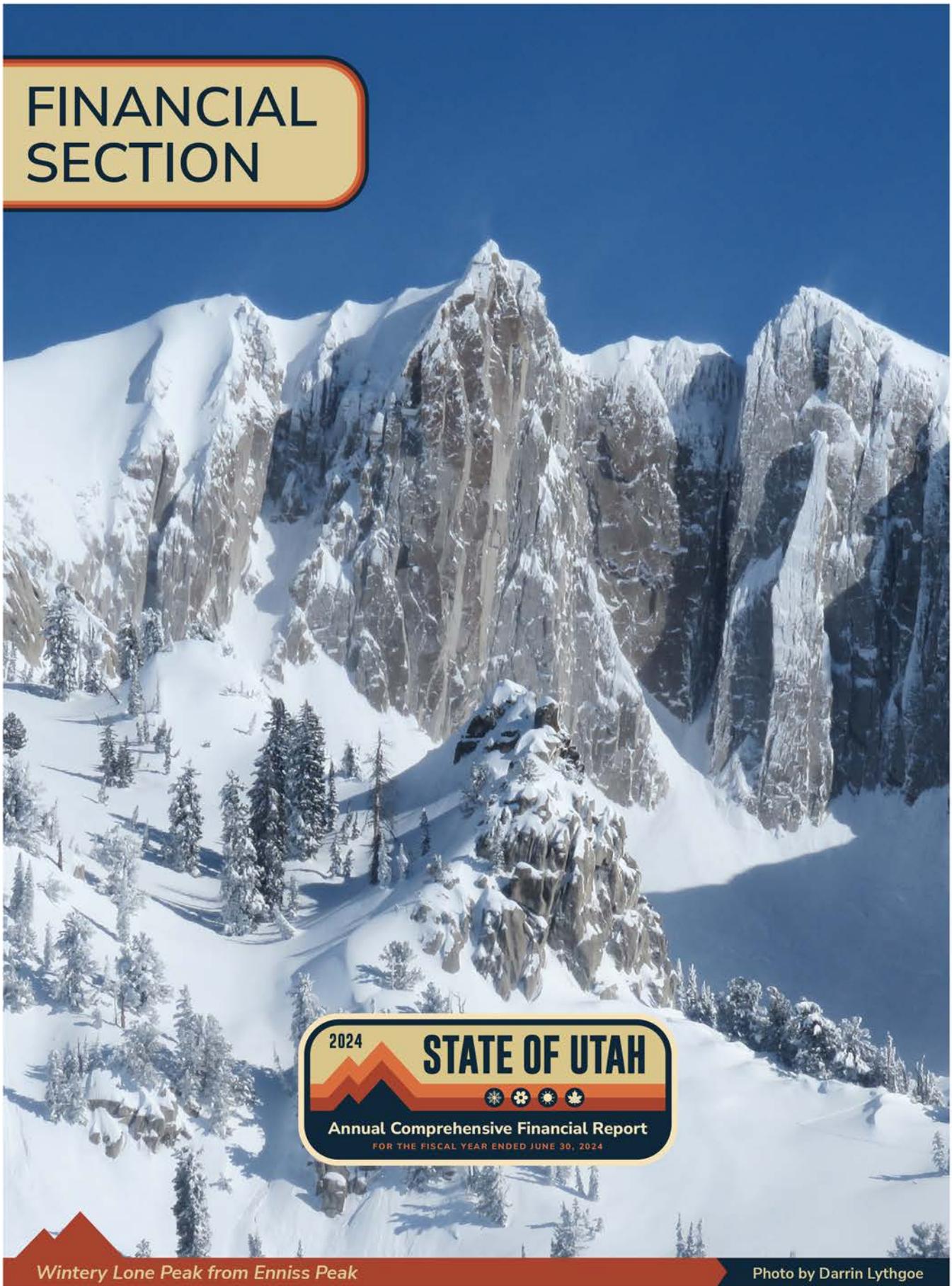
Executive Director/CEO

Organization Chart



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FINANCIAL SECTION



2024 **STATE OF UTAH**

Annual Comprehensive Financial Report
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Wintery Lone Peak from Enniss Peak

Photo by Darrin Lythgoe



OFFICE OF THE
STATE AUDITOR

Independent Auditor's Report

To Members of the Utah State Legislature
and
The Honorable Spencer J. Cox
Governor, State of Utah

Report on the Audit of the Financial Statements

Opinions

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, 2024, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

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, 2024, 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.

The following components of the State's basic financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for these entities, are based solely on the reports of the other auditors:

- School and Institutional Trust Funds Office, a division of the Trust Lands Permanent Fund (Permanent Fund), which represents 97 percent of the assets, 98 percent of Permanent Fund's fund balance, and 82 percent of the revenues.
- Public Employees Health Program, Utah Transit Authority, the University of Utah's Hospitals and Clinics and component units, and Utah State University's Space Dynamics Laboratory, discrete component units or divisions of discrete component units, which collectively represent 39 percent of the assets, 33 percent of the net position, and 52 percent of the revenues of the aggregate discretely presented component units.
- Utah Retirement Systems and Utah Education Savings Plan dba my529, fiduciary component units, which represent 78 percent of the assets, 79 percent of the fund balance/net position, and 34 percent of the revenues/additions of the aggregate remaining fund information.

Basis for Opinions

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

Emphasis of Matter

During fiscal year 2024, the State significantly increased the amount of investments whose fair market values are not listed on national exchanges or for which quoted market prices are not available. These investments measured at the net asset value totaled \$709.35 million or 1.2 percent of total investments as of June 30, 2024 and were subject to management estimates described in Note 3. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules and Information about Budgetary Reporting, and Information about the State's Pension Plans, Other Postemployment Benefit Plans, and Infrastructure Assets, comprising the Required Supplementary Information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The Combining Statements and

Individual Fund Statements and Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statements and Individual Fund Statements and Schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.



Office of the State Auditor
Salt Lake City, Utah
December 16, 2024

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MD&A

MANAGEMENT'S DISCUSSION
AND ANALYSIS



2024

STATE OF UTAH

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Timp in the Spring as Seen from Provo

Photo by Kevin Hehl

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, 2024. Please read this in conjunction with the [Letter of Transmittal](#) located in the Introductory Section of this report along with the State's [Basic 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 \$46.471 billion (reported as net position). Of this amount, \$12.249 billion (unrestricted net position) may be used to meet the government's ongoing obligations, while \$34.222 billion is restricted for specific uses or invested in capital assets.
- The State's total net position increased \$3.082 billion or 7.10 percent over the prior year. Net position of governmental activities increased \$2.412 billion or 6.10 percent. Net position of business-type activities increased \$670.507 million or 17.37 percent.

Fund Level

- The governmental funds reported combined ending fund balances of \$18.019 billion, an increase of \$1.187 billion in comparison to the prior year. Approximately 54.25 percent, or \$9.774 billion of the ending fund balance is considered unrestricted (i.e., 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 zero dollar revenue surplus. Because there was no revenue surplus, there were no statutory transfers from the General Fund to any stabilization or reserve accounts.
- The Income Tax Fund ended the fiscal year with a \$6.145 million surplus after a statutory transfer of \$1.953 million to the Income Tax Budget Reserve Fund.
- The State's stabilization accounts, the General Fund Budget Reserve Account (Rainy Day Fund), Medicaid Budget Stabilization Account, and Income Tax Fund Budget Reserve Account, ended the fiscal year with balances of \$330.285 million, \$219.775 million, and \$858.238 million, respectively.
- Sales tax revenues in the governmental funds increased \$109.420 million or 2.48 percent, compared to \$216.665 million or 5.16 percent increase from the prior year. Total tax revenues increased \$86.109 million or 2.24 percent in the General Fund and decreased \$252.969 million or 3.40 percent in the Income Tax Fund.

Long-term Debt

- The State's long-term bonded debt decreased by a net \$390 million or 17.78 percent. General obligation bonds for the primary government decreased \$368 million or 19.15 percent, while revenue bonds for the primary government decreased \$22 million or 8.24 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, and 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. 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 Transit Authority, Utah Communications Authority, and State Fair Park Authority are examples of discretely presented component units.

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

The [Governmental 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 (i.e., full accrual basis of accounting, long-term focus) with amounts reported on the *governmental* fund statements (i.e., 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 to the Financial Statements](#) 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 that 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

The [Statistical Section](#) provides up to ten years of financial, economic, and demographic information.

Adjustments to Beginning Net Position and Other Significant Changes

In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, prior year financial information presented in this Management's Discussion and Analysis (MD&A) has been restated to reflect accounting error corrections as noted below and in [Note 2](#). As a result, the comparative numbers for the prior year in this report may differ from those previously published in the prior year's financial statements. These adjustments ensure that the financial information presented is accurate and compliant with the latest accounting standards.

As discussed in [Note 2](#) of the financial statements, the following adjustments were reflected in the Statement of Activities:

- Effective July 1, 2023, under Senate Bill 146, *Higher Education Governance Amendments* from the 2023 General Session of the Legislature, the Utah Board of Higher Education transitioned from a legally separate entity, discretely presented component unit, to effectively functioning as a department of the State reported as part of the General Fund. The Board's Higher Education Student Success Endowment, previously reported as a private purpose trust fund, is now classified as a nonmajor special revenue fund. This resulted in an increase of \$369.552 million in beginning net position for governmental activities.
- In fiscal year 2024, corrections to prior reporting of Construction in Progress and Work in Progress software resulted in a \$36.728 million decrease in the beginning balances of capital assets and corresponding decrease to beginning net position for governmental activities.
- During fiscal year 2024, the Department of Alcoholic Beverage Services discovered a \$19.380 million allocation error from fiscal year 2023 due to a new accounting system failing to properly expense costs of goods sold. This overstated the liquor profit transferred to the General Fund, which has now been corrected by reducing the General Fund's beginning fund balance for fiscal year 2024.
- In fiscal year 2024, the Department of Health and Human Services identified state funded fiscal year 2023 expenditures that should have been federally funded. Federal funds received in 2024 for these expenses were retroactively classified as 2023 revenue, resulting in an increase of \$17.562 million in beginning net position for governmental activities.

See [Note 2](#) for addition information and other changes.

FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

Net Position

The largest component of the State's net position, 50.77 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 22.87 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, 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.

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

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change 2023–2024
	2024	2023 ¹	2024	2023 ¹	2024	2023 ¹	
Current and Other Assets	\$ 21,605,305	\$ 20,630,010	\$ 4,803,049	\$ 4,210,261	\$ 26,408,354	\$ 24,840,271	6.31%
Capital Assets	25,496,203	24,540,579	156,863	142,541	25,653,066	24,683,120	3.93%
Total Assets	47,101,508	45,170,589	4,959,912	4,352,802	52,061,420	49,523,391	5.12%
Deferred Outflows of Resources	523,195	456,347	11,142	9,366	534,337	465,713	14.74%
Current and Other Liabilities	2,740,903	2,835,455	64,220	108,363	2,805,123	2,943,818	(4.71)%
Long-term Liabilities	2,914,473	3,224,926	376,808	394,227	3,291,281	3,619,153	(9.06)%
Total Liabilities	5,655,376	6,060,381	441,028	502,590	6,096,404	6,562,971	(7.11)%
Deferred Inflows of Resources	28,395	37,161	365	424	28,760	37,585	(23.48)%
Net Position:							
Net Investment in Capital Assets	23,532,243	22,314,274	62,228	51,914	23,594,471	22,366,188	5.49%
Restricted	8,540,802	8,746,440	2,086,655	1,983,695	10,627,457	10,730,135	(0.96)%
Unrestricted	9,867,887	8,468,680	2,380,778	1,823,545	12,248,665	10,292,225	19.01%
Total Net Position	\$ 41,940,932	\$ 39,529,394	\$ 4,529,661	\$ 3,859,154	\$ 46,470,593	\$ 43,388,548	7.10%
Percent change in total Net Position from prior year	6.10%		17.37%		7.10%		

¹ Figures for June 30, 2023 have been restated to include fiscal year 2024 adjustments to beginning net position related to accounting error corrections in accordance with the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*. See [Note 2](#).

Current and other assets increased \$1.568 billion or 6.31 percent as follows:

- The majority of the increase in current and other assets in governmental activities of \$975.295 million or 4.73 percent is largely related to an increase in **(1)** cash and investments due to favorable investment returns; and **(2)** accounts receivable, primarily due to *a)* an \$87 million increase in the Medicaid pharmacy rebate receivables for rebates that have not yet been invoiced due to issues stemming from the implementation of PRISM; *b)* a \$72 million increase in opioid settlement receivables due to new opioid settlements during the year; and *c)* a \$104 million increase in hospital assessment receivables due to calculating the assessments later in the year than last year. The majority of investment income was reflected in the increased fund balances of the Trust Lands Permanent Fund, which rose by \$434.541 million, and the State Endowment Fund, which grew by \$51.172 million. Additionally, with the implementation of Senate Bill 146 during the 2023 General Session, the Utah Board of Higher Education (which includes the Higher Education Student Success Endowment fund), previously a nonmajor discretely presented component unit, was reclassified as part of the State. This reclassification increased current and other assets by \$369.552 million.
- Current and other assets in business-type activities increased \$592.788 million or 14.08 percent primarily due to higher appropriations. Notable increases included appropriations of \$108 million for the Point of the Mountain Infrastructure Loan Fund program, \$140 million for the construction of Alcoholic Beverage Services stores, and \$60 million for the Inland Port Infrastructure Loan Fund program. The Water Loan programs also increased \$145.585 million from new appropriations and revenues exceeding expenses. Lastly, the Unemployment Compensation Fund increased by a \$74.015 million as revenues continued to outpace expenses.

Current and other liabilities decreased \$138.695 million or 4.71 percent as follows:

- Current and other liabilities in governmental activities decreased \$94.552 million or 3.33 percent. This is primarily due to the following changes: **(1)** an increase of \$187.793 million in accounts payable and accrued liabilities. The majority of this increase was due to employee salary and benefit compensation, various transportation and water-related infrastructure projects, capital building projects, miscellaneous investment dispositions, and the overall timing of various vendor payments; **(2)** a decrease of \$23.058 million in securities lending activity by the School and

Institutional Trust Fund Office due to a reduction in the securities being lent, driven by market conditions; and (3) a decrease of \$261.210 million in unearned revenue resulting from the State spending COVID-19 related revenue received in prior periods.

- Current and other liabilities in business-type activities decreased by \$44.143 million or 40.74 percent from the prior year, primarily due to the dissolution of the Student Assistance Programs. During fiscal year 2024, the Programs paid off a \$56.079 million liability which was owed to the Federal Government as of the end of fiscal year 2023.

Long-term liabilities decreased \$327.872 million or 9.06 percent due to the payment of bond debt totaling \$390.064 million, offset by an increase of \$34.267 million in net pension liability.

The State's total net position increased \$3.082 billion or 7.10 percent in fiscal year 2024, compared to a \$4.300 billion increase, or 11.00 percent, in the prior year. The increase in total net position, while slower than the prior year, continues to reflect a recovering 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 \$1.228 billion 5.49 percent or as the State continues to construct infrastructure projects and repay associated debt.
- *Restricted Net Position* – Total restricted net position decreased \$102.678 million or 0.96 percent over the prior year adjusted net position as follows:

Restricted Net Position of Governmental Activities decreased \$205.638 million or 2.35 percent:

- Expendable Public Education net position decreased \$849.302 million or 15.93 percent as revenues fell short of budgeted projections.
- Nonexpendable Public Education net position increased \$150.491 million or 7.33 percent, primarily due to favorable market conditions, which resulted in high-performing investments.
- Transportation net position increased \$101.716 million or 15.24 percent due to growth in dedicated sales and use tax revenue, along with higher investment income resulting from the recovering economy.
- Expendable Net Position for Other Purposes increased \$300.624 million or 60.73 percent. This significant increase stems from the reclassification of the Higher Education Student Success Endowment fund and the Utah Capital Investment Corporation (blended component unit) to nonmajor special revenue funds of \$307.491 million and \$39.570 million, respectively.

Restricted Net Position of Business-type Activities increased \$102.960 million or 5.19 percent. This increase was largely driven by a \$74.015 million rise in the Unemployment Compensation Fund restricted net position. Although expenses increased, revenues remained consistent and continued to exceed expenses, driving the overall positive change.

- *Unrestricted Net Position - Governmental Activities* – Total unrestricted net position in governmental activities increased \$1.399 billion or 16.52 percent primarily due to a greater than budgeted increase in investment income and sales and use taxes in the Transportation Investment Fund.
- *Unrestricted Net Position - Business-type Activities* – Total unrestricted net position in business-type activities increased \$557.233 million or 30.56 percent. This was mainly due to a \$193.062 million increase in the Local Government Loan Fund from appropriations for the Inland Port and Point of the Mountain Infrastructure Loan Fund programs, a \$141.370 million increase in Water Loan Programs from new appropriations and revenues exceeding expenses, and a \$132.290 million increase in Alcoholic Beverage Services due to appropriations for new store construction.

(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 2024:

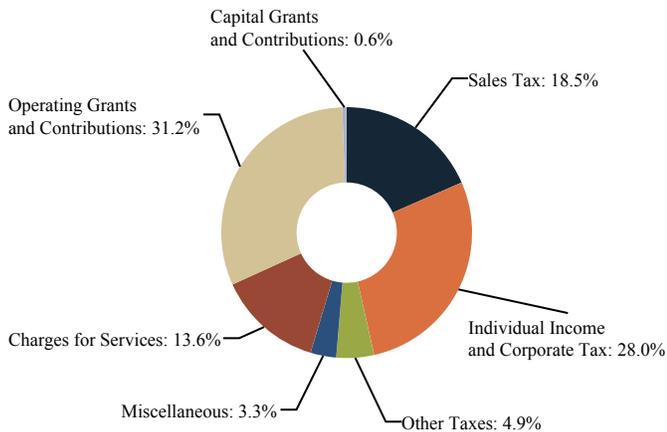
State of Utah
Changes in Net Position
for the Fiscal Year Ended June 30
(dollars expressed in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2024	2023 ¹	2024	2023 ¹	2024	2023 ¹	2023–2024
Revenues							
General Revenues:							
Taxes	\$12,691,762	\$12,549,042	\$ 57,187	\$ 56,074	\$12,748,949	\$12,605,116	1.14 %
Other General Revenues	693,525	489,704	130,971	83,534	824,496	573,238	43.83 %
Program Revenues:							
Charges for Services	2,454,958	2,066,252	910,939	922,902	3,365,897	2,989,154	12.60 %
Operating Grants and Contributions	7,720,490	7,904,918	28,542	103,582	7,749,032	8,008,500	(3.24)%
Capital Grants and Contributions	141,509	118,509	—	—	141,509	118,509	19.41 %
Total Revenues	23,702,244	23,128,425	1,127,639	1,166,092	24,829,883	24,294,517	2.20 %
Expenses							
General Government	1,360,294	1,341,897	—	—	1,360,294	1,341,897	1.37 %
Health and Human Services	6,722,540	6,132,422	—	—	6,722,540	6,132,422	9.62 %
Corrections	467,488	429,819	—	—	467,488	429,819	8.76 %
Public Safety	521,151	493,163	—	—	521,151	493,163	5.68 %
Courts	206,578	195,907	—	—	206,578	195,907	5.45 %
Environmental Quality	77,260	80,236	—	—	77,260	80,236	(3.71)%
Higher Education	2,097,529	1,796,650	—	—	2,097,529	1,796,650	16.75 %
Employment and Family Services	1,243,690	1,568,934	—	—	1,243,690	1,568,934	(20.73)%
Natural Resources	510,952	381,099	—	—	510,952	381,099	34.07 %
Cultural and Community Engagement	89,760	75,018	—	—	89,760	75,018	19.65 %
Business, Labor, and Agriculture	203,409	161,471	—	—	203,409	161,471	25.97 %
Public Education	6,106,108	5,566,960	—	—	6,106,108	5,566,960	9.68 %
Transportation	1,652,445	1,136,207	—	—	1,652,445	1,136,207	45.44 %
Interest and Charges on Long-term Debt	43,027	52,921	—	—	43,027	52,921	(18.70)%
Student Assistance Programs	—	—	1,267	146,354	1,267	146,354	(99.13)%
Unemployment Compensation	—	—	296,011	209,626	296,011	209,626	41.21 %
Water Loan Programs	—	—	44,664	17,227	44,664	17,227	159.27 %
Community and Economic Loan Programs	—	—	48,457	24,855	48,457	24,855	94.96 %
Liquor Retail Sales	—	—	367,934	364,409	367,934	364,409	0.97 %
Other Business-type Activities	—	—	56,826	47,159	56,826	47,159	20.50 %
Total Expenses	21,302,231	19,412,704	815,159	809,630	22,117,390	20,222,334	9.37 %
Excess (Deficit) Before Transfers	2,400,013	3,715,721	312,480	356,462	2,712,493	4,072,183	
Transfers	(358,027)	2,748	358,027	(41,508)	—	(38,760)	
Change in Net Position	2,041,986	3,718,469	670,507	314,954	2,712,493	4,033,423	
Net Position – Beginning	39,567,936	35,537,283	3,863,277	3,551,198	43,431,213	39,088,481	
Adjustment to Beginning Net position	331,010	273,642	(4,123)	(6,998)	326,887	266,644	
Net Position – Beginning as Adjusted	39,898,946	35,810,925	3,859,154	3,544,200	43,758,100	39,355,125	
Net Position – Ending	\$41,940,932	\$39,529,394	\$ 4,529,661	\$ 3,859,154	\$46,470,593	\$43,388,548	7.10 %

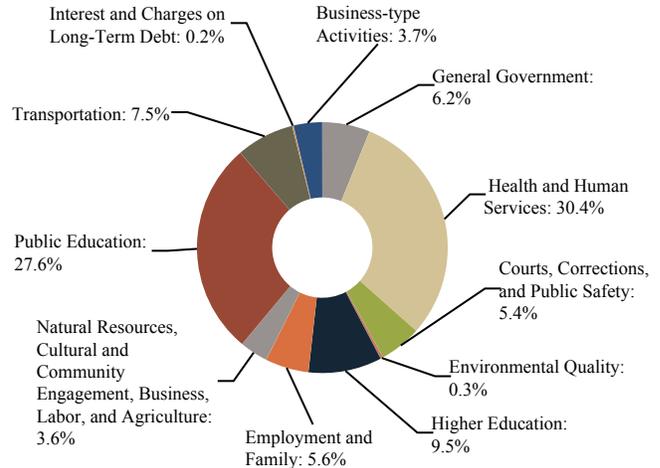
¹ Figures for June 30, 2023 have been restated to include fiscal year 2024 adjustments to beginning net position related accounting error corrections in accordance with the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*. See [Note 2](#).

(Charts on next page)

State of Utah Total Revenues FY 2024



State of Utah Total Expenses FY 2024



This year the State received 51.35 percent of its revenues from state taxes and 31.78 percent of its revenues from grants and contributions, primarily from federal sources. In the prior year, state taxes accounted for 51.88 percent and grants and contributions were 33.45 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 16.87 percent of total revenues in fiscal year 2024 as compared to 14.67 percent in fiscal year 2023.

Governmental Activities

The State’s total governmental revenues from all sources increased \$573.819 million or 2.48 percent. Operating grants and contributions decreased \$184.428 million as the State received fewer Coronavirus State and Local Fiscal Recovery Funds and other pandemic-related assistance, due to the conclusion of emergency funding programs as the pandemic subsided. Tax revenues and charges for services increased \$142.720 million and \$388.706 million, respectively, as a result of the strong economic recovery, driven by higher consumer spending, business activity, and employment. Significant changes in governmental activities’ revenues and expenses at the government-wide level mirror changes in the government funds, except for changes related to the recognition of net pension liability and capital assets which are only recorded in the government-wide statements due to the measurement focus of each statement. See [Note 17](#) for changes in the net pension liability and [Note 8](#) for changes in capital assets.

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.

The following table shows to what extent program revenues (i.e., charges for services and grants) covered program expenses. For fiscal year 2024, program revenues covered \$10.317 billion or 48.43 percent of \$21.302 billion in total program expenses. For the remaining \$10.985 billion or 51.57 percent of program expenses, the State relied on state taxes and other general revenues. For further discussion of changes, see the section entitled “Financial Analysis of the State’s Governmental Funds.”

(MD&A continues on next page.)

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	
	2024	2024	2024	2023 ¹	2024	2023 ¹
General Government	\$ 1,360,294	\$ 1,056,708	\$ (303,586)	\$ (271,357)	77.68 %	79.78 %
Health and Human Services	6,722,540	5,067,277	(1,655,263)	(1,435,358)	75.38 %	76.59 %
Corrections	467,488	4,214	(463,274)	(426,616)	0.90 %	0.75 %
Public Safety	521,151	285,680	(235,471)	(215,385)	54.82 %	56.33 %
Courts	206,578	67,827	(138,751)	(127,757)	32.83 %	34.79 %
Environmental Quality	77,260	45,639	(31,621)	20,870	59.07 %	126.01 %
Higher Education	2,097,529	34,342	(2,063,187)	(1,778,350)	1.64 %	1.02 %
Employment and Family Services	1,243,690	1,024,168	(219,522)	(174,705)	82.35 %	88.86 %
Natural Resources	510,952	310,012	(200,940)	(135,576)	60.67 %	64.42 %
Cultural and Community Engagement	89,760	23,108	(66,652)	(59,978)	25.74 %	20.05 %
Business, Labor, and Agriculture	203,409	169,787	(33,622)	(12,100)	83.47 %	92.51 %
Public Education	6,106,108	1,159,903	(4,946,205)	(4,396,067)	19.00 %	21.03 %
Transportation	1,652,445	1,068,292	(584,153)	(257,725)	64.65 %	77.32 %
Interest and Charges on Long-term Debt	43,027	—	(43,027)	(52,921)	0.00 %	0.00 %
Total Governmental Activities	\$ 21,302,231	\$ 10,316,957	\$ (10,985,274)	\$ (9,323,025)	48.43 %	51.97 %

¹ Figures for June 30, 2023 have been restated to include fiscal year 2024 adjustments to beginning net position related accounting error corrections in accordance with the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*. See [Note 2](#).

Business-type Activities

The State's business-type activities operate primarily from program revenues, except for the Water Loan Programs, Employers' Reinsurance Fund 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 to be reported as charges for services rather than taxes. Therefore, taxes in business-type activities are comprised entirely of sales tax revenues reported for water, employer's reinsurance, and agriculture loan programs.

Total revenues from the State's business-type activities decreased slightly by \$38.453 million or 3.30 percent mostly due to a \$21.306 million decrease in federal contract and grants for the Community Impact Loan Fund. There was also a \$49.634 million drop in federal reinsurance allowances following the termination of the Student Assistance Programs in fiscal year 2023, which was offset by a \$47.275 million increase in investment revenue, driven by higher interest rates and increased cash balances across business-type funds. Expenses increased slightly by \$5.529 million or 0.68 percent mainly due the following: **(1)** \$86.385 million rise in Unemployment Compensation Fund benefit claims, and **(2)** increase in grant expenses of \$27.725 million for Water Loans Programs and \$21.902 million for Housing Loan Programs, driven by the availability of additional funding. The increases were partially offset by a \$145.087 million reduction in costs related to the termination of the Student Assistance Programs.

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, 2024, the State's governmental funds reported combined ending fund balances of \$18.019 billion. Of this amount:

- \$2.486 billion or 13.80 percent is nonspendable due to its form or legal constraints.
- \$5.758 billion or 31.96 percent is restricted for specific programs by either external constraints, constitutional provisions, or contractual obligations. This includes revenue for public education, motor vehicle operations on public highways, mineral lease revenues, and earnings from the Trust Lands Permanent Fund.
- \$7.671 billion or 42.57 percent has been committed to specific purposes, requiring legislative approval for any other use.
- \$2.103 billion or 11.67 percent is assigned for specific purposes, as expressed by legislative intent.

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

	General Fund	Income Tax Fund	Transportation Fund	Transportation Investment Fund	Trust Lands Fund	Nonmajor Governmental Funds	Total
Nonspendable	\$ 71,434	\$ 199	\$ 22,710	\$ —	\$ 2,391,455	\$ 381	\$ 2,486,179
Restricted	286,445	2,879,340	780,624	—	1,334,902	476,975	5,758,286
Committed	2,381,591	—	190,583	4,071,693	—	1,027,515	7,671,382
Assigned	663,230	—	—	—	—	1,439,861	2,103,091
Total	\$ 3,402,700	\$ 2,879,539	\$ 993,917	\$ 4,071,693	\$ 3,726,357	\$ 2,944,732	\$ 18,018,938
Percent change from prior year ..	(12.53)%	(23.49)%	40.66 %	42.33 %	13.20 %	26.99 %	7.05 %

General Fund

The General Fund's total fund balance decreased \$487.224 million or 12.53 percent in fiscal year 2024. The General Fund ended the fiscal year with a zero dollar unassigned balance. In the prior year, the General Fund ended the year with a \$49.884 million unassigned fund balance.

Specific changes in the General Fund balance include the following:

- Nonspendable fund balance decreased \$154.233 million or 68.35 percent primarily due to a \$138 million decrease in prepaid items related to the timing of Medicaid Provider Payments being disbursed.
- Restricted fund balance decreased \$41.292 million or 12.60 percent is primarily due to reclassification of the Utah Fund of funds to a special revenue fund.
- Committed fund balance increased \$546.361 million or 29.77 percent due to an increase in funding set aside for specific purposes as follows: *(1)* agency carry-forward balances increased \$310.259 million; and *(2)* funding set aside for committed purposes in various restricted accounts increased \$149.121 million. Additionally, committed fund balances increased \$86.982 million due to the reclassification of the Utah Board of Higher Education.
- Assigned fund balance decreased \$788.176 million or 54.30 percent. The decrease was primarily attributed to a \$940.708 million reduction in the amount allocated by the Legislature for next year's budget, partially offset by a \$166.525 million increase in other liabilities mandated by law.

Total tax revenues in the General Fund increased \$86.109 million or 2.24 percent, the largest of which was sales and use tax increasing \$81.718 million or 2.42 percent. This growth reflects continued recovery in the economy, including improved consumer confidence and spending.

Total General Fund non-related tax revenues decreased \$142.426 million or 1.92 percent. Significant revenue changes were observed in the following areas:

- Federal contracts and grants decreased \$290.302 million or 4.96 percent as a result of a reduction in the Department of Workforce Services' expenses from the winding down of pandemic-era programs, which was partially offset by an increase in the Department of Health and Human Services' (DHHS) expenses driven by rising Medicaid costs.
- Charges for services/royalties increased \$106.616 million or 16.86 percent primarily due to a \$62.340 million increase in Medicaid seed revenue driven by a higher state share resulting from a decrease in the federal share.

Overall, total General Fund expenditures increased \$724.569 million or 6.16 percent as the State responded to a growing economy and an increase in the public's demand for government services through the COVID-19 pandemic recovery. Significant changes in expenditures occurred in the following areas:

- *Health and Human Services* – Total expenditures increased \$538.300 million or 8.76 percent as a result of: *(1)* a \$427 million increase in Medicaid program expenditures due to an influx of waiver clients, provider rate adjustments, and increases in supplemental payments to hospitals; and *(2)* a \$55 million increase in Correctional Health Services attributed to the program's first year of implementation.
- *Higher Education-Payments to Component Units* – Total expenditures increased \$283.54 million or 19.18 percent due to an increase in State appropriations.
- *Employment and Family Services* – Total expenditures decreased \$312.51 million or 20.04 percent primarily due to the conclusion of several COVID-19 pandemic recovery supplemental programs, including Child Care and Development,

Emergency Rental Assistance, Home Energy Assistance, Low Income Home Energy Assistance, and the Supplemental Nutrition Assistance Program.

- *Natural Resources* – Total expenditures increased by \$120.870 million or 31.55 percent as a result of: **(1)** a \$83 million increase in the American Rescue Plan Act of 2021 expenditures by the Division of Water Resources to improve aqueduct resilience and increase water supply through cloud seeding; and **(2)** a \$15 million increase in capital improvements expenditures in the Division of State Parks.

The increase in overall expenditures can also be attributed to a 3 percent salary increase for most state employees, rising health insurance costs, and other payroll-related adjustments, collectively resulting in a total net impact of \$159.200 million.

Budgetary Highlights – General Fund

The Legislature adopted the initial fiscal year 2024 budget during the 2023 General Session (January to March 2023). The original consensus revenue estimates for the General Fund budget at the start of fiscal year 2024, excluding department-specific revenue sources such as federal grants and departmental collections, and miscellaneous transfers, were 2.74 percent higher than the final fiscal year 2023 budget. The increase was mainly driven by a rise in sales and use tax, attributed to improving consumer sentiment. Budgeted expenditures were 14.70 percent lower than the final fiscal year 2023 budget. The Governor and Legislature were able to balance the original fiscal year 2024 budget using revenue growth, prior year reserves, and fund balances.

Adjustments to the original budget were made during the 2023 General Session, the First and Second Special Sessions of 2023, and the 2024 General and Third Special Session. Final general revenue estimates increased \$3.416 million from the original consensus estimates adopted during the 2023 General Session due to projected increases in other revenue estimates. Base budget resources allowed the Legislature to set aside \$317.670 million for fiscal year 2025 appropriations. In the end, taxes and other general revenues ended the year \$15.385 million below final budgeted amounts. Final budgets of department-specific revenue sources decreased in total from original budgets primarily due to a decrease in Sales and Use Tax. Final budgets for departmental-specific revenue sources and related expenditures are revised based on actual collections. The difference between final budgeted and actual expenditures is primarily due to nonlapsing and unspent restricted funds that will be carried forward into the next year. However, \$16.449 million of unspent budgeted funds were lapsed back to the General Fund by various state agencies.

Income Tax Fund

The fund balance in the Income Tax Fund decreased overall by \$884.126 million or 23.49 percent from the prior year. The Income Tax Fund, including the Uniform School Fund, ended the year with a \$6.145 million surplus after a \$29.284 million property tax recapture and a \$1.953 million transfer to the Income Tax Fund Budget Reserve Account. In the event of a revenue surplus in the Income Tax Fund, state law requires that 25 percent of the surplus be transferred to the Income Tax Fund Budget Reserve Account, a budget stabilization account as explained in [Note 12.B](#). State law further requires an additional 25 percent be transferred to repay prior year transfers out of the account, but limits these transfers to 11 percent of Income Tax Fund appropriations. The Income Tax Fund Budget Reserve Account ended the year with a balance of \$858.238 million.

Overall, total revenues in the Income Tax Fund decreased \$381.503 million or 4.50 percent as explained below:

- Individual income tax decreased \$267.196 million or 4.10 percent primarily due to a reduction in taxes owed when taxpayers filed their returns. This decrease was driven by lower capital gains income, as equity markets, which had peaked in the prior year, experienced a decline.
- Federal contracts and grants revenue decreased \$181.135 million or 20.67 percent primarily due to a \$100 million reduction in COVID-19 recovery-related grants and a \$21 million decrease in federal funding for special education and support services grants.
- Miscellaneous and other revenue increased \$47.351 million or 108.04 percent primarily due to a \$40 million increase in the unclaimed property transfer.

Overall, expenditures increased \$539.818 million or 9.68 percent in the Income Tax Fund. The increase in spending was partly driven by a \$650 million rise in the Minimum School Program, which resulted from an increase in the Weighted Pupil Unit, teacher salary adjustments, and one-time funding for school safety and insurance pools. These expenditure increases were slightly offset by reductions, including a \$55 million decrease as COVID-19 pandemic relief programs wound down, and \$61 million in decrease for Upstart Early Childhood Education and early intervention programs expenditures due to funding reductions.

Net other financing uses decreased \$27.741 million or 0.98 percent. This change resulted from a \$31.122 million decrease in transfers to the General Fund for higher education, and from a \$3.381 million increase in transfers in from the Trust Lands Permanent Fund for the School Land Program.

Transportation Fund

The total fund balance in the Transportation Fund increased \$287.321 million or 40.66 percent from the prior year. Expenditures within the Transportation Fund increased \$184.545 million or 14.98 percent due to ramping up of major projects for highway expansion, rehabilitation and maintenance. Overall, transportation revenues increased \$138.221 million or 9.67 percent. This large increase includes the following significant increases in revenue as compared to the prior year:

- Federal contracts and grants increased by \$22.911 million or 4.51 percent as a result of receiving more and larger Federal grants.
- Motor and special fuels tax increased \$31.611 million or 5.20 percent due to an increase in fuel tax collections.
- Investment income increased by \$19.502 million or 80.40 percent due to an increase in interest rates and investment balance.
- Licenses, permits, and fees increased \$31.356 million or 23.52 percent primarily due to an increase in vehicle registration fees.
- Miscellaneous and other revenue of \$29.868 million or 48.38 percent due to completion of projects with cooperative agreements that brought in cooperative shared funding.

Net other financing uses, which the majority represent transfers of appropriations, increased \$213.955 million or 276.12 percent. This rise was primarily due to Legislative funding for various highway and rail construction projects, including efforts to preserve right-of-way and mitigate environmental impacts in the project areas. Additionally, \$88.500 million in appropriation transfers were tied to the implementation of Oil and Gas Severance tax amendments enacted during the 2023 Legislative General Session.

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 supply chain issues. 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

The total fund balance in the Transportation Investment Fund increased \$1.211 billion or 42.33 percent from the prior year. Overall, revenues increased \$117.892 million or 10.89 percent. Investment income increased \$94.091 million or 105.29 percent primarily due to increased investment balance and higher interest rates. Sales and use tax revenues, increased by \$16.868 million or 1.89 percent due to growth in the economy. Expenditures increased \$267.781 million or 44.44 percent from the prior year due to increased spending on highway projects and timing of completion of capital projects. Net other financing sources increased \$214.543 million or 32.22 percent, primarily due to an increase in appropriated transfers in when compared to the prior year for the Transportation Investment Fund Capacity Program.

Trust Lands Permanent Fund

The fund balance of the Trust Lands Permanent Fund increased \$434.541 million or 13.20 percent from the prior year. This increase was due to an increase in investment returns as explained below. The increase in nonspendable fund balance of \$196.176 million or 8.94 percent was attributable to revenues generated from investment income and increased investment returns over the prior year, in addition to trust land sales in fiscal year 2024. The *Utah Constitution* allows all investment earnings of the Trust Lands Permanent Fund to be distributed to beneficiaries, limited to annual distributions not to exceed 4 percent of the fund, which is based on a calculation described in Section 53C-3-102 of the *Utah Code*.

Revenues increased \$164.360 million or 60.88 percent. The increase was attributable to a \$192.518 million or 112.76 percent swing in investment income as the Permanent Fund improved performance of investments and a return to expected investment performance. The investment gains and other activity resulted in a \$238.365 million or 21.74 percent increase in the Permanent Fund's restricted fund balance. Expenditures and transfers out increased \$9.942 million or 7.80 percent primarily due to an increase in the amount available for distribution to beneficiaries based on the statutory formula. The sale of capital assets increased \$15.290 million or 36.54 percent due to an increase in surface and developed land sales. Therefore, overall revenues exceeded expenditures, resulting in an increase in fund balance. Securities lending liabilities also decreased \$23.058 million or 30.22 percent primarily due to changes in the market environment that led to less securities lending activity during the

fiscal year.

FINANCIAL ANALYSIS OF THE STATE'S PROPRIETARY FUNDS

Student Assistance Programs

The Student Assistance Programs ceased operations during fiscal year 2023. During fiscal year 2024, \$57.098 million was paid as refunds to the U.S. Department of Education. As of yearend, the Programs have no remaining assets or liabilities.

Unemployment Compensation Fund

The State's average unemployment rate for the fiscal year 2024 increased to an estimated 3.10 percent from 2.60 percent the prior year. Investment income increased by \$12.875 million or 66.75 percent due to an overall increase in cash balances and interest rates. Federal contracts and grants decreased \$8.077 million or 139.93 percent, because the amount collected from benefit overpayments exceeded the amount paid out in benefits, with the excess being returned to the federal government. Expenses increased \$86.385 million or 41.21 percent due to increased claims and increases in the average weekly benefit payment and number of weeks compensated. Overall, employer taxes and other revenues exceeded benefit payments, resulting in an increase of net position of \$74.015 million or 6.08 percent. The entire net position of \$1.291 billion is restricted for use within the fund by state and federal law.

Employers' Reinsurance Fund

The net position of the Employers' Reinsurance Fund increased \$7.875 million or 41.21 percent. Benefit claims decreased \$952 thousand or 15.57 percent due to a decrease in the actuarial estimate of claims incurred but not yet reported and expected fluctuations in claims. Investment income increased by \$1.431 million or 20.55 percent driven by higher interest rates and overall growth in in cash balances. The entire net position of \$26.985 million is restricted for use within the fund.

Water Loan Programs

Net position increased \$145.585 million or 10.93 percent from the prior year as program revenues and transfers in exceeded grants awarded and transfers out. Additional capital for loans issued was provided by \$53.508 million in dedicated sales tax revenues, \$33.635 million in investment income, \$21.239 million in federal grants, and \$88.532 million transfers in, offset by \$44.016 million in grant expense. Of the total net position of \$1.478 billion, \$591.468 million is restricted for use within the Water Loan Programs by federal grant requirements.

Community Impact Loan Fund

The net position of the Community Impact Loan Fund increased \$25.815 million or 3.22 percent from the prior year as program revenues exceeded operating expenses and transfers out. Investment income increased \$10.806 million or 56.46 percent due to favorable interest rates and increased outstanding loans receivable balances. Federal Contracts and Grants decreased \$21.306 million or 100 percent, as the prior year included one-time funding for the State Small Business Credit Initiative Program, which was not repeated in fiscal year 2024. Of the total net position of \$826.701 million, \$25.109 million is restricted for use within the loan program and \$5 thousand is restricted for other postemployment benefits.

Alcoholic Beverage Services Fund

The net position of the Alcoholic Beverage Services Fund increased by \$143.700 million driven by \$140 million in appropriations allocated for store construction. The current year liquor profit transfer of \$113.347 million was \$3.537 million, or 3.03 percent lower than the prior year (adjusted for accounting corrections), despite a 2.98 percent increase in retail sales, primarily due to rising operational costs. Net liquor profits earned from the sale of liquor are required by Section 32B-2-301 of the *Utah Code* to be transferred to the General Fund.

CAPITAL ASSET AND LONG-TERM DEBT ADMINISTRATION

Capital Assets

The State's capital assets increased by a net \$969.949 million during the year. The significant changes consisted of a net increase in infrastructure (i.e., state roads and bridges) of \$1.277 billion offset by a net decrease in construction in progress of \$326.376 million. Significant projects include the following:

- Completion of the widen existing facility project on US-89 from Farmington to I-84
- Completion of SR-67, West Davis Highway
- Completion of a realignment of SR-48, from New Bingham to 9000 South

Several buildings financed by the State are actually owned by the colleges and universities, which are discretely presented component units of the State. Therefore, while the capital assets are on the discretely presented component unit’s financial statements, any outstanding debt issued by the State to finance the 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, 2024, the State had \$58.255 million of outstanding debt related to capital assets of discretely presented component units.

At June 30, 2024, the State had commitments in capital projects funds of \$1.062 billion for building projects and \$1.156 billion for highway construction and improvement projects. The State also had commitments of \$545.893 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 2023 indicated that 95.51 percent of roads were in “fair” or better condition. These results reflect maintaining roads above target percentages and are consistent with calendar year 2022, when 95.50 percent of roads were assessed as “fair” or better condition.

The State’s established condition level for bridges is to maintain 40 percent with a rating of “good” and no more than 10 percent of bridges with a “poor” rating. The most recent condition assessment using the Bridge Health Index (BHI) rating completed in fiscal year 2024 indicated that 44.50 percent and 4.20 percent of bridges were in “good” and “poor” condition, respectively. These results reflect bridge maintenance that was relatively consistent with that of fiscal year 2023, when 47.60 percent of the bridges assessed were assessed in “good” and 3.70 percent assessed were in “poor” condition.

During fiscal year 2024, the State spent \$530.096 million and \$93.546 million to maintain and preserve roads and bridges, respectively. These combined amounts were 24.21 percent below the estimated amounts of \$699.143 million and \$123.378 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, 2024, the general obligation indebtedness of the State was \$10.303 billion below the constitutional debt limit and \$2.226 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.

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

	Governmental Activities		Business-type Activities		Total Primary Government		Percentage Change
	2024	2023	2024	2023	2024	2023	2023 to 2024
General Obligation Bonds	\$ 1,554	\$ 1,922	\$ —	\$ —	\$ 1,554	\$ 1,922	(19.15)%
Revenue Bonds:							
State Building Ownership Authority	137	150	108	116	245	266	(7.89)%
Total Bonds Payable	\$ 1,691	\$ 2,072	\$ 108	\$ 116	\$ 1,799	\$ 2,188	(17.78)%

Total general obligation bonds payable net of premiums and discounts decreased \$368 million. Revenue bonds payable net of premiums and discounts decreased \$22 million for an overall net decrease of \$390 million during the fiscal year. [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 2025 are 0.73 percent higher than actual fiscal year 2024 revenues. Original revenue estimates of the Income Tax Fund for fiscal year 2025 are 4.97 percent higher than actual fiscal year 2024 revenues. The Legislature balanced the 2025 budget using projected revenue growth, prior year reserves, and fund balances.

Preliminary data for fiscal year 2025 show tax revenues to be in line with estimates. The State's overall unemployment rate is expected to be 3.10 percent in 2024, an increase from the average 2023 rate of 2.60 percent. Taxable retail sales are expected to decrease 1.80 percent in 2024 and increase 3.10 percent in 2025. Personal income is expected to increase 6.20 percent in 2024, and 5.00 percent in 2025. 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 2025. The Governor and Legislature will review the fiscal year 2025 budget again during the upcoming 2025 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 Government Operations: Division of Finance, Financial Reporting Section at P.O. Box 141031, Salt Lake City, UT, 84114, phone (801) 957-7780 or by email at financesupport@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 discretely presented component unit units each issue separate audited financial statements that include their respective management's discussion and analysis. Discretely presented component unit 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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BASIC FINANCIAL STATEMENTS



2024

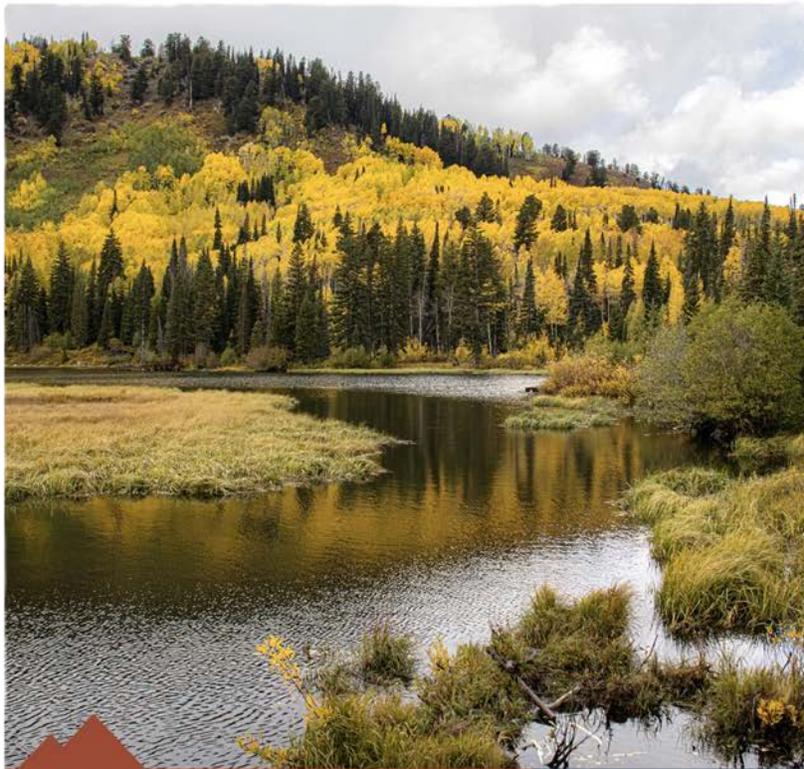
STATE OF UTAH

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Spring at Starvation Reservoir

Photo by Teal Anderson



Autumn at Silver Lake in Brighton

Photo by Brig Dunsmore

Statement of Net Position
(expressed in thousands)

June 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 173,604	\$ 1,237,730	\$ 1,411,334	\$ 1,530,604
Pooled Cash and Investments	13,067,883	1,142,994	14,210,877	—
Investments	4,273,392	166,800	4,440,192	6,621,938
Taxes Receivable, net	1,712,729	6,504	1,719,233	—
Accounts and Interest Receivable, net	1,813,460	156,607	1,970,067	1,367,499
Amounts Due From:				
Component Units	98,540	—	98,540	—
Primary Government	—	—	—	15,973
Prepaid Items	38,470	456	38,926	23,143
Inventories	46,924	45,903	92,827	233,033
Internal Balances	58,278	(58,278)	—	—
Restricted Cash and Cash Equivalents	102,246	111,018	213,264	1,654,758
Restricted Pooled Cash and Investments	35,668	308,542	344,210	—
Restricted Investments	—	—	—	1,403,899
Restricted Receivables	—	—	—	97,528
Notes/Leases/Loans/Mortgages/Pledges Receivable, net	68,492	1,683,744	1,752,236	188,011
Other Assets	81,266	—	81,266	107,061
Net Pension Asset	934	—	934	86,012
Net Other Postemployment Benefit Asset	33,419	1,029	34,448	1,014
Capital Assets:				
Land and Other Non-depreciable Assets	2,601,866	39,933	2,641,799	1,063,700
Infrastructure	18,457,738	—	18,457,738	—
Construction in Progress	1,530,108	13,041	1,543,149	995,445
Buildings, Equipment, and Other Depreciable Assets	5,112,249	172,581	5,284,830	17,879,658
Less Accumulated Depreciation	(2,205,758)	(68,692)	(2,274,450)	(8,192,563)
Total Capital Assets	25,496,203	156,863	25,653,066	11,746,240
Total Assets	47,101,508	4,959,912	52,061,420	25,076,713
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	523,195	11,142	534,337	249,493
LIABILITIES				
Accounts Payable and Accrued Liabilities	1,979,336	42,435	2,021,771	868,724
Amounts Due to:				
Component Units	607	42	649	—
Primary Government	—	—	—	92,885
Other Governments	496	—	496	—
Securities Lending	53,239	—	53,239	889
Unearned Revenue	625,605	7,108	632,713	352,990
Deposits	81,620	14,635	96,255	350,464
Long-term Liabilities:				
Due Within One Year	586,172	60,217	646,389	786,065
Due in More Than One Year	2,328,301	316,591	2,644,892	6,470,127
Total Liabilities	5,655,376	441,028	6,096,404	8,922,144
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	28,395	365	28,760	199,892
NET POSITION				
Net Investment in Capital Assets	23,532,243	62,228	23,594,471	7,214,157
Restricted for:				
Transportation	769,334	—	769,334	—
Public Education – Expendable	4,481,344	—	4,481,344	—
Public Education – Nonexpendable	2,204,350	—	2,204,350	—
Higher Education – Expendable	46,738	—	46,738	1,486,909
Higher Education – Nonexpendable	134,078	—	134,078	1,477,265
Capital Projects	1,945	—	1,945	—
Unemployment Compensation and Insurance Programs	18,504	1,325,389	1,343,893	460,037
Loan Programs	—	760,237	760,237	—
Other Postemployment Benefits	33,419	1,029	34,448	1,014
Pension Benefits	934	—	934	86,012
Transit Services	—	—	—	59,680
Other Purposes – Expendable	795,646	—	795,646	376,724
Other Purposes – Nonexpendable	54,510	—	54,510	—
Unrestricted	9,867,887	2,380,778	12,248,665	5,042,372
Total Net Position	\$ 41,940,932	\$ 4,529,661	\$ 46,470,593	\$ 16,204,170

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, 2024

Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental:				
General Government	\$ 1,360,294	\$ 796,899	\$ 254,736	\$ 5,073
Health and Human Services	6,722,540	785,765	4,281,512	—
Corrections	467,488	4,211	3	—
Public Safety	521,151	91,561	194,119	—
Courts	206,578	63,023	4,804	—
Environmental Quality	77,260	16,185	29,454	—
Higher Education	2,097,529	84	31,540	2,718
Employment and Family Services	1,243,690	7,883	1,016,285	—
Natural Resources	510,952	124,074	185,938	—
Cultural and Community Engagement	89,760	3,987	19,121	—
Business, Labor, and Agriculture	203,409	138,489	31,298	—
Public Education	6,106,108	80,473	1,079,430	—
Transportation	1,652,445	342,324	592,250	133,718
Interest and Other Charges on Long-term Debt	43,027	—	—	—
Total Governmental Activities	<u>21,302,231</u>	<u>2,454,958</u>	<u>7,720,490</u>	<u>141,509</u>
Business-type:				
Student Assistance Programs	1,267	—	—	—
Unemployment Compensation	296,011	340,168	(2,305)	—
Water Loan Programs	44,664	784	21,239	—
Community and Economic Loan Programs	48,457	6,239	9,400	—
Liquor Retail Sales	367,934	499,666	208	—
Other Business-type Activities	56,826	64,082	—	—
Total Business-type Activities	<u>815,159</u>	<u>910,939</u>	<u>28,542</u>	<u>0</u>
Total Primary Government	<u>\$ 22,117,390</u>	<u>\$ 3,365,897</u>	<u>\$ 7,749,032</u>	<u>\$ 141,509</u>
Component Units:				
Public Employees Health Program	\$ 1,046,105	\$ 1,068,645	\$ 59,123	\$ —
University of Utah	7,843,361	6,518,737	1,327,233	188,541
Utah State University	1,094,679	266,253	632,310	23,153
Utah Transit Authority	692,988	520,386	95,582	71,293
Nonmajor Colleges and Universities	1,811,946	596,757	460,579	155,889
Nonmajor Component Units	286,289	31,922	61,594	37,934
Total Component Units	<u>\$ 12,775,368</u>	<u>\$ 9,002,700</u>	<u>\$ 2,636,421</u>	<u>\$ 476,810</u>

Continues

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

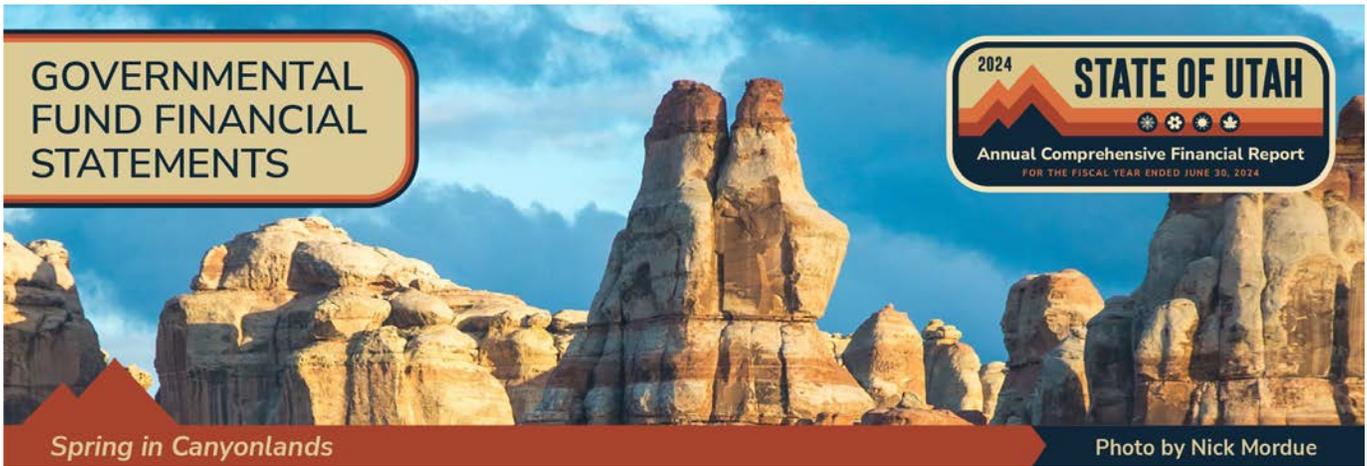
Statement of Activities
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024
Continued

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Governmental:				
General Government	\$ (303,586)	\$ —	\$ (303,586)	\$ —
Health and Human Services	(1,655,263)	—	(1,655,263)	—
Corrections	(463,274)	—	(463,274)	—
Public Safety	(235,471)	—	(235,471)	—
Courts	(138,751)	—	(138,751)	—
Environmental Quality	(31,621)	—	(31,621)	—
Higher Education	(2,063,187)	—	(2,063,187)	—
Employment and Family Services	(219,522)	—	(219,522)	—
Natural Resources	(200,940)	—	(200,940)	—
Cultural and Community Engagement	(66,652)	—	(66,652)	—
Business, Labor, and Agriculture	(33,622)	—	(33,622)	—
Public Education	(4,946,205)	—	(4,946,205)	—
Transportation	(584,153)	—	(584,153)	—
Interest and Other Charges on Long-term Debt	(43,027)	—	(43,027)	—
Total Governmental Activities	(10,985,274)	0	(10,985,274)	0
Business-type:				
Student Assistance Programs	—	(1,267)	(1,267)	—
Unemployment Compensation	—	41,852	41,852	—
Water Loan Programs	—	(22,641)	(22,641)	—
Community and Economic Loan Programs	—	(32,818)	(32,818)	—
Liquor Retail Sales	—	131,940	131,940	—
Other Business-type Activities	—	7,256	7,256	—
Total Business-type Activities	0	124,322	124,322	0
Total Primary Government	(10,985,274)	124,322	(10,860,952)	0
Component Units:				
Public Employees Health Program	—	—	—	81,663
University of Utah	—	—	—	191,150
Utah State University	—	—	—	(172,963)
Utah Transit Authority	—	—	—	(5,727)
Nonmajor Colleges and Universities	—	—	—	(598,721)
Nonmajor Component Units	—	—	—	(154,839)
Total Component Units	0	0	0	(659,437)
General Revenues:				
Taxes:				
Sales and Use Tax	4,532,375	57,187	4,589,562	—
Individual Income Tax Imposed for Education	6,052,374	—	6,052,374	—
Corporate Tax Imposed for Education	902,313	—	902,313	—
Motor and Special Fuel Taxes Imposed for Transportation	639,874	—	639,874	—
Other Taxes	564,826	—	564,826	—
Total Taxes	12,691,762	57,187	12,748,949	0
Investment Income (Loss)	371,894	130,451	502,345	—
State Funding for Colleges and Universities	—	—	—	1,659,737
State Funding for Other Component Units	—	—	—	75,204
Gain (Loss) on Sale of Capital Assets	75,492	100	75,592	(4,802)
Miscellaneous	246,139	420	246,559	56,833
Permanent Endowments Contributions	—	—	—	59,992
Transfers—Internal Activities	(358,027)	358,027	—	—
Total General Revenues, Contributions, Other and Transfers	13,027,260	546,185	13,573,445	1,846,964
Change in Net Position	2,041,986	670,507	2,712,493	1,187,527
Net Position—Beginning	39,567,936	3,863,277	43,431,213	15,336,855
Adjustment to Beginning Net Position	331,010	(4,123)	326,887	(320,212)
Net Position—Beginning as Adjusted	39,898,946	3,859,154	43,758,100	15,016,643
Net Position—Ending	\$ 41,940,932	\$ 4,529,661	\$ 46,470,593	\$ 16,204,170

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.

Income Tax 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](#).

Balance Sheet
Governmental Funds
(expressed in thousands)

June 30, 2024

	General Fund	Special Revenue Funds		Capital Projects Fund	Permanent Fund	Nonmajor Governmental Funds	Total Governmental Funds
		Income Tax	Transportation	Transportation Investment	Trust Lands		
ASSETS							
Cash and Cash Equivalents	\$ 111,813	\$ —	\$ 18,447	\$ —	\$ 29,769	\$ 13,580	\$ 173,609
Pooled Cash and Investments	3,349,885	2,250,217	1,071,739	3,979,850	10,470	2,275,318	12,937,479
Investments	6,839	—	—	—	3,682,583	583,974	4,273,396
Receivables:							
Accounts, net	1,163,991	311,991	119,337	—	62,887	143,110	1,801,316
Accrued Interest	—	50	—	—	807	1,505	2,362
Accrued Taxes, net	486,039	1,024,733	90,711	96,015	—	15,231	1,712,729
Notes/Mortgages, net	261	9,976	—	—	—	58,255	68,492
Due From Other Funds	94,376	35,791	3,775	—	4,831	26,680	165,453
Due From Component Units	481	—	—	—	—	97,574	98,055
Prepaid Items	17,925	199	2,736	—	—	381	21,241
Inventories	23,067	—	19,974	—	—	—	43,041
Interfund Loans Receivable	50,560	—	—	—	—	—	50,560
Restricted Cash and Cash Equivalents	400	—	16,517	—	—	84,821	101,738
Restricted Pooled Cash and Investments	—	—	—	—	—	35,668	35,668
Other Assets	17,120	—	—	—	64,146	—	81,266
Total Assets	<u>\$ 5,322,757</u>	<u>\$ 3,632,957</u>	<u>\$ 1,343,236</u>	<u>\$ 4,075,865</u>	<u>\$ 3,855,493</u>	<u>\$ 3,336,097</u>	<u>\$ 21,566,405</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 952,098	\$ 407,452	\$ 321,252	\$ —	\$ 31,042	\$ 227,743	\$ 1,939,587
Deposits	39,723	—	—	—	—	41,897	81,620
Due To Other Funds	69,953	593	8,128	—	26,749	50,302	155,725
Due To Component Units	353	—	—	—	254	—	607
Due To Other Governments	496	—	—	—	—	—	496
Securities Lending	—	—	—	—	53,239	—	53,239
Unearned Revenue	589,560	699	18,876	—	—	13,168	622,303
Total Liabilities	<u>1,652,183</u>	<u>408,744</u>	<u>348,256</u>	<u>0</u>	<u>111,284</u>	<u>333,110</u>	<u>2,853,577</u>
Deferred Inflows of Resources:							
Unavailable Revenue	267,874	344,674	1,063	4,172	17,852	58,255	693,890
Total Deferred Inflows of Resources	<u>267,874</u>	<u>344,674</u>	<u>1,063</u>	<u>4,172</u>	<u>17,852</u>	<u>58,255</u>	<u>693,890</u>
Fund Balances:							
Nonspendable:							
Long-term Portion of Interfund Loans Receivable	30,442	—	—	—	—	—	30,442
Prepaid Items	17,925	199	2,736	—	—	381	21,241
Inventories	23,067	—	19,974	—	—	—	43,041
Permanent Fund Principal	—	—	—	—	2,391,455	—	2,391,455
Restricted	286,445	2,879,340	780,624	—	1,334,902	476,975	5,758,286
Committed	2,381,591	—	190,583	4,071,693	—	1,027,515	7,671,382
Assigned	663,230	—	—	—	—	1,439,861	2,103,091
Total Fund Balances	<u>3,402,700</u>	<u>2,879,539</u>	<u>993,917</u>	<u>4,071,693</u>	<u>3,726,357</u>	<u>2,944,732</u>	<u>18,018,938</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,322,757</u>	<u>\$ 3,632,957</u>	<u>\$ 1,343,236</u>	<u>\$ 4,075,865</u>	<u>\$ 3,855,493</u>	<u>\$ 3,336,097</u>	<u>\$ 21,566,405</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, 2024

Total Fund Balances – Governmental Funds		\$ 18,018,938
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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	\$ 2,601,866	
Infrastructure, Non-depreciable	18,457,738	
Construction in Progress	1,530,108	
Buildings, Equipment, and Other Depreciable Assets	4,872,977	
Accumulated Depreciation	<u>(2,074,190)</u>	25,388,499

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	682,156	
Related to Pensions	(3,231)	
Related to Other Postemployment Benefits	<u>(12,044)</u>	666,881

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.

134,251

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

Amount on Refundings of Bonded Debt	2,903	
Related to Pensions	458,892	
Related to OPEB	<u>16,191</u>	477,986

Other assets not available in the current period and therefore are not reported in the governmental funds:

Other Postemployment Benefit Asset, net	29,396	
Net Pension Asset	<u>934</u>	30,330

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	(1,606,810)	
Unamortized Bond Premiums	(84,447)	
Accrued Interest on Bonds Payable	(724)	
Pollution Remediation Obligation	(4,412)	
Settlement Obligation	(554)	
Compensated Absences	(264,151)	
Notes Payable	(12,291)	
Lease Liability	(189,779)	
Software Subscriptions	(10,720)	
Net Pension Liability	<u>(602,065)</u>	(2,775,953)

Total Net Position – Governmental Activities		<u>\$ 41,940,932</u>
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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, 2024

	Special Revenue Funds			Capital Projects Fund	Permanent Fund	Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Income Tax	Transportation	Transportation Investment	Trust Lands		
REVENUES							
Taxes:							
Sales and Use Tax	\$ 3,458,181	\$ 300	\$ 19	\$ 908,540	\$ —	\$ 160,163	\$ 4,527,203
Individual Income Tax	—	6,243,189	—	—	—	—	6,243,189
Corporate Tax	—	902,927	—	—	—	—	902,927
Motor and Special Fuel Taxes	—	—	639,781	—	—	—	639,781
Other Taxes	468,117	42,279	17,703	1,098	—	36,047	565,244
Total Taxes	3,926,298	7,188,695	657,503	909,638	0	196,210	12,878,344
Other Revenues:							
Federal Contracts and Grants	5,557,294	695,032	531,247	—	—	75,840	6,859,413
Charges for Services/Royalties	739,151	272	78,990	—	71,087	732,390	1,621,890
Licenses, Permits, and Fees	28,048	7,310	164,644	99,814	—	—	299,816
Federal Mineral Lease	84,283	—	—	—	—	—	84,283
Investment Income (Loss)	376,965	55,401	43,757	183,458	363,249	88,853	1,111,683
Miscellaneous Other:							
Liquor Sales Allocated for School Lunch	—	57,887	—	—	—	—	57,887
Miscellaneous and Other	497,845	91,179	91,604	7,900	—	67,810	756,338
Total Revenues	11,209,884	8,095,776	1,567,745	1,200,810	434,336	1,161,103	23,669,654
EXPENDITURES							
Current:							
General Government	723,800	—	—	—	25,448	495,276	1,244,524
Health and Human Services	6,686,617	—	—	—	—	14,080	6,700,697
Corrections	431,368	—	—	—	—	10,259	441,627
Public Safety	462,768	—	—	—	—	64,612	527,380
Courts	216,665	—	—	—	—	3,942	220,607
Environmental Quality	79,222	—	—	—	—	2,758	81,980
Higher Education – State Administration	147,522	—	—	—	—	867	148,389
Higher Education – Colleges and Universities	1,761,881	—	—	—	5,750	55,430	1,823,061
Employment and Family Services	1,246,725	—	—	—	—	5,176	1,251,901
Natural Resources	504,023	—	—	—	—	26,575	530,598
Cultural and Community Engagement	58,664	—	—	—	—	21,090	79,754
Business, Labor, and Agriculture	173,961	—	—	—	—	34,752	208,713
Public Education	31	6,117,563	—	—	—	755	6,118,349
Transportation	—	—	1,416,893	—	—	4,084	1,420,977
Capital Outlay	—	—	—	870,345	—	507,629	1,377,974
Debt Service:							
Principal Retirement	—	—	—	—	—	349,817	349,817
Interest and Other Charges	—	—	—	—	—	69,969	69,969
Total Expenditures	12,493,247	6,117,563	1,416,893	870,345	31,198	1,667,071	22,596,317
Excess Revenues Over (Under) Expenditures	(1,283,363)	1,978,213	150,852	330,465	403,138	(505,968)	1,073,337
OTHER FINANCING SOURCES (USES)							
Lease Proceeds	36,678	—	2,175	—	—	—	38,853
Sale of Capital Assets	—	—	16,974	—	57,129	2,512	76,615
Transfers In	2,998,546	124,027	283,381	1,213,980	80,496	1,242,824	5,943,254
Transfers Out	(2,326,067)	(2,986,366)	(166,061)	(333,496)	(106,222)	(396,036)	(6,314,248)
Total Other Financing Sources (Uses)	709,157	(2,862,339)	136,469	880,484	31,403	849,300	(255,526)
Net Change in Fund Balances	(574,206)	(884,126)	287,321	1,210,949	434,541	343,332	817,811
Fund Balances – Beginning	3,945,226	3,763,665	706,596	2,860,148	3,291,816	2,265,937	16,833,388
Adjustment to Beginning Fund Balances	31,680	—	—	596	—	335,463	367,739
Fund Balances – Beginning As Adjusted	3,976,906	3,763,665	706,596	2,860,744	3,291,816	2,601,400	17,201,127
Fund Balances – Ending	\$ 3,402,700	\$ 2,879,539	\$ 993,917	\$ 4,071,693	\$ 3,726,357	\$ 2,944,732	\$ 18,018,938

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, 2024

Net Change in Fund Balances – Governmental Funds \$ 817,811

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 discretely presented component units. When the buildings are completed, they are “transferred” to the respective discretely presented component unit and reported as expenses in its Statement of Activities. This is the amount by which capital outlays of \$1.275 billion exceeded depreciation and amortization expense of \$(180.145) million and buildings “transferred” to discretely presented component units of \$(126.079) million in the current period. (See Note 8) 969,084

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 (29,564)

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 (124,899)

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 12,729

Bond proceeds, note proceeds, leases and software subscription payables 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 lease principal are expenditures in the governmental funds, but reduce liabilities in the Statement of Net Position: (See Note 10)

Lease Additions	\$	(33,990)	
Software Subscription Additions		(5,880)	
Note Additions		(10,000)	
Payment of Bond Principal		349,817	
Note Payments		721	
Lease Payments		17,234	
Software Subscription Payments		4,175	322,077

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		509	
Settlement Obligations		(188)	
Compensated Absences Expense		(9,146)	
Accrued Interest on Bonds Payable		75	
Amortization of Bond Premiums		31,180	
Amortization of Deferred Amount on Refundings of Bonded Debt		(1,803)	
Other Postemployment Benefits Expense		9,054	
Pension Expense		45,067	74,748

Change in Net Position – Governmental Activities \$ 2,041,986

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 Utah Board of Higher Education 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.

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.

Employers' Reinsurance Fund

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 for use for injured workers and cannot be used for any other purpose.

Alcoholic Beverage Services

The Alcoholic Beverage Services 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.

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](#).

**Statement of Net Position
Proprietary Funds**
(expressed in thousands)

June 30, 2024

	Business-type Activities - Enterprise Funds								Govern- mental Activities
	Student Assistance Programs	Unemployment Compensation Fund	Water Loan Programs	Community Impact Loan Fund	Employers' Reinsurance Fund	Alcoholic Beverage Services	Nonmajor Enterprise Funds	Total Proprietary Funds	Internal Service Funds
ASSETS									
Current Assets:									
Cash and Cash Equivalents	\$ —	\$ 1,233,688	\$ —	\$ —	\$ —	\$ 1,491	\$ 2,551	\$1,237,730	\$ —
Pooled Cash and Investments	—	552	457,337	283,306	20,765	142,135	238,899	1,142,994	130,404
Receivables:									
Accounts, net	—	109,990	1,272	—	—	2,452	14,646	128,360	9,551
Accrued Interest	—	—	6,964	4,926	—	—	3,631	15,521	—
Accrued Taxes, net	—	—	5,761	—	743	—	—	6,504	—
Notes/Loans/Mortgages, net	—	—	47,864	31,132	—	—	33,187	112,183	—
Due From Other Funds	—	—	210	—	—	43,085	128	43,423	51,074
Due From Component Units	—	—	—	—	—	—	—	—	485
Prepaid Items	—	—	—	—	—	242	214	456	2,754
Inventories	—	—	—	—	—	43,564	2,339	45,903	3,883
Total Current Assets	<u>0</u>	<u>1,344,230</u>	<u>519,408</u>	<u>319,364</u>	<u>21,508</u>	<u>232,969</u>	<u>295,595</u>	<u>2,733,074</u>	<u>198,151</u>
Noncurrent Assets:									
Restricted Cash and Cash Equivalents	—	—	81,297	—	2,100	—	27,621	111,018	508
Restricted Pooled Cash and Investments	—	—	32,169	98,093	—	—	178,280	308,542	—
Accounts Receivables	—	8,917	—	—	1,650	—	—	10,567	—
Investments	—	—	—	—	166,489	—	311	166,800	—
Prepaid Items	—	—	—	—	—	—	—	—	14,475
Accrued Interest Receivable	—	—	577	260	—	—	1,322	2,159	—
Notes/Loans/Mortgages Receivables, net	—	—	856,719	410,090	—	1,507	303,245	1,571,561	—
Net Other Postemployment Benefit Asset	—	—	—	5	—	617	407	1,029	4,023
Capital Assets:									
Land	—	—	847	—	—	38,789	297	39,933	—
Infrastructure – depreciating	—	—	—	—	—	126	—	126	—
Buildings and Improvements	—	—	1,485	—	—	134,623	19,170	155,278	4,991
Machinery and Equipment	—	—	—	—	—	8,869	5,364	14,233	222,133
Software	—	—	—	—	—	1,950	994	2,944	12,148
Construction in Progress	—	—	—	—	—	13,041	—	13,041	—
Less Accumulated Depreciation / Amortization	—	—	(169)	—	—	(62,602)	(5,921)	(68,692)	(131,568)
Total Capital Assets	<u>0</u>	<u>0</u>	<u>2,163</u>	<u>0</u>	<u>0</u>	<u>134,796</u>	<u>19,904</u>	<u>156,863</u>	<u>107,704</u>
Total Noncurrent Assets	<u>0</u>	<u>8,917</u>	<u>972,925</u>	<u>508,448</u>	<u>170,239</u>	<u>136,920</u>	<u>531,090</u>	<u>2,328,539</u>	<u>126,710</u>
Total Assets	<u>0</u>	<u>1,353,147</u>	<u>1,492,333</u>	<u>827,812</u>	<u>191,747</u>	<u>369,889</u>	<u>826,685</u>	<u>5,061,613</u>	<u>324,861</u>
DEFERRED OUTFLOWS OF RESOURCES									
Deferred Amount on Refundings of Bonded Debt	—	—	—	—	—	768	—	768	—
Deferred Outflows Relating to Pensions	—	—	—	16	—	5,422	4,544	9,982	43,682
Deferred Outflows Relating to Other Postemployment Benefit	—	—	—	2	—	235	155	392	1,527
Total Deferred Outflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>18</u>	<u>0</u>	<u>6,425</u>	<u>4,699</u>	<u>11,142</u>	<u>45,209</u>

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, 2024

	Business-type Activities - Enterprise Funds								Govern- mental Activities
	Student Assistance Programs	Unemployment Compensation Fund	Water Loan Programs	Community Impact Loan Fund	Employers' Reinsurance Fund	Alcoholic Beverage Services	Nonmajor Enterprise Funds	Total Proprietary Funds	Internal Service Funds
<i>Continued</i>									
LIABILITIES									
Current Liabilities:									
Accounts Payable and Accrued Liabilities	\$ —	\$ 16,093	\$ 3,127	\$ 653	\$ 354	\$ 8,242	\$ 13,966	\$ 42,435	\$ 38,033
Deposits	—	10	11,193	468	—	—	2,964	14,635	—
Due To Other Funds	—	14,142	61	1	70	82,015	5,412	101,701	3,289
Due To Component Units	—	—	—	—	—	—	42	42	—
Interfund Loans Payable	—	—	—	—	—	—	—	—	20,119
Unearned Revenue	—	264	—	—	—	1,519	5,325	7,108	3,305
Policy Claims and Uninsured Liabilities	—	32,098	—	—	14,760	—	2,540	49,398	24,389
Revenue Bonds Payable	—	—	—	—	—	9,263	—	9,263	—
Lease Liability	—	—	—	—	—	818	502	1,320	405
Subscription Software Liability	—	—	—	—	—	165	71	236	420
Total Current Liabilities	<u>0</u>	<u>62,607</u>	<u>14,381</u>	<u>1,122</u>	<u>15,184</u>	<u>102,022</u>	<u>30,822</u>	<u>226,138</u>	<u>89,960</u>
Noncurrent Liabilities:									
Interfund Loans Payable	—	—	—	—	—	—	—	—	30,442
Policy Claims and Uninsured Liabilities	—	—	—	—	149,578	—	27,778	177,356	49,998
Revenue Bonds Payable	—	—	—	—	—	98,735	—	98,735	—
Lease Liability	—	—	—	—	—	13,602	12,682	26,284	272
Software Subscription Liability	—	—	—	—	—	720	114	834	413
Arbitrage Liability	—	—	—	—	—	1,501	—	1,501	—
Net Pension Liability	—	—	—	5	—	5,698	6,178	11,881	63,348
Total Noncurrent Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>	<u>149,578</u>	<u>120,256</u>	<u>46,752</u>	<u>316,591</u>	<u>144,473</u>
Total Liabilities	<u>0</u>	<u>62,607</u>	<u>14,381</u>	<u>1,127</u>	<u>164,762</u>	<u>222,278</u>	<u>77,574</u>	<u>542,729</u>	<u>234,433</u>
DEFERRED INFLOWS OF RESOURCES									
Deferred Inflows Relating to Pensions	—	—	—	—	—	45	23	68	228
Deferred Inflows Relating to Other Postemployment Benefit	—	—	—	2	—	178	117	297	1,158
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>223</u>	<u>140</u>	<u>365</u>	<u>1,386</u>
NET POSITION									
Net Investment in Capital Assets	—	—	2,163	—	—	53,531	6,534	62,228	106,194
Restricted for:									
Unemployment Compensation and Insurance Programs	—	1,290,540	—	—	26,985	—	7,864	1,325,389	18,504
Loan Programs	—	—	591,468	25,109	—	—	143,660	760,237	—
Other Postemployment Benefits	—	—	—	5	—	617	407	1,029	4,023
Unrestricted (Deficit)	—	—	884,321	801,587	—	99,665	595,205	2,380,778	5,530
Total Net Position	<u>\$ 0</u>	<u>\$ 1,290,540</u>	<u>\$ 1,477,952</u>	<u>\$ 826,701</u>	<u>\$ 26,985</u>	<u>\$ 153,813</u>	<u>\$ 753,670</u>	<u>\$ 4,529,661</u>	<u>\$ 134,251</u>

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, 2024

	Business-type Activities - Enterprise Funds							Governmental Activities	
	Student Assistance Programs	Unemployment Compensation Fund	Water Loan Programs	Community Impact Loan Fund	Employers' Reinsurance Fund	Alcoholic Beverage Services	Nonmajor Enterprise Funds	Total Proprietary Funds	Internal Service Funds
OPERATING REVENUES									
Sales and Charges for Services/ Premiums	\$ —	\$ 339,594	\$ 410	\$ —	\$ —	\$ 493,645	\$ 51,732	\$ 885,381	\$ 483,538
Fees and Assessments	—	574	374	—	2,504	4,473	12,406	20,331	—
Interest on Notes/Mortgages	—	—	—	—	—	59	3,559	3,618	—
Miscellaneous	—	—	—	—	—	1,489	120	1,609	367
Total Operating Revenues	0	340,168	784	0	2,504	499,666	67,817	910,939	483,905
OPERATING EXPENSES									
Administration	—	—	—	406	180	41,957	22,389	64,932	212,291
Purchases, Materials, and Services for Resale	—	—	—	—	—	287,363	7,938	295,301	134,539
Grants	—	—	44,016	114	—	—	38,789	82,919	—
Rentals and Leases	—	—	1	2	—	56	235	294	907
Maintenance	—	—	—	—	—	6,520	741	7,261	24,897
Depreciation/Amortization	—	—	69	—	—	4,823	911	5,803	20,673
Benefit Claims and Unemployment Compensation	—	296,011	—	—	5,163	—	4,259	305,433	24,604
Supplies and Other Miscellaneous	—	—	578	1,154	1,210	23,552	21,414	47,908	68,798
Total Operating Expenses	0	296,011	44,664	1,676	6,553	364,271	96,676	809,851	486,709
Operating Income (Loss)	0	44,157	(43,880)	(1,676)	(4,049)	135,395	(28,859)	101,088	(2,804)
NONOPERATING REVENUES (EXPENSES)									
Investment Income	1,267	32,163	33,635	29,946	8,393	6,665	18,382	130,451	6,070
Federal Contracts and Grants	—	(2,305)	21,239	—	—	208	9,400	28,542	—
Disposal of Capital Assets	—	—	100	—	—	—	—	100	(2,382)
Tax Revenues	—	—	53,508	—	3,154	—	525	57,187	—
Interest Expense	—	—	—	—	—	(3,663)	(378)	(4,041)	(45)
Refunds Paid to Federal Government	(1,267)	—	—	—	—	—	—	(1,267)	(584)
Other Revenues (Expenses)	—	—	—	420	—	—	—	420	(493)
Total Nonoperating Revenues (Expenses)	0	29,858	108,482	30,366	11,547	3,210	27,929	211,392	2,566
Income (Loss) before Capital Contributions and Transfers	0	74,015	64,602	28,690	7,498	138,605	(930)	312,480	(238)
Transfers In	—	—	88,532	—	469	140,000	284,045	513,046	14,575
Transfers Out	—	—	(7,549)	(2,875)	(92)	(134,905)	(9,598)	(155,019)	(1,608)
Change in Net Position	0	74,015	145,585	25,815	7,875	143,700	273,517	670,507	12,729
Net Position – Beginning	—	1,216,525	1,335,790	800,863	19,110	10,113	480,876	3,863,277	121,522
Adjustment to Beginning Net Position	—	—	(3,423)	23	—	—	(723)	(4,123)	—
Net Position – Beginning as Adjusted	0	1,216,525	1,332,367	800,886	19,110	10,113	480,153	3,859,154	121,522
Net Position – Ending	\$ 0	\$ 1,290,540	\$ 1,477,952	\$ 826,701	\$ 26,985	\$ 153,813	\$ 753,670	\$ 4,529,661	\$ 134,251

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, 2024

	Business-type Activities – Enterprise Funds								Governmental Activities
	Student Assistance Programs	Unemployment Compensation Fund	Water Loan Programs	Community Impact Loan Fund	Employers' Reinsurance Fund	Alcoholic Beverage Services	Nonmajor Enterprise Funds	Total Proprietary Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES									
Receipts from Customers/Loan Interest/ Fees/Premiums	\$ —	\$ 334,531	\$ 882	\$ —	\$ 3,287	\$ 567,475	\$ 29,350	\$ 935,525	\$ 68,575
Receipts from Loan Maturities	—	—	—	—	—	—	10,024	10,024	—
Receipts from State Departments and Component Unit Customers	—	—	—	—	—	—	40,883	40,883	607,656
Payments to Suppliers/Claims/Grants	—	(291,110)	(40,382)	(930)	(14,905)	(307,608)	(63,346)	(718,281)	(410,698)
Disbursements for Loans Receivable	—	—	—	—	—	—	(40,426)	(40,426)	—
Refunds Paid to the Federal Government	(57,098)	—	—	—	—	—	—	(57,098)	—
Payments for Employee Services and Benefits	(123)	—	—	(418)	(180)	(45,999)	(22,105)	(68,825)	(217,144)
Payments to State Suppliers and Grants	—	—	(233)	(41)	(629)	(12,776)	(4,595)	(18,274)	(30,637)
Payments of Sales Tax and School Lunch Collections	—	—	—	—	—	(67,575)	—	(67,575)	—
Net Cash Provided (Used) by Operating Activities	(57,221)	43,421	(39,733)	(1,389)	(12,427)	133,517	(50,215)	15,953	17,752
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Borrowings Under Interfund Loans	—	—	—	—	—	73,623	—	73,623	3,843
Repayments Under Interfund Loans	—	—	—	—	—	(64,596)	—	(64,596)	—
Receipts from Bonds, Notes, and Deposits	—	—	6,075	—	—	—	—	6,075	—
Payments of Bonds, Notes, Deposits, and Refunds	—	(2,377)	—	(467)	—	—	—	(2,844)	(23)
Refunds to paid to the Federal Government	—	—	—	—	—	—	—	—	—
Federal Contracts and Grants and Other Revenues	—	13	20,098	420	—	208	6,290	27,029	—
Restricted Sales Tax	—	—	52,817	—	3,169	—	525	56,511	—
Transfers In from Other Funds	—	—	88,532	—	469	140,000	284,045	513,046	11,000
Transfers Out to Other Funds	(125)	—	(7,549)	(2,875)	(92)	(134,905)	(9,598)	(155,144)	(1,608)
Net Cash Provided (Used) by Noncapital Financing Activities	(125)	(2,364)	159,973	(2,922)	3,546	14,330	281,262	453,700	13,212
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Borrowings Under Interfund Loans	—	—	—	—	—	—	—	—	38,514
Repayments Under Interfund Loans	—	—	—	—	—	—	—	—	(25,166)
Proceeds from Disposition of Capital Assets	—	—	756	—	—	—	—	756	256
Principal Paid on Debt and Contract Maturities	—	—	—	—	—	(1,099)	—	(1,099)	—
Acquisition and Construction of Capital Assets	—	—	(254)	—	—	(8,123)	(595)	(8,972)	(40,827)
Interest Paid on Bonds, Notes, and Capital Leases	—	—	—	—	—	(2,207)	(378)	(2,585)	(45)
Transfers In from Other Funds	—	—	—	—	—	—	—	—	3,575
Net Cash Provided (Used) by Capital and Related Financing Activities	0	0	502	0	0	(11,429)	(973)	(11,900)	(23,693)

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, 2024

	Business-type Activities – Enterprise Funds								Governmental Activities
	Student Assistance Programs	Unemployment Compensation Fund	Water Loan Programs	Community Impact Loan Fund	Employers' Reinsurance Fund	Alcoholic Beverage Services	Nonmajor Enterprise Funds	Total Proprietary Funds	Internal Service Funds
<i>Continued</i>									
CASH FLOWS FROM INVESTING ACTIVITIES									
Proceeds from the Sale and Maturity of Investments	\$ —	\$ —	\$ —	\$ —	\$ 156,657	\$ —	\$ —	\$ 156,657	\$ —
Receipts of Interest and Dividends	1,267	32,164	22,749	22,605	4,784	6,665	16,190	106,424	6,070
Receipts from Loan Maturities	—	—	46,561	33,870	—	—	14,193	94,624	—
Receipts of Interest from Loans	—	—	10,141	6,501	—	—	2,272	18,914	—
Payments to Purchase Investments	—	—	—	—	(139,363)	—	(13)	(139,376)	—
Disbursements for Loans Receivable	—	—	(105,568)	(51,457)	—	—	(29,314)	(186,339)	—
Net Cash Provided (Used) by Investing Activities	1,267	32,164	(26,117)	11,519	22,078	6,665	3,328	50,904	6,070
Net Cash Provided (Used) – All Activities	(56,079)	73,221	94,625	7,208	13,197	143,083	233,402	508,657	13,341
Cash and Cash Equivalents – Beginning	56,079	1,161,019	476,178	374,191	9,668	543	213,949	2,291,627	117,571
Cash and Cash Equivalents – Ending	\$ 0	\$ 1,234,240	\$ 570,803	\$ 381,399	\$ 22,865	\$ 143,626	\$ 447,351	\$ 2,800,284	\$ 130,912
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES									
Operating Income (Loss)	\$ —	\$ 44,157	\$ (43,880)	\$ (1,676)	\$ (4,049)	\$ 135,395	\$ (28,859)	\$ 101,088	\$ (2,804)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:									
Depreciation/Amortization Expense	—	—	69	—	—	4,824	911	5,804	20,673
Pension and OPEB Expense Accruals	—	—	—	(16)	—	(1,454)	43	(1,427)	(6,127)
Miscellaneous Gains, Losses, and Other Items	(1,267)	—	—	—	—	(715)	—	(1,982)	(1,077)
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:									
Accounts Receivable/Due From Other Funds	—	3,734	2,498	—	—	221	(510)	5,943	(345)
Notes/Accrued Interest Receivables	—	—	—	—	783	12	(31,600)	(30,805)	—
Inventories	—	—	—	—	—	(4,853)	(298)	(5,151)	241
Prepaid Items/Deferred Charges	—	—	—	—	—	(242)	3,338	3,096	26,321
Accrued Liabilities/Due to Other Funds	(55,954)	138	1,580	303	(165)	329	4,736	(49,033)	(186)
Unearned Revenue/Deposits	—	—	—	—	—	—	926	926	(21,695)
Policy Claims Liabilities	—	(4,608)	—	—	(8,996)	—	1,098	(12,506)	2,751
Net Cash Provided (Used) by Operating Activities	\$ (57,221)	\$ 43,421	\$ (39,733)	\$ (1,389)	\$ (12,427)	\$ 133,517	\$ (50,215)	\$ 15,953	\$ 17,752
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES									
Increase (Decrease) in Fair Value of Investments	\$ —	\$ —	\$ 446	\$ 440	\$ 3,609	\$ 215	\$ 259	\$ 4,969	\$ 121
Increase (Decrease) in Loans Receivable Due to Cleanup Efforts	—	—	(95)	23	—	—	(64)	(136)	—
Increase (Decrease) in Interest Receivable Due to Clean Up Efforts	—	—	(3,140)	—	—	—	—	(3,140)	—
Total Noncash Investing, Capital, and Financing Activities	\$ —	\$ —	\$ (2,789)	\$ 463	\$ 3,609	\$ 215	\$ 195	\$ 1,693	\$ 121

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.

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.

Custodial Funds

Custodial 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, 2024

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Funds	Custodial Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,349,945	\$ 3,831	\$ 1,262,950
Pooled Cash and Investments	43,295	34,925	451,394
Receivables:			
Accounts	260	261	30,247
Contributions	83,957	—	—
Investments	400,189	—	—
Accrued Interest	—	67,101	96,681
Leases	—	255	—
Loans	—	36	—
Due From Other Funds	—	38	958
Prepaid Items	—	85	116
Restricted Cash and Cash Equivalents	3,600	3,550	440
Restricted Pooled Cash and Investments	—	—	747
Investments:			
Debt Securities	9,830,424	6,374,131	15,258,654
Equity Investments	21,620,453	17,667,944	—
Absolute Return	7,416,106	—	—
Private Equity	5,615,048	2,727	—
Real Assets	9,029,306	—	—
Invested Securities Lending Collateral	1,282,268	—	—
Other Directional Strategies	51,791	16,234	—
Relative Value Strategies	41,595	9,814	—
Portfolio Hedges	—	494	—
Global Fixed Income	3,970	3,655	—
Public Equity	—	21,605	—
Total Investments	<u>54,890,961</u>	<u>24,096,604</u>	<u>15,258,654</u>
Other Assets	—	96	91,838
Net Pension Asset	—	360	—
Net Other Postemployment Benefit Asset	—	21	—
Capital Assets:			
Land	1,780	712	—
Infrastructure	—	236	—
Buildings and Improvements	23,559	11,617	—
Machinery and Equipment	6,608	1,632	—
Intangible Assets	32,337	2,172	269
Less Accumulated Depreciation	(37,497)	(8,896)	(42)
Total Capital Assets	<u>26,787</u>	<u>7,473</u>	<u>227</u>
Total Assets	<u>56,798,994</u>	<u>24,214,636</u>	<u>17,194,252</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Relating to Pensions	—	642	—
Deferred Outflows Relating to Other Postemployment Benefits	—	8	—
Total Deferred Outflow of Resources	<u>0</u>	<u>650</u>	<u>0</u>

Continues

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

June 30, 2024

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Funds	Custodial Funds
<i>Continued</i>			
LIABILITIES			
Accounts Payable	\$ 424,620	\$ 2,249	\$ 357,471
Securities Lending Liability	1,282,268	—	—
Subscription Software Liability	—	318	227
Disbursements in Excess of Cash Balance	60,777	—	—
Deposits	—	—	747
Due To Other Funds	—	231	—
Due To Other Governments	—	—	197,600
Unearned Revenue	—	—	237
Leave/Postemployment Benefits	22,163	—	—
Policy Claims Liabilities/Insurance Reserves	6,305	—	—
Real Estate Liabilities	99,999	—	—
Net Pension Liability	—	254	—
Total Liabilities	1,896,132	3,052	556,282
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Relating to Leases	—	255	—
Deferred Inflows Relating to Pensions	—	8	—
Deferred Inflows Relating to Other Postemployment Benefits	—	6	—
Total Deferred Inflows of Resources	0	269	0
NET POSITION			
Restricted for:			
Pension Benefits	45,302,655	777	—
Other Postemployment Benefits	264,268	21	—
Other Employee Benefits	118,100	—	—
Defined Contribution	9,217,839	—	—
Pool Participants	—	—	16,272,239
Individuals, Organizations, and Other Governments	—	24,211,167	365,731
Total Net Position	\$ 54,902,862	\$ 24,211,965	\$ 16,637,970

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, 2024

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Funds	Custodial Funds
ADDITIONS			
Contributions:			
Member	\$ 628,103	\$ 1,752,016	\$ 25,728
Employer	1,585,645	—	—
Court Fees and Fire Insurance Premiums	24,933	—	—
Total Contributions	<u>2,238,681</u>	<u>1,752,016</u>	<u>25,728</u>
Pool Participant Deposits	—	—	17,476,407
Investment Income:			
Net Increase (Decrease) in Fair Value of Investments	4,285,807	2,305,857	23,735
Interest, Dividends, and Other Investment Income	1,044,051	593,849	920,248
Total Income (Loss) From Investment Activity	<u>5,329,858</u>	<u>2,899,706</u>	<u>943,983</u>
Less Investment Expenses	(122,648)	—	(1,175)
Net Income (Loss) from Investment Activity	<u>5,207,210</u>	<u>2,899,706</u>	<u>942,808</u>
Income from Security Lending Activity	5,849	—	—
Less Security Lending Expenses	(617)	—	—
Net Income from Security Lending Activity	<u>5,232</u>	<u>—</u>	<u>—</u>
Net Investment Income (Loss)	<u>5,212,442</u>	<u>2,899,706</u>	<u>942,808</u>
Transfers from Affiliated Systems	71,186	—	—
Transfers from Primary Government	<u>2,000</u>	<u>—</u>	<u>—</u>
Other Additions:			
Escheats	—	—	67,818
Royalties and Rents	—	3,581	—
Fees, Assessments, and Revenues	—	639	81,749
Collections for Individuals and Other Organizations	—	—	304,004
Tax and Fee Collections for Other Governments	—	—	2,823,983
Federal Grants	—	—	151,056
Miscellaneous	—	1	—
Total Other	<u>0</u>	<u>4,221</u>	<u>3,428,610</u>
Total Additions	<u>7,524,309</u>	<u>4,655,943</u>	<u>21,873,553</u>

Continues

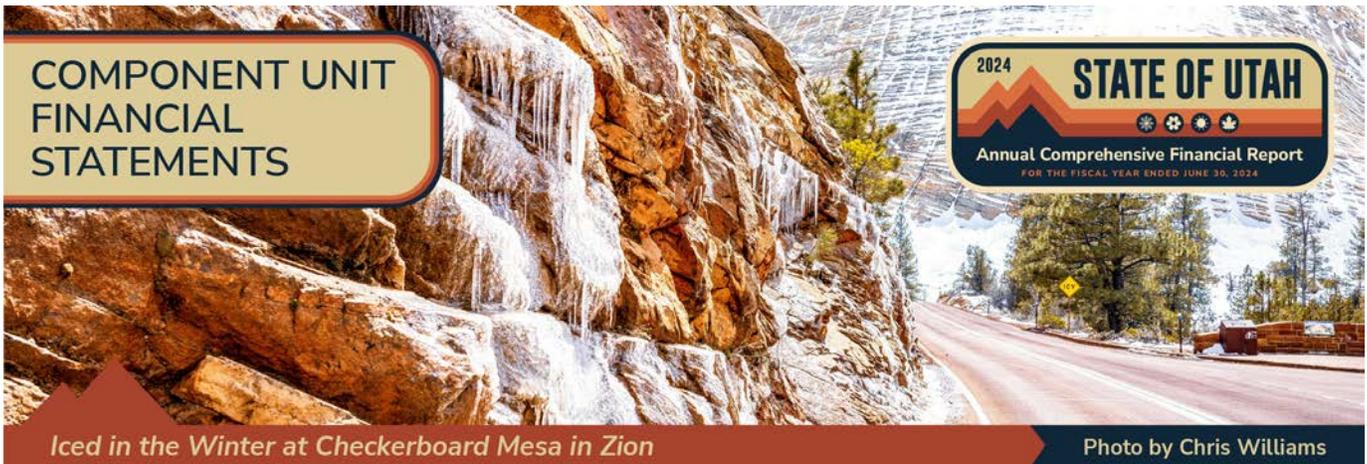
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Funds	Custodial Funds
<i>Continued</i>			
DEDUCTIONS			
Pension Benefits	\$ 2,214,269	\$ —	\$ —
Retiree Healthcare Benefits	30,684	—	—
Member Distributions	—	—	25,448
Refunds/Plan Distributions	507,384	—	—
Earnings Distribution	—	—	904,577
Pool Participant Withdrawals	—	—	16,873,674
Transfers To Affiliated Systems	71,186	—	—
Trust Operating Expenses	—	1,936	368
Distributions and Benefit Payments	—	1,333,714	37,091
Payment of Taxes and Fees to Other Governments	—	—	2,824,167
Distributions to Individuals and Other Organizations	—	—	386,997
Pass Through of Federal Grants	—	—	151,053
Administrative and General Expenses	24,275	18,748	3,862
Total Deductions	2,847,798	1,354,398	21,207,237
Change in Net Position Restricted for:			
Pension Benefits	3,228,138	—	—
Other Postemployment Benefits	(12,741)	—	—
Other Employee Benefits	18,555	—	—
Defined Contributions	1,442,559	—	—
Pool Participants	—	—	625,987
Individuals, Organizations, and Other Governments	—	3,301,545	40,329
Net Position – Beginning	50,226,351	21,192,990	15,971,654
Adjustment to Beginning Net Position	—	(282,570)	—
Net Position – Beginning as Adjusted	50,226,351	20,910,420	15,971,654
Net Position – Ending	\$ 54,902,862	\$ 24,211,965	\$ 16,637,970

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 University of Utah's operations also encompass the following legally separate but blended component units: the University of Utah Research Foundation, ARUP Laboratories, Inc., University of Utah Health Insurance Plans, Community Nursing Services, and the George S. and Dolores Doré Eccles Endowment for Medical School Excellence. Similarly, Utah State University integrates the following blended component units: the Utah State University Space Dynamics Laboratory, the Utah State University Foundation, and the Hansen Scholars Support Foundation.

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](#).

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

June 30, 2024	Public Employees Health Program	University of Utah	Utah State University	Utah Transit Authority	Nonmajor Component Units	Total Component Units
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 196,255	\$ 499,136	\$ 158,946	\$ 294,287	\$ 381,980	\$ 1,530,604
Restricted Cash and Cash Equivalents	—	—	—	16,670	10,202	26,872
Investments	22,139	879,186	83,101	204,790	264,846	1,454,062
Receivables:						
Accounts, net	73,215	706,097	120,047	104,993	75,614	1,079,966
Notes/Leases/Loans/Mortgages/Pledges, net	—	12,608	839	194	6,709	20,350
Accrued Interest	3,483	31,940	—	—	2,220	37,643
Due From Primary Government	—	—	—	9,363	6,610	15,973
Prepaid Items	—	—	5,393	1,890	15,860	23,143
Inventories	—	165,556	9,316	44,517	13,644	233,033
Other Assets	—	58,408	—	—	415	58,823
Total Current Assets	<u>295,092</u>	<u>2,352,931</u>	<u>377,642</u>	<u>676,704</u>	<u>778,100</u>	<u>4,480,469</u>
Noncurrent Assets:						
Restricted Cash and Cash Equivalents	—	1,130,123	92,254	107,155	298,354	1,627,886
Investments	402,624	3,355,907	602,902	—	806,443	5,167,876
Restricted Investments	—	836,530	314,785	—	252,584	1,403,899
Accounts Receivables, net	—	7,717	45,603	—	196,570	249,890
Restricted Receivables, net	—	76,423	3,265	17,840	—	97,528
Notes/Leases/Loans/Mortgages/Pledges Receivables, net	—	124,043	11,063	2,190	30,365	167,661
Net Pension Asset	—	44,969	14,723	—	26,320	86,012
Net Other Postemployment Benefit Asset	412	—	—	—	602	1,014
Other Assets	—	5,812	61	31,897	10,468	48,238
Capital Assets (net of Accumulated Depreciation)	32,500	4,827,252	1,182,760	2,915,810	2,787,918	11,746,240
Total Noncurrent Assets	<u>435,536</u>	<u>10,408,776</u>	<u>2,267,416</u>	<u>3,074,892</u>	<u>4,409,624</u>	<u>20,596,244</u>
Total Assets	<u>730,628</u>	<u>12,761,707</u>	<u>2,645,058</u>	<u>3,751,596</u>	<u>5,187,724</u>	<u>25,076,713</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Amount on Refundings of Bonded Debt	—	3,741	6,119	55,677	526	66,063
Deferred Outflows Relating to Pensions	8,148	45,663	15,629	40,213	52,421	162,074
Deferred Outflows Relating to Other Postemployment Benefits	403	20,823	—	—	130	21,356
Total Deferred Outflows of Resources	<u>8,551</u>	<u>70,227</u>	<u>21,748</u>	<u>95,890</u>	<u>53,077</u>	<u>249,493</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	22,810	578,751	87,789	54,498	89,809	833,657
Securities Lending Liability	889	—	—	—	—	889
Deposits	—	322,729	55	—	2,143	324,927
Due To Primary Government	—	63,593	19,027	—	10,265	92,885
Unearned Revenue	2,369	111,565	42,144	87,458	107,528	351,064
Current Portion of Long-term Liabilities	141,143	422,237	58,430	98,362	65,893	786,065
Total Current Liabilities	<u>167,211</u>	<u>1,498,875</u>	<u>207,445</u>	<u>240,318</u>	<u>275,638</u>	<u>2,389,487</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, 2024

	Public Employees Health Program	University of Utah	Utah State University	Utah Transit Authority	Nonmajor Component Units	Total Component Units
<i>Continued</i>						
Noncurrent Liabilities:						
Accrued Liabilities	\$ 14,631	\$ —	\$ 3,702	\$ 5,171	\$ 11,563	\$ 35,067
Unearned Revenue	—	—	—	—	1,926	1,926
Deposits	—	24,084	1,380	73	—	25,537
Net Pension Liability	9,675	5,187	1,131	142,284	35,662	193,939
Long-term Liabilities	85,073	2,436,986	435,440	2,224,936	1,093,753	6,276,188
Total Noncurrent Liabilities	109,379	2,466,257	441,653	2,372,464	1,142,904	6,532,657
Total Liabilities	276,590	3,965,132	649,098	2,612,782	1,418,542	8,922,144
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows Relating to Beneficial Interests	—	—	4,888	—	13,014	17,902
Deferred Amount on Refundings of Bonded Debt	—	4,399	—	4,800	234	9,433
Deferred Inflows Relating to Pensions	196	411	143	424	951	2,125
Deferred Inflows Relating to Other Postemployment Benefits	465	—	—	—	99	564
Deferred Inflows Relating to Leases	—	125,389	15,659	2,317	26,503	169,868
Total Deferred Inflows of Resources	661	130,199	20,690	7,541	40,801	199,892
NET POSITION						
Net Investment in Capital Assets	10,126	3,287,709	850,532	718,712	2,347,078	7,214,157
Restricted for:						
Nonexpendable:						
Higher Education	—	922,951	214,912	—	339,402	1,477,265
Expendable:						
Higher Education	—	729,502	442,879	—	314,528	1,486,909
Insurance Plan	451,390	8,647	—	—	—	460,037
Other Postemployment Benefits	412	—	—	—	602	1,014
Pension Benefits	—	44,969	14,723	—	26,320	86,012
Transit Services	—	—	—	59,680	—	59,680
Other	—	224,500	—	—	152,224	376,724
Unrestricted	—	3,518,325	473,972	448,771	601,304	5,042,372
Total Net Position	\$ 461,928	\$ 8,736,603	\$ 1,997,018	\$ 1,227,163	\$ 3,781,458	\$16,204,170

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, 2024

	Public Employees Health Program	University of Utah	Utah State University	Utah Transit Authority	Nonmajor Component Units	Total Component Units
Expenses	\$ 1,046,105	\$7,843,361	\$ 1,094,679	\$ 692,988	\$ 2,098,235	\$ 12,775,368
Program Revenues:						
Charges for Services:						
Tuition and Fees	—	591,189	251,570	—	691,533	1,534,292
Scholarship Allowances	—	(120,121)	(107,742)	—	(218,278)	(446,141)
Sales, Services, and Other Revenues (net of University of Utah patient services allowance of \$76,735)	1,068,645	6,047,669	122,425	520,386	155,424	7,914,549
Operating Grants and Contributions	59,123	1,327,233	632,310	95,582	522,173	2,636,421
Capital Grants and Contributions	—	188,541	23,153	71,293	193,823	476,810
Total Program Revenues	<u>1,127,768</u>	<u>8,034,511</u>	<u>921,716</u>	<u>687,261</u>	<u>1,344,675</u>	<u>12,115,931</u>
Net (Expenses) Revenues	<u>81,663</u>	<u>191,150</u>	<u>(172,963)</u>	<u>(5,727)</u>	<u>(753,560)</u>	<u>(659,437)</u>
General Revenues:						
State Appropriations	—	504,988	331,427	—	898,526	1,734,941
Gain (Loss) on Sale of Capital Assets	—	—	—	(5,116)	314	(4,802)
Miscellaneous	1	—	—	22,204	34,628	56,833
Permanent Endowments Contributions	—	38,541	9,203	—	12,248	59,992
Total General Revenues, Contributions and Other	<u>1</u>	<u>543,529</u>	<u>340,630</u>	<u>17,088</u>	<u>945,716</u>	<u>1,846,964</u>
Change in Net Position	<u>81,664</u>	<u>734,679</u>	<u>167,667</u>	<u>11,361</u>	<u>192,156</u>	<u>1,187,527</u>
Net Position – Beginning	380,264	8,006,408	1,829,351	1,215,802	3,905,030	15,336,855
Adjustment to Beginning Net Position	—	(4,484)	—	—	(315,728)	(320,212)
Net Position – Beginning as Adjusted	<u>380,264</u>	<u>8,001,924</u>	<u>1,829,351</u>	<u>1,215,802</u>	<u>3,589,302</u>	<u>15,016,643</u>
Net Position – Ending	<u>\$ 461,928</u>	<u>\$8,736,603</u>	<u>\$ 1,997,018</u>	<u>\$ 1,227,163</u>	<u>\$ 3,781,458</u>	<u>\$ 16,204,170</u>

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

NOTES TO THE FINANCIAL STATEMENTS



2024 **STATE OF UTAH**

Annual Comprehensive Financial Report
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Winter in Deer Creek Reservoir

Photo by Kevin Hehl

For the Fiscal Year Ended June 30, 2024

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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 "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 discretely presented component units issue their own separately audited financial statements as special-purpose governments engaged only in business-type activities. Component unit 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 Income Tax Fund (special revenue fund).

Blended Component Units

Blended component units are legally separate but either exist solely to provide services exclusively to the State, their debt is expected to be paid using primary government resources, or the State is the sole corporate member of a not-for-profit entity. 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 Executive Director of the Department of Government Operations. Separate financial statements are not required or issued for the Authority.

SOU Captive Insurance, LLC, was created under the Captive Insurance Companies Act in UCA Title 31A, Chapter 37, of *Utah Code*, to directly issue public entity liability and auto liability policies for the State. The Department of Government Operations,

Division of Risk Management, is the sole member of the LLC. The LLC is reported as part of the Risk Management Internal Service Fund. Separate financial statements are not required or issued for the LLC.

The Utah Fund of Funds (UFOF) was created in fiscal year 2003 by the legislature as a limited liability company to mobilize private investments and enhance the venture capital culture and infrastructure within the State. Effective fiscal year 2023, the legislature changed the composition and purpose of UFOF for its eventual dissolution. The Utah Capital Investment Corporation (UCIC), an independent quasi-public nonprofit corporation, is the sole member and manager of UFOF. The UCIC's board of directors comprises the State Treasurer and two individuals designated by the State Treasurer. The UFOF is required to hold and manage its remaining investments until, in the best interest of the state, the remaining funds are disbursed to the Utah Capital Investment Restricted Account. UCIC issues their own separately audited financial statements and is reported as a special revenue fund.

Discretely Presented 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 Utah System of Higher Education, the Utah Communications Authority, the Public Employees Health Program, the State Fair Park Authority, USDB, the Utah Inland Port Authority, the Point of the Mountain State Land Authority, and the Utah Lake Authority.

The determination that a discretely presented component unit is "major" is based on the nature and significance of its relationship to the primary government. The State's major discretely presented 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 – As part of the Utah System of Higher Education, 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 following legally separate, blended component units: the University of Utah Research Foundation, ARUP Laboratories, Inc., the University of Utah Health Insurance Plans, Community Nursing Services and George S. and the Dolores Doré Eccles Endowment for Medical

School Excellence. Utah State University includes the following blended component units: The Utah State University Space Dynamics Laboratory, the Utah State University Foundation and the Hansen Scholars Support Foundation.

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 discretely presented 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.

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.

State Fair Park Authority – 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.

Utah Lake Authority – This Authority was created by the Utah Legislature to work in concert with applicable federal, state, and local government entities, property owners, owners of water rights, private parties, and stakeholders to encourage, facilitate, and implement the management of Utah Lake. The Authority is an independent, nonprofit corporation. No financial statements are required or issued.

Point of the Mountain State Land Authority – This Authority was created by the Utah Legislature to facilitate and oversee the development of nearly 700 acres at the Draper site where the Utah State Prison once stood. The Authority is an independent, nonprofit corporation. Operations are funded through state appropriations. No financial statements are required or issued.

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 also includes the Crossroads Public Infrastructure District, a legally separate, blended component unit, created by the Authority for the purpose of financing and operating infrastructure costs.

Utah Water Ways – Utah Water Ways (UWW) was created as a nonprofit, statewide partnership to facilitate coordination of efforts to optimize the use of water and encourage residents of the State to make changes to optimize the use of water and care for the state’s water supply. UWW is funded primarily through state appropriations. No financial statements are required or issued for UWW.

Utah System of Higher Education – Weber State University, Southern Utah University, Salt Lake Community College, Utah Valley University, Utah Tech University, Snow College, Bridgerland Technical College, Davis Technical College, Dixie Technical College, Mountainland Technical College, Ogden-Weber Technical College, Southwest Technical College, Tooele Technical College, and Uintah Basin Technical College. These colleges and universities are funded primarily through state appropriations, tuition, federal grants, and private donations and grants.

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.

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 discretely presented 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. The Utah Education Savings Board of Trustees are appointed by and serves at the pleasure of the Utah State Board of Higher Education. 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 discretely presented 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 discretely presented 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.
- **Income Tax 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 Income Tax Fund.
- **Transportation Fund.** This special revenue fund accounts for dedicated highway user taxes, fees, and federal funds associated with the 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 tobacco settlement funds, environmental activities, preserving and promoting universal telephone services, rural development programs, Medicaid expansion funding and higher education endowment 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 nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services and producing or 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 nonoperating revenues and expenses.

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.
- **Employers' Reinsurance Fund.** 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.
- **Alcoholic Beverage Services.** This fund consists of the activities of the state liquor stores administered through the Alcoholic Beverage Services Commission which conducts, licenses and regulates the sale of alcoholic beverages.

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 Utah Correctional Industries, State Trust Lands Administration, the Utah Dairy Commission, Medical Cannabis Fund, Utah Energy Research Fund, and the Petroleum Storage Tank Fund.

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 or custodial capacity for others that cannot be used to support the State's own programs. 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.
- **Private Purpose Trust Funds.** These funds report resources held in a trust or trust arrangement that are required to be used for specific purposes for the benefit of individuals or other organizations. Examples include the Utah Navajo Trust Fund, and the Utah Educational Savings Plan Trust.
- **Custodial Funds.** These funds are assets held by the State as a custodial agent for the benefit of individuals, organizations, or other governments that are not part of the State's reporting entity. They also include the external investment pool which is used to account for the investments related to external participants in the Utah State Public Treasurers' Investment Fund; the Unclaimed Property fund; and funds related to fines, forfeitures, tax collections, and restitution payments collected on behalf of others.

Discretely Presented Component Unit Financial Statements

The combining discretely presented component unit financial statements are presented to provide information on each of the major discretely presented component units included in the discretely presented component unit's column of the government-wide statements. The discretely presented component unit financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The information is presented to be consistent with the government-wide statements and is less detailed than the presentation in each discretely presented 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 discretely presented component unit).
- The Utah Transit Authority (major discretely presented component unit).

- The State Fair Park Authority (nonmajor discretely presented component unit).
- The Utah Dairy Commission (nonmajor enterprise fund).
- The Heber Valley Historic Railroad Authority (nonmajor discretely presented component unit).
- The University of Utah Health Insurance Plans and Community Nursing Services (blended component units of the University of Utah, a major discretely presented component unit).
- The Utah Capital Investment Corporation (nonmajor special revenue fund) and its blended component unit, the Utah Fund of Funds.

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

Cash and Cash Equivalents

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

Pooled Cash and Investments

All cash deposited with the State Treasurer by state entities, including surplus cash balances of State funds, are maintained in the Public Treasurer's Investment Fund (PTIF) and reported as "Pooled Cash and Investments". The State Treasurer invests the deposited cash, including the cash float, in short-term securities and other investments that are readily convertible to cash without prior notice or penalty. For purposes of reporting cash flows, the State considers Pooled Cash and Investments to be cash equivalents.

All interest revenue is allocated to the General Fund unless state law or trust agreements require allocations of interest to other funds. For funds authorized to receive interest earnings, interest is allocated based on cash balances in the pool. The operations and investments of the PTIF are described in [Note 4](#).

Investments

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 measurement 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 United States Securities and Exchange

Commission (SEC). The fair value of the position in the BPDUTF is the same as the value of the BPDUTF shares.

Utah Retirement Systems (URS) (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 hedge the exposure to changes in foreign currency exchange rates on foreign currency denominated portfolio holdings. 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. Inflation, overnight indexed and interest rate swap agreements are entered 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 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. Synthetic Guaranteed Investment Contracts are available to members in the Utah Retirement Systems Defined Contribution Plans.

See [Note 3](#) for additional information about derivative instruments.

Receivables

Accounts receivables in 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 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.

Notes receivables as reported in the governmental activities, are financed purchase arrangements between the State Building Ownership Authority (blended component unit) and certain Colleges and Universities (discretely presented component units). The notes receivable are reported net and represents the sum of the future principal payments to be received, less any executor costs and any unearned interest revenue. Receivables from the discretely presented 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 discretely presented 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 include land and related assets, buildings, equipment, intangible assets (software), lease assets and subscription-based IT arrangements (SBITAs), and infrastructure (roads, bridges, drainage systems, lighting systems, and similar items). They 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 an 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.

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

Lease assets and SBITAs are amortized over the shorter of the useful life of the underlying assets or lease term/subscription arrangement term, respectively. Amortization is calculated using either the effective interest method or the straight-line method.

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 paleontological 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 assets 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 discretely presented 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, leases payable, 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, NOL, and leases payable 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. Some State of Utah bonds may be exempt from the rebate requirements if they meet certain statutory exceptions per the regulations.

The change in 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. The change in arbitrage liability is recorded as an expenditure in the governmental fund financial statements when the payment 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 Annual Leave Trust fund 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 work 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 expended when earned for budgetary purposes.

Vacation earnings, sick leave earnings, and termination policies vary among discretely presented 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 assets 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 discretely presented 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 discretely presented 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 Income Tax Fund Budget Reserve Account in the Income Tax Fund (the "Income Tax 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 resources (i.e., committed, assigned, or unassigned) 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. Commodity revenues and expenditures are valued at their federally reported value. Commodity inventories at yearend are immaterial. For the fiscal year ended June 30, 2024, the State reported revenues and expenditures of \$34.821 million and \$36.233 million for commodities in the General Fund, and the Income Tax Fund (special revenue fund), respectively.

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 \$9.093 million of interest and dividend income, of which \$7.166 million was reported in the General Fund and \$1.927 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 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. ACCOUNTING CHANGES, ERROR CORRECTIONS AND OTHER INFORMATION

Implementation of New Governmental Accounting Standards

During the fiscal year ended June 30, 2024, the State adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB):

- **GASB Statement No. 99**, *Omnibus 2022 (financial guarantees and classification of derivatives)*
- **GASB Statement No. 100**, *Accounting Changes and Error Corrections*

Changes within the Financial Reporting Entity

The Utah Board of Higher Education (Board) was previously reported as a nonmajor discretely presented component unit because it was a legally separate entity. Senate Bill 146 of the 2023 General Session removed the authority of the Board to operate as legally separate entity effective July 1, 2023. The Board's financial activities are now included as part of the General Fund. Part of the Board's activities include the Higher Education Student Success Endowment. This Endowment fund is deposited and managed by the State Treasurer under the direction of the Board. The Endowment fund was previously reported as a private purpose trust fund since the State, as the primary government, was holding the assets of the Board, a discretely presented component unit. Now that the Board is part of the primary government, the Endowment fund is reported as a nonmajor special revenue fund. The effects of these changes are shown in the table below.

During the 2023 General Session, the Legislature created the Utah Water Ways Partnership (Partnership) as a legally separate entity, effective fiscal year 2024, to coordinate efforts to optimize water use and encourage residents to adopt practices that protect and conserve the State's water supply. The Partnership meets the requirement for inclusion as a discretely presented component since the State can impose its will on the Partnership, as the Partnership's Board of Directors is composed of thirteen members, of which nine are State officials or appointees.

Correction of Errors in Previously Issued Financial Statements

During the fiscal year 2024, the Department of Alcoholic Beverage Services (DABS) identified an allocation error related to the implementation of a new accounting system in fiscal year 2023. The error stemmed from the system's failure to properly allocate costs of goods sold at the end of fiscal year 2023. As a result, \$19.380 million remained in a clearing account instead of being recognized as expense at the close of fiscal year 2023, which caused an overstatement of the amount of the liquor profit transferred to the General Fund as required by Section 32B-2-301 of the *Utah Code*. To correct this issue, the beginning fund balance of the General Fund for fiscal year 2024 has been decreased by \$19.380 million. The effects of this correction are

shown in the table below.

In the prior year, the Capital Investment Corporation (Corporation) was added as a blended component unit since this legally separate entity exists solely to provide services exclusively to the State. Management determined during fiscal year 2024, that the main fund of the Corporation should have been reported as a nonmajor special revenue fund in accordance GASB Statement No. 34 paragraph 54. The effects of this correction are shown in the table below.

During fiscal year 2024, the State Tax Commission discovered that the yearend true-up for the consensus sales tax earmarks in fiscal year 2023 had excluded an earmark. This oversight resulted in other earmarks being underfunded. The effects of this correction are shown in the table below.

During fiscal year 2024, after a review of the remaining balances in the debt service fund related to the 2010A Water Bonds, the State determined that the pledged revenue transferred to the corresponding debt service fund from the Water Loan Program Fund over the life of the bond was less than the debt service payments. The effects of this correction are shown in the table below.

During fiscal year 2024, management conducted a comprehensive review of the State's loan system, which identified several reporting inaccuracies. Specifically, the corrections addressed misstatements of loan and interest receivables, errors in interest deferrals and calculations of loan payment term changes. The effects of these corrections is shown in the table below.

During fiscal year 2024, the State Division of Facilities and Construction Management (DFCM), Utah National Guard (UNG), and Utah Department of Transportation (UDOT) reviewed their Construction in Progress (CIP) listings and identified projects that should have been expensed or capitalized in prior years, resulting in a decrease of \$62.333 million for DFCM and increases of \$18.920 million and \$17.175 million for UNG and UDOT, respectively. Additionally, in fiscal year 2024, management corrected the beginning balance for Work in Progress (WIP) software by reducing it by \$10.492 million to reflect previously overreported software development costs. These adjustments led to a net decrease in the beginning net position for governmental activities, as shown in the table below.

In fiscal year 2024, DFCM received contract amendments to extend building leases that had previously ended at the close of fiscal year 2023. These leases were reinstated at the beginning of fiscal year 2024, leading to a \$2.861 million increase in the beginning balances of lease buildings and related accumulated amortization, with no effect on net position.

During fiscal year 2024, the Utah Department of Health and Human Services (DHHS) identified certain expenditures processed through the newly implemented provider claims system (PRISM) that were paid with State funds in fiscal year 2023, even though they should have been covered by federal funds. DHHS received federal funds for these expenditures during fiscal year 2024. However, since the original expenses were incurred in fiscal year 2023, the revenue received in fiscal year 2024 is also classified as 2023 revenue. The effects of this correction are shown in the table below.

Schedule of Corrections of Errors and Changes in Reporting Entity
(expressed in thousands)

	June 30, 2023 As Previously Stated	Changes Within Reporting Entity	Correction of Errors							June 30, 2023 As Restated
			DABS	Capital Invest Corp	Sales Tax	Bond Pledged Revenue	Loan System Corrections	Capital Assets Corrections	DHHS PRISM	
Government Wide:										
Governmental Activities	\$ 39,567,936	369,552	(19,380)	—	(170)	228	(54)	(36,728)	17,562	\$39,898,946
Business-Type Activities	\$ 3,863,277	—	—	—	40	(228)	(3,935)	—	—	\$ 3,859,154
Component Units	\$ 15,336,855	(369,552)	—	—	—	—	—	49,340	—	\$15,016,643
Governmental Funds:										
Major Funds:										
General Fund	\$ 3,945,227	86,982	(19,380)	(52,665)	(766)	—	(54)	—	17,562	\$ 3,976,906
Transportation Investment Fund	\$ 2,860,148	—	—	—	596	—	—	—	—	\$ 2,860,744
Nonmajor Funds:										
Capital Investment Corporation	\$ —	—	—	52,665	—	—	—	—	—	\$ 52,665
Higher Education Student Success Trust	\$ —	282,570	—	—	—	—	—	—	—	\$ 282,570
Debt Service - General Government	\$ 230,099	—	—	—	—	228	—	—	—	\$ 230,327
Proprietary Funds:										
Major Funds:										
Water Loan Programs	\$ 1,335,790	—	—	—	40	(228)	(3,235)	—	—	\$ 1,332,367
Community Impact Loan Fund	\$ 800,863	—	—	—	—	—	23	—	—	\$ 800,886
Nonmajor Funds:										
Housing Loan Programs	\$ 205,322	—	—	—	—	—	(659)	—	—	\$ 204,663
Energy Efficiency Project	\$ 4,013	—	—	—	—	—	(64)	—	—	\$ 3,949
Fiduciary Funds:										
Private Purpose Trusts:										
Higher Education Student Success Trust	\$ 282,570	(282,570)	—	—	—	—	—	—	—	\$ —
Component Units:										
Major:										
University of Utah	\$ 8,006,408	—	—	—	—	—	—	(4,484)	—	\$ 8,001,924
Nonmajor:										
Southern Utah University	\$ 281,452	—	—	—	—	—	—	38,816	—	\$ 320,268
Utah Board of Higher Education	\$ 369,552	(369,552)	—	—	—	—	—	—	—	\$ —
Technical Colleges	\$ 347,350	—	—	—	—	—	—	15,008	—	\$ 362,358

Other Changes

On June 30, 2023, the Student Assistance Programs' (major enterprise fund) Loan Guarantee Program terminated its operations with \$55.831 million remaining due to the Federal Government. These funds, along with associated interest earned, were transferred to the U.S. Department of Education during fiscal year 2024.

Discretely Presented Component Units

For the year ending June 30, 2024, the University of Utah (major component unit) adjusted its leases in line with GASB Statement No. 87, *Leases*, resulting in a \$200 thousand increase in the beginning net position. This correction affected various expenses and lease liabilities. The university also corrected depreciation for certain assets put into use in the previous year, reducing the beginning net position by \$3.800 million. Additionally, University of Utah Research Foundation (UURF) (blended

component unit) reevaluated lease renewals, lowering the beginning net position by \$900 thousand due to uncertain renewal options. These adjustments impacted lease-related revenue, gains/losses, long-term lease receivables, and deferred inflows.

During fiscal year 2024, Southern Utah University (nonmajor component unit) determined that a classroom building constructed by the State Division of Facilities Construction and Management should have been transferred and capitalized by the University in the prior year. As a result, capital assets, net of depreciation, were understated by \$38.816 million for the fiscal year ended June 30, 2023. The effect of this correction was to increase the University's assets and beginning net position by \$38.816 million.

During fiscal year 2024, the State Division of Facilities and Construction Management identified \$15.008 million of prior year land purchases associated with ongoing Bridgerland Technology College (nonmajor component unit) construction projects that had not been transferred to the College. This oversight resulted in an understatement of both assets and capital appropriations in prior years. An adjustment was made to correct the beginning net position in the current year of \$15.008 million.

Utah Transit Authority (major discretely presented component unit) implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The implementation of this standard resulted in an intangible right-to-use asset and a corresponding subscription liability of \$15.125 million. There was no impact on beginning net position as a result of the implementation.

Public Employees Health Program (major discretely presented component unit) implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The implementation of this standard resulted in an intangible right-to-use asset and a corresponding subscription liability of \$23.429 million. There was no impact on beginning net position as a result of the implementation.

For nonmajor discretely presented component units that are reported on a different fiscal year than the State (see [Note 1](#)), and that implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, the implementation resulted in an overall increase to intangible right-to-use assets and a corresponding subscription liability of \$2.562 million. There was no impact on beginning net position as a result of the implementation.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits and investments for the primary government and its discretely presented component units are governed by the State's Money Management Act (MMA) (Title 51, Chapter 7 of the *Utah Code*) and rules of the State Money Management Council. However, the MMA exempts certain funds from the provisions of the MMA. In the primary government, these are the Trust Lands (permanent fund), State Endowment (nonmajor special revenue fund), the Higher Education Success Endowment (nonmajor special revenue fund), Utah Navajo Trust (private purpose trust), Employers' Reinsurance Trust (major enterprise fund), Utah Educational Savings Plan Trust (private purpose trust), Pension Trust Funds (fiduciary funds), Post-Retirement Benefits Trust Funds (fiduciary funds), Other Employee Benefits Trust Funds (fiduciary funds), Radioactive Waste Perpetual Care Fund (general fund), Utah State Developmental Center Fund (nonmajor governmental fund), and the Utah Capital Investment Corporation

(blended component unit reported as nonmajor special revenue fund). The discretely presented component units exempt from the MMA 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 MMA requires that deposits be in a qualified depository. It also 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 MMA 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, 2024, including those of Utah Retirement Systems (URS) (pension trust and defined contribution plans) and Trust Lands (permanent fund), were \$432.356 million. Of this amount, \$392.100 million were exposed to custodial credit risk as uninsured and uncollateralized.

FDIC-insured account owner funds totaling \$2.228 billion are held in trust by the Utah Educational Savings Plan Trust (UESP) (private purpose trust fund) and invested by UESP at two banks. Funds in the owner's 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, and (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.

The MMA 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 MMA 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 MMA; the Utah Public Treasurers' Investment Fund; and

negotiable brokered certificates of deposit and reciprocal deposits subject to rules of the State Money Management Council.

The Utah Educational Savings Plan Trust (UESP) (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 (SEC); 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 UESP to be appropriate and that would be authorized under the provisions of the MMA or Rule 2 of the State Money Management Council.

The Pension Trust Funds (fiduciary funds) administered by Utah Retirement Systems (URS) 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 MMA 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), Utah Navajo Trust (private purpose trust fund), Employers' Reinsurance Fund (major enterprise fund) Radioactive Waste Perpetual Care Fund (general fund), Utah State Developmental Center Fund (nonmajor governmental fund) and Higher Education Success Endowment (nonmajor special revenue fund).

The primary government's investments at June 30, 2024, are presented below except those of the Pension Trust Funds administered by 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 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.

(Notes continue on next page.)

The following table presents the recurring fair value measurements at June 30, 2024, for the primary government, with the exception of URS and Trust Lands:

Primary Government
(except Utah Retirement Systems and Trust Lands)
Investments and Derivative Instruments Measured at Fair Value
At June 30, 2024
(expressed in thousands)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>	
		<u>Level 1</u>	<u>Level 2</u>
<u>Investments by Fair Value Level</u>			
Debt Securities			
U.S. Treasuries	\$ 8,747,687	\$ 8,747,687	\$ —
U.S. Agencies	20,514,027	20,514,027	—
Corporate Debt	2,384,166	—	2,384,166
Non-government Backed C.M.O.s	16,644	—	16,644
Money Market Mutual Funds	268,384	268,384	—
Commercial Paper	1,724,855	1,724,855	—
Bond Mutual Funds	5,065,464	5,065,464	—
Stable Value Funds	1,313,923	1,313,923	—
Total Debt Securities	<u>40,035,150</u>	<u>37,634,340</u>	<u>2,400,810</u>
Equity Securities			
Domestic Equity	11,494,010	11,494,010	—
International Equity	3,996,281	3,996,281	—
Equity Securities	2,227,651	2,227,651	—
Mutual Fund Equities	2,913	2,913	—
Total Equity Securities	<u>17,720,855</u>	<u>17,720,855</u>	<u>0</u>
Total Investments by Fair Value Level	<u>57,756,005</u>	<u>\$ 55,355,195</u>	<u>\$ 2,400,810</u>
<u>Investments Measured at the Net Asset Value (NAV)</u>			
Real Assets	11,271		
Private Equity	32,488		
Public Equity	206,498		
Global Fixed Income	41,367		
Other Directional Strategies	235,761		
Relative Value Strategies	157,342		
Portfolio Hedges	4,769		
Venture Capital	19,854		
Total Investments Measured at NAV	<u>709,350</u>		
Total Investments Measured at Fair Value	<u>\$ 58,465,355</u>		

(Notes continue on next page.)

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 non-government backed C.M.O.s 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.

Investments Measured at the Net Asset Value (NAV)

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

- **Real Assets:** Consists of one (1) investment in a limited partnership that invests in US commercial real estate. The strategy combines core income generation with lighter value add, such as repositioning a property. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.
- **Public Equity – US Equity:** Consists of one (1) investment in which passive S&P 500 exposure is obtained through futures. This structure is used in place of traditional equity funds primarily for liquidity management purposes. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.
- **Public Equity – International Equity:** Consists of four (4) equity fund investments that focus on developed markets outside of the US. These exposures are intended to diversify the total equity portfolio with non-US securities, while remaining focused on lower risk, relatively mature markets. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.
- **Public Equity – Global Equity:** Consists of four (4) investments, with three being in hedge funds and one being in a traditional UCITS structure. The equity exposures obtained through the hedge funds are obtained through total return swaps, while the UCITS strategy invests in individual public equity securities. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.
- **Global Fixed Income – Regulated Debt:** Consists of one (1) fund investment and two (2) co-investments for an investment grade private debt strategy that invests in the credits of companies registered under the Investment Company Act as either closed end funds (CEFs) or business development companies (BDCs). It lends at low (loan to values) LTVs, meaning the strategy is relatively risk remote. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.
- **Other Directional Strategies – Directional:** Consists of three (3) equity long/short strategies, one credit long/short strategy,

and a macro fund-of-fund investment. These investments, or their underlying investments, are all hedge funds, and they are intended to provide equity-like returns over the long-term with lower risk. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.

- **Other Directional Strategies – Trend-Following:** Consists of one (1) investment in a hedge fund that combines a variety of trend-following strategies. The strategy is expected to perform well when prices move in a linear fashion, rather than exhibiting mean reversion. It is diversified across a large number of markets and investment horizons. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.
- **Other Directional Strategies – Reinsurance:** Consists of one (1) investment in a hedge fund that focuses on reinsurance and related insurance strategies. These positions earn income and make ad hoc payments to primary insurers or other market participants, often when they face losses above predetermined thresholds due to natural disasters. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.
- **Relative Value Strategies – RV Macro/Multi-strategy:** Consists of one (1) multi-strategy hedge fund that combines fixed income relative value with global macro as well as one (1) hedge fund strategy that trades European securities across capital structures with an event focus and credit bias. Both investments are typically expected to perform better when market volatility increases. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.
- **Relative Value Strategies – Arbitrage:** Consists of one (1) fixed income relative value hedge fund strategy and one (1) volatility arbitrage hedge fund strategy. These investments are diversifying versus equity investments and typically exhibit low levels of volatility. The fixed income strategy primarily trades offsetting long and short positions in the most liquid sovereign debt markets, while the volatility strategy primarily trades offsetting positions in options tied to large US firms' shares based on differences in implied volatilities. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.
- **Relative Value Strategies – Equity Market:** Consists of one (1) hedge fund investment in a quantitative strategy that focuses primarily on equities. It invests in a market neutral fashion, where short positions offset the systematic risk exposures of long positions. This is intended to result in a relatively consistent return profile. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.
- **Portfolio Hedge:** Consists of one (1) investment in a fund of one structure that serves as a tail hedge for the overall portfolio. This investment focuses on purchasing protection against significant, sharp equity market draw-downs primarily

through put options and related derivatives. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.

- **Private Equity – Early/Late-Stage Venture Capital:** Consists of five (5) investments in venture capital limited partnerships, one (1) secondaries investment focused on venture, and one (1) hybrid investment in a listed closed end fund that contains both venture capital and public equity investments. These strategies seek to invest in early-stage companies or companies that are early in their growth phases; they are generally riskier but offer more upside than investments in public companies. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.
- **Private Equity – Real Assets:** Consists of one (1) investment in a private equity limited partnership where the strategy is focused on US infrastructure services. The manager has performed well, and the strategy should benefit from the

significant increase in spending on infrastructure in the US. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.

- **Private Equity – Leveraged Buyout:** Consists of private limited partnership investments that are not venture capital or real assets, including buyout (1 investment), growth (1 investment), and secondaries (1 investment). These are grouped because growth is being viewed as a buyout alternative, and secondaries are being utilized as a preferred way to access both strategies while the portfolio is early in its life. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.
- **Venture Capital:** – These investments are measured using the NAV per share (or its equivalent) of the respective private investment fund based on the partnerships' audited financial statements.

The following funds have investments measured at the net asset value:

Investments Measured at the Net Asset Value (NAV)
At June 30, 2024
(expressed in thousands)

Fund	Totals	Real Assets	Public Equity	Global Fixed Income	Other Directional Strategies	Relative Value Strategies	Portfolio Hedges	Private Equity	Venture Capital
State Endowment Fund	\$ 259,020	\$ 5,605	\$ 99,559	\$ 17,544	\$ 75,994	\$ 45,167	\$ 2,323	\$ 12,827	\$ —
Post-Retirement Benefits Trusts	\$ 101,492	5,666	—	2,440	51,791	41,595	—	—	—
Employers' Reinsurance Fund ..	\$ 50,689	—	—	1,277	27,414	21,998	—	—	—
Utah Navajo Trust Fund	\$ 54,529	—	21,605	3,655	16,234	9,814	494	2,727	—
Higher Education Student Success Fund	\$ 190,477	—	74,681	14,500	56,227	33,935	1,705	9,429	—
General Fund	\$ 5,781	—	2,290	387	1,724	1,039	52	289	—
Miscellaneous Special Revenue Funds	\$ 21,366	—	8,362	1,564	6,376	3,795	195	1,074	—
Utah Capital Investment Corporation	\$ 25,996	—	—	—	—	—	—	6,142	19,854
Totals	<u>\$ 709,350</u>	<u>\$ 11,271</u>	<u>\$ 206,497</u>	<u>\$ 41,367</u>	<u>\$ 235,760</u>	<u>\$ 157,343</u>	<u>\$ 4,769</u>	<u>\$ 32,488</u>	<u>\$ 19,854</u>

(Notes continue on next page.)

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

**Primary Government
Investments Measured at the Net Asset Value (NAV)**

At June 30, 2024

(expressed in thousands)

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Global Fixed Income				
Regulated Debt	\$ 41,367	\$ —	Semi-Annual to Illiquid	90 Days
Total Global Fixed Income	<u>41,367</u>	<u>0</u>		
Public Equity				
U.S. Equity	10,161	—	Daily	
International Equity	92,610	—	Daily to Quarterly	1 - 60 Days
Global Equity	103,727	—	Quarterly	6 - 65 Days
Total Public Equity	<u>206,498</u>	<u>0</u>		
Other Directional Strategies				
Directional	134,819	—	Quarterly	60 - 120 Days
Trend-Following	37,576	—	Monthly	14 Days
Reinsurance	63,366	—	Semi-Annual	90 Days
Total Other Directional Strategies	<u>235,761</u>	<u>0</u>		
Relative Value Strategies				
RV Macro/Multi-Strategy	57,418	—	Monthly to Quarterly	60 - 90 Days
Arbitrage	68,859	—	Monthly	26 - 30 Days
Equity Market	31,065	—	Monthly	30 Days
Total Relative Value Strategies	<u>157,342</u>	<u>0</u>		
Private Equity				
Early/Late-Stage Venture Capital	12,168	34,631	Daily to Illiquid	
Private Real Assets	—	25,050	Illiquid	
Leveraged Buyout	14,178	59,716	Illiquid	
Total Private Equity	<u>26,346</u>	<u>119,397</u>		
Real Assets				
Real Assets	11,271	—	Illiquid	
Total Real Assets	<u>11,271</u>	<u>0</u>		
Portfolio Hedges				
Portfolio Hedge	4,769	—	Monthly	90 Days
Total Portfolio Hedges	<u>4,769</u>	<u>0</u>		
Venture Capital				
Venture Capital	19,854	—		
Total Venture Capital	<u>19,854</u>	<u>0</u>		
Total Investments Measured at NAV	<u>\$ 703,208</u>	<u>\$ 119,397</u>		

(Notes continue on next page.)

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, 2024, 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, 2024
(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	\$ 8,747,687	\$ 8,425,682	\$ 214,108	\$ 107,897	\$ —
U.S. Agencies	20,514,027	20,514,027	—	—	—
Corporate Debt	2,384,166	2,384,166	—	—	—
Non-government Backed C.M.O.s	16,644	—	—	205	16,439
Money Market Mutual Funds	268,384	268,384	—	—	—
Commercial Paper	1,724,855	1,724,855	—	—	—
Bond Mutual Funds	5,065,464	—	—	5,065,464	—
Stable Value Funds	1,313,923	—	1,313,923	—	—
Total	<u>40,035,150</u>	<u>\$ 33,317,114</u>	<u>\$ 1,528,031</u>	<u>\$ 5,173,566</u>	<u>\$ 16,439</u>
Discretely Presented Component Units Investment in Primary Government's Investment Pool	(1,595,085)				
Total Debt Investments	<u>\$ 38,440,065</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:

Utah Educational Savings Plan Trust
Mix of Investments
At June 30, 2024
(dollars expressed in thousands)

Investment Type	Amount	Percent of Total
Bond Mutual Funds	\$ 5,056,348	21.03 %
Stable Value Funds	1,313,923	5.47 %
International Equity	3,982,475	16.57 %
Domestic Equity	11,451,682	47.63 %
Equity Securities	2,227,651	9.27 %
Utah Public Treasurers' Investment Fund	9,121	0.04 %
Total Investments	<u>\$ 24,041,200</u>	

**Post-Retirement Benefits Trust Funds
and Other Employee Benefits Trust Funds**
Mix of Investments
At June 30, 2024
(dollars expressed in thousands)

Investment Type	Amount	Percent of Total
U.S. Treasuries	\$ 232,752	66.47 %
Bond Mutual Funds	538	0.15 %
Non-government Backed C.M.O.s	982	0.28 %
Money Market Mutual Funds	414	0.12 %
Real Assets	5,666	1.62 %
Global Fixed Income	2,440	0.70 %
Other Directional Strategies	51,791	14.79 %
Relative Value Strategies	41,595	11.88 %
Utah Public Treasurers' Investment fund	13,958	3.99 %
Total Investments	<u>\$ 350,136</u>	

**State Endowment Fund
Mix of Investments
At June 30, 2024**

(dollars expressed in thousands)

Investment Type	Amount	Percent of Total
Bond Mutual Funds	\$ 3,866	0.94 %
Non-government Backed C.M.O.s	7,059	1.71 %
Money Market Mutual Funds	7,822	1.90 %
International Equity	6,706	1.63 %
Domestic Equity	20,489	4.98 %
Mutual Funds - Equity	1,416	0.34 %
Real Estate	5,605	1.36 %
Public Equity	99,559	24.17 %
Private Equity	12,827	3.11 %
Global Fixed Income	17,544	4.26 %
Other Directional Strategies	75,994	18.45 %
Relative Value Strategies	45,167	10.97 %
Portfolio Hedges	2,323	0.56 %
Utah Public Treasurers' Investment fund	105,454	25.61 %
Total Investments	\$ 411,831	

**Employers' Reinsurance Fund
Mix of Investments
At June 30, 2024**

(dollars expressed in thousands)

Investment Type	Amount	Percent of Total
U.S. Treasuries	\$ 114,999	61.51 %
Bond Mutual Funds	281	0.15 %
Non-government Backed C.M.O.s	514	0.27 %
Money Market Mutual Funds	5	— %
Global Fixed Income	1,277	0.68 %
Other Directional Strategies	27,414	14.66 %
Relative Value Strategies	21,998	11.77 %
Utah Public Treasurers' Investment fund	20,474	10.95 %
Total Investments	\$ 186,962	

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, 2024, 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, 2024
(expressed in thousands)

Debt Investments	Fair Value	Quality Ratings							
		AA	A	BBB	CCC	CC	AAAm ¹	A-1 ²	Not Rated
U.S. Agencies	\$ 20,514,027	\$18,372,164	\$ —	\$ —	\$ —	\$ —	\$ —	\$2,141,863	\$ —
Corporate Debt	2,384,166	684,342	1,177,865	521,959	\$ —	—	—	—	—
Non-government Backed C.M.O.s	16,644	—	—	—	3,015	2,147	—	—	11,482
Money Market Mutual Funds	268,384	—	—	—	—	—	268,384	—	—
Commercial Paper	1,724,855	—	—	—	—	—	—	1,724,855	—
Bond Mutual Funds	5,065,464	—	—	—	—	—	—	—	5,065,464
Stable Value Funds	1,313,923	—	—	—	—	—	—	—	1,313,923
Subtotal	31,287,463	\$19,056,506	\$1,177,865	\$ 521,959	\$ 3,015	\$ 2,147	\$268,384	\$3,866,718	\$6,390,869
U.S. Treasuries	8,747,687								
Total Debt Investments	\$ 40,035,150								

¹ S&P Global rating for money market mutual funds.

² Short term credit rating given by S&P Global.

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, 2024, 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 the following debt securities investments at June 30, 2024, with more than 5 percent of the total investments in a single issuer:

- Federal Home Loan Bank, \$14.209 billion or 24.29 percent
- Federal Farm Credit Bank, \$6.305 billion or 10.78 percent

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:

Primary Government
(except Utah Retirement Systems and Trust Lands)

Foreign Currency Risk

At June 30, 2024

(expressed in thousands)

Fund	Amount
Utah Education Savings Plans	\$ 3,982,475
State Endowment Fund	6,706
Utah Navajo Trust Fund	1,432
Higher Education Student Success Fund	4,953
General Fund	152
Miscellaneous Special Revenue Funds	563
Totals	<u>\$ 3,996,281</u>

Derivative Financial Instruments - Futures

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.

Primary Government
(except Utah Retirement Systems and Trust Lands)

Derivative Financial Instruments

At June 30, 2024

(expressed in thousands)

Risk Type	Gross Notional Value	Assets Fair Value	Liability Fair Value	Earning (Losses)
Index Futures...	\$ 30,092	\$ 161	\$ —	\$ 160
Total	<u>\$ 30,092</u>	<u>\$ 161</u>	<u>\$ 0</u>	<u>\$ 160</u>

(Notes continue on next page.)

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, 2023
(expressed in thousands)

Investment Type	Defined Benefit	Defined Contribution	Total All Systems and Plans
Short-term Securities Pools	\$ 1,314,525	\$ —	\$ 1,314,525
Debt Securities	6,079,761	2,626,611	8,706,372
Equity Securities	15,111,912	6,215,987	21,327,899
Absolute Return	7,416,106	—	7,416,106
Private Equity	5,615,048	—	5,615,048
Real Assets	8,743,924	279,313	9,023,237
Investments Held by Broker-dealers under Securities Lending Program:			
Equity Securities	292,554	—	292,554
Debt Securities	891,300	—	891,300
Total	45,465,130	9,121,911	54,587,041
Securities Lending Collateral Pool	1,282,268	—	1,282,268
Total Investments	<u>\$46,747,398</u>	<u>\$ 9,121,911</u>	<u>\$ 55,869,309</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 and debt derivative securities 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 securities 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 3 are real estate investment 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 where 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 valuation method for investments measured at the NAV per share (or its equivalent) is presented in the tables below. Synthetic guaranteed investment

contracts that are fully benefit-responsive are measured at contract value and do not participate in fair value changes.

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
December 31, 2023
(expressed in thousands)

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		
Investments by Fair Value Level								
Short-term Securities	\$ 1,314,622	\$ 695,496	\$ 543,651	\$ 75,474	\$ —	\$ —	\$ —	\$ —
Debt Securities								
Asset-backed Securities	465,891	—	358,575	107,316	33,395	—	31,410	1,985
Commercial Mortgage-backed	133,198	—	131,813	1,385	1,798	—	1,798	—
Corporate Bonds	1,520,376	—	1,517,623	2,753	462,077	—	462,077	—
Funds – Other Fixed Income	60,148	53,675	—	6,473	80,832	—	80,832	—
Government Agencies	125,935	—	125,935	—	29,189	—	29,189	—
Government Bonds	1,521,871	—	1,521,871	—	395,184	—	395,184	—
Government Mortgage-backed Securities	1,346,014	—	1,337,686	8,328	452,180	—	415,846	36,334
Index-linked Government Bonds	1,740,315	—	1,740,315	—	136,513	—	136,513	—
Non-government Backed C.M.O.s	61,583	—	59,888	1,695	4,215	—	3,762	453
Total Debt Securities	6,975,331	53,675	6,793,706	127,950	1,595,383	0	1,556,611	38,772
Equity Investments								
Consumer Goods	2,933,438	2,932,763	256	419	634,746	634,746	—	—
Energy	498,215	497,742	—	473	93,504	93,504	—	—
Equity Other	3,115	20	—	3,095	354,018	354,018	—	—
Financials	1,973,737	1,973,272	—	465	403,520	403,520	—	—
Health Care	1,591,080	1,590,328	—	752	405,594	405,594	—	—
Industrials	1,915,342	1,915,133	—	209	259,127	259,127	—	—
Information Technology	2,647,655	2,647,629	—	26	1,004,247	1,004,247	—	—
Materials	544,399	541,395	4	3,000	63,706	63,681	25	—
Real Estate Investment Trusts	481,988	481,911	—	77	79,921	79,921	—	—
Telecommunication Services	851,885	851,091	—	794	315,052	315,052	—	—
Utilities	319,309	319,223	—	86	54,804	54,804	—	—
Total Equity Investments	13,760,163	13,750,507	260	9,396	3,668,239	3,668,214	25	0
Real Assets								
Real Estate	3,905,545	—	—	3,905,545	—	—	—	—
Total Real Assets	3,905,545	0	0	3,905,545	0	0	0	0
Total Investments by Fair Value Level	\$ 25,955,659	\$14,499,678	\$ 7,337,617	\$ 4,118,364	\$ 5,263,622	\$ 3,668,214	\$ 1,556,636	\$ 38,772

Continues

Utah Retirement Systems
(pension trust and defined contribution plans)
Investments and Derivative Instruments Measured at Fair Value
December 31, 2023
(expressed in thousands)

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	Level 3	
<i>Continued</i>								
Investments Measured at the Net Asset Value (NAV)								
Equity Investments								
Co-mingled Equity Fund	\$ 1,640,416				\$ 2,547,748			
Absolute Return								
Directional	1,542,051				—			
Equity Long/Short	708,584				—			
Event Driven	1,478,562				—			
Multistrategy	23,540				—			
Relative Value	1,941,999				—			
Plus	1,721,370				—			
Total Absolute Return Measured at the NAV ..	7,416,106				0			
Private Equity – Private Equity Partnerships	5,615,048				0			
Real Assets								
Co-mingled Real Estate Fund	—				279,313			
Agriculture	601,994				—			
Energy	1,730,238				—			
Esoteric	110,451				—			
Minerals	465,559				—			
Infrastructure	278,110				—			
Real Estate	1,262,948				—			
Royalty	60,553				—			
Timber	328,526				—			
Total Real Assets Measured at the NAV	4,838,379				279,313			
Total Investments Measured at the NAV	19,509,949				2,827,061			
Total Investments Measured at Fair Value	\$ 45,465,608				\$ 8,090,683			
Synthetic Guaranteed Investments Contracts Measured at Contract Value	\$ 0				\$ 1,032,383			
Investment Derivative Instruments								
Short-term Securities – Options	\$ (97)	\$ (13)	\$ (84)	\$ —	\$ —	\$ —	\$ —	\$ —
Debt Securities								
Options	\$ —	\$ —	\$ —	\$ —	\$ (28)	\$ —	\$ (28)	\$ —
Swaptions	(4,550)	—	(4,550)	—	(266)	—	(266)	—
Swaps	281	—	281	—	(861)	—	(861)	—
Total Debt Security Derivative	(4,269)	0	(4,269)	0	(1,155)	0	(1,155)	0
Invested Securities Lending Collateral								
Short-Term Securities	\$ 44,850	\$ 39,649	\$ —	\$ 5,201	\$ —	\$ —	\$ —	\$ —
Debt Securities	140,476	67,547	50,575	22,354	—	—	—	—
Equity Investments	1,096,942	1,096,942	—	—	—	—	—	—
Total Invested Securities Lending Collateral	\$ 1,282,268	\$ 1,204,138	\$ 50,575	\$ 27,555	\$ 0	\$ 0	\$ 0	\$ 0

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 measured at NAV.

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

At December 31, 2023

(expressed in thousands)

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Equity Investments				
Co-mingled Equity fund	\$ 1,640,416	\$ —	Daily	None
Total Equity Investments	<u>1,640,416</u>	<u>0</u>		
Absolute Return				
Directional	1,542,051	—	Monthly, quarterly	3–60 days
Equity Long/Short	708,584	—	Monthly, quarterly, annually	30–60 days
Event Driven	1,478,562	31,500	Monthly, quarterly, semi-annually, annually, bi-annually	45–120 days
Multistrategy	23,540	—	Monthly, quarterly, semi-annually, annually	45–90 days
Relative Value	1,941,999	—	Monthly, quarterly, semi-annually, annually	N/A
Plus	1,721,370	925,081	N/A	N/A
Total Absolute Return	<u>7,416,106</u>	<u>956,581</u>		
Private Equity – Partnerships	<u>5,615,048</u>	<u>2,558,159</u>	Not eligible	N/A
Real Assets				
Agriculture	601,994	132,741	Not eligible	N/A
Energy	1,730,238	573,315	Not eligible	N/A
Esoteric	110,451	37,966	Not eligible	N/A
Minerals	465,559	214,373	Not eligible	N/A
Infrastructure	278,110	225,957	Not eligible	N/A
Real Estate *	1,262,948	555,184	Not eligible	N/A
Royalty	60,553	—	Not eligible	N/A
Timber *	328,526	4,776	Not eligible	N/A
Total Real Assets	<u>4,838,379</u>	<u>1,744,312</u>		
Total Investments Measured at the NAV ..	<u>\$ 19,509,949</u>	<u>\$ 5,259,052</u>		

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

Defined Benefit**1. Commingled Equity Funds and Commingled Small Cap Fund.**

This type consists of four institutional investment funds that invest in international equities, three funds that invest in domestic 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.

2. 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 eight funds that attempt to generate returns by identifying momentum or trends across a variety of markets. One fund is in the process of redemptions totaling \$4.300 million over the next year. *Equity long/short funds* include investments in four funds which maintain some level of market exposure (either net long or net short); however the level of market exposure may vary through time. Two funds, with a total amount of \$109 million, are in the process of redemptions over the next year. *Event driven funds* include investments in eleven funds with a focus on securities that may benefit from the occurrence of an extraordinary corporate transaction or event (e.g., restructurings, takeovers, mergers, spin-offs, bankruptcy). One fund is in the process of redemption totaling \$2.900 million over the next year. *Multi-strategy funds* include investments in

three funds. These funds represent a mix of the other absolute return strategies. Two funds, with a total amount of \$8.500 million, are in the process of redemption over the next 1 to 5 years. *Relative value funds* include investments in eleven funds. These funds seek returns by capitalizing on the mispricing of related securities or financial instruments. As of December 31, 2023, one fund has been fully redeemed. There is one fund with total amount of \$4.900 million currently in the process of redemption over the next year and two additional funds, with total amount of \$245.900 million, will start the redemption process in 2024. Plus funds include twenty-four limited partnerships in a variety of private markets and esoteric strategies intended to diversify the Absolute Return Portfolio. These investments are considered illiquid and have an approximate life of 5 to 10 years. No other funds currently have redemption restrictions.

3. Private Equity Partnerships. This type includes investments in limited partnerships. Generally speaking, the types of partnership strategies included in this portfolio are buyouts, venture capital, growth equity, and special situations. These investments have an approximate life of 10 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 and internal managers are required to manage the private equity portfolio in accordance with guidelines established by URS. The Systems have no plans to liquidate the total portfolio. As of December 31, 2023, 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 the Systems ownership interest in partners' capital.

4. Energy, Mineral, Infrastructure, Esoteric, and Royalty Funds.

Investments in *Energy* consist of forty private equity partnerships which invest primarily in oil and gas related investments. *Mineral funds* include ten private equity partnerships which invest in mineral mining equity securities, commodities and other mining investments. *Infrastructure* includes six private equity partnerships and four direct investments which invest primarily in renewable energy and telecommunications infrastructure. *Esoteric funds* consist of five private equity partnerships that invest in agriculture, food production and technology. *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, 2023, 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 the Systems' 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.

5. Real Estate, Timber, and Agriculture Funds. *Real Estate* type includes eighty-seven investments which are invested primarily in apartments, industrial, office, specialty, and retail properties in the United States. *Timber* includes three funds which invest in timber related resources. *Agriculture* includes eleven 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 the Systems' ownership interest in partners' capital.

Defined Contribution

Commingled Funds. The fair values of the investments in this type have been determined using the NAV per share of the investments. The commingled real estate fund is comprised of institutional quality commercial real estate across a broad range of real estate asset types. The other funds invest in securities indicative of their name.

Utah Retirement Systems
(pension trust and defined contribution plans)
Investments Measured at the Net Asset Value (NAV) — Defined Contribution
At December 31, 2023
(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.....	\$ 2,547,748	\$ —	Daily	None
Total Equity Securities	<u>2,547,748</u>	<u>0</u>		
Real Assets				
Co-mingled Real Estate Equity Fund	279,313	—	Quarterly	N/A
Total Real Asset	<u>279,313</u>	<u>0</u>		
Total Investments Measured at the NAV.....	<u>\$ 2,827,061</u>	<u>\$ 0</u>		

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 US Aggregate Bond Index for domestic debt securities, the Bloomberg Global Aggregate Bond Index (USD hedged) for global debt securities, and the Bloomberg World Government Inflation-Linked Bond Index (USD hedged) for inflation-linked debt securities. The index duration range as of December 31, 2023, was 4.68 to 7.80 percent for domestic debt

securities, 5.03 to 8.38 percent for global debt securities, and 7.40 to 11.10 percent for inflation-linked debt securities.

URS compares an investment's effective duration against the Bloomberg US 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 Global Inflation-Linked Bond Index 1-10 Year (USD hedged) for inflation-linked debt securities. The index

As of December 31, 2023, the following table shows the investments by debt securities 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, 2023

(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	\$ 465,891	1.26	\$ 33,395	1.52	\$ 499,286
Commercial Mortgage-backed	133,198	2.02	1,798	0.03	134,996
Corporate Bonds	1,520,376	7.26	462,077	6.20	1,982,453
Fixed Income Other	55,879	0.91	79,677	—	135,556
Government Agencies	125,935	7.88	29,189	5.62	155,124
Government Bonds	1,521,871	9.84	395,184	9.63	1,917,055
Government Mortgage-backed Securities	1,346,014	7.09	452,180	4.68	1,798,194
Index Linked Bonds	1,740,315	8.79	136,513	4.45	1,876,828
Non-government Backed C.M.O.s	61,582	1.54	4,215	3.25	65,797
Total measured at fair value	<u>6,971,061</u>	6.42	<u>1,594,228</u>	5.66	<u>8,565,289</u>
Synthetic Guaranteed Investment Contracts – measured at contract value	—		1,032,383		1,032,383
Total	<u>\$ 6,971,061</u>		<u>\$ 2,626,611</u>		<u>\$ 9,597,672</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, 2023, URS had \$40.537 million of cash and cash equivalents subject to custodial credit risk and \$636.806 million of other assets where exposure to custodial credit risk is not determined. The \$40.537 million in cash and cash equivalents subject to foreign custodial credit risk are in sub-custodian banks utilized by the Systems' global custodian, Northern Trust. The accounts are in the names of the Systems' and Plans'. 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 cash in sub-custodial bank accounts.

Concentrations 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/Aa Debt Securities or higher** – No more than 4 percent of an investment manager's assets at market with a single issuer.
- **A/A Debt Securities or higher** – No more than 3 percent of an investment manager's assets at market with a single issuer.

duration range as of December 31, 2023, was 4.68 to 7.70 percent for domestic debt securities, 5.73 to 8.59 percent for international debt securities, and 3.81 to 5.71 percent for inflation-linked debt securities.

As of December 31, 2023, no individual debt securities investment manager's portfolio was outside of the policy guidelines.

- **BBB/Baa 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, 2023, 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 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, 2023, was BBB+, and the fair value of below grade investments was \$114.083 million or 1.19 percent.

The notation N/R represents those securities that are not rated, and N/A represents those securities for which the rating disclosure requirements are not applicable such as obligations of the United States Government and obligations guaranteed by the United States Government.

The following table presents URS’s credit risk ratings as of December 31, 2023:

Utah Retirement Systems
(pension trust and defined contribution plans)
Credit Risk of Debt Securities at Fair Value
At December 31, 2023
(expressed in thousands)

Quality Rating	Fair Value	Defined Benefit Plans								
		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	\$ 751,112	\$435,741	\$ 110,661	\$ 3,234	\$ —	\$ 12,063	\$ 70,513	\$ —	\$116,696	\$ 2,204
AA+	95,931	13	—	5,265	—	88,444	2,198	—	—	11
AA	128,742	247	3,728	5,794	—	395	19,342	—	99,236	—
AA-	347,397	—	987	29,133	—	5,422	14,514	—	297,341	—
A+	123,853	58	—	85,020	—	506	5,341	—	32,928	—
A	165,952	8,506	—	155,359	—	419	1,000	—	—	668
A-	299,661	9,354	2,724	280,134	—	3,260	4,189	—	—	—
BBB+	405,465	1,078	485	360,609	—	165	29,952	—	13,176	—
BBB	343,239	—	—	319,078	—	4,153	19,714	—	—	294
BBB-	314,672	522	—	238,793	—	2,778	7,099	—	65,473	7
BB+	20,643	—	—	11,994	—	887	7,747	—	—	15
BB	21,372	—	—	4,988	—	—	16,354	—	—	30
BB-	2,586	—	—	2,537	—	—	—	—	—	49
B+	5,677	16	—	5,661	—	—	—	—	—	—
B	228	72	—	—	—	—	—	—	—	156
CCC	406	262	—	—	—	—	—	—	—	144
CCC-	342	239	—	—	—	—	—	—	—	103
D	108	108	—	—	—	—	—	—	—	—
NR	1,914,815	9,675	14,613	12,777	55,879	7,443	293,951	1,089,085	373,493	57,899
Subtotal	4,942,201	\$465,891	\$ 133,198	\$ 1,520,376	\$ 55,879	\$ 125,935	\$ 491,914	\$1,089,085	\$998,343	\$ 61,580
N/A	2,028,860	—	—	—	—	—	—	—	—	—
Total Debt Securities Investments	\$6,971,061	—	—	—	—	—	—	—	—	—

(Notes continue on next page.)

Utah Retirement Systems
(pension trust and defined contribution plans)
Credit Risk of Debt Securities at Fair Value

At December 31, 2023

(expressed in thousands)

Defined Contribution Plans

Quality Rating	Fair Value	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	\$ 22,967	\$ 1,819	\$ —	\$ —	\$ —	\$ 1,420	\$ 18,841	\$ —	\$ 531	\$ 356
AA+	23,899	23,282	—	258	—	359	—	—	—	—
AA	692	692	—	—	—	—	—	—	—	—
AA-	13,340	—	—	140	—	1,805	11,395	—	—	—
A	14,399	722	—	13,677	—	—	—	—	—	—
A-	54,192	2,997	—	45,847	—	1,002	4,346	—	—	—
BBB+	129,171	—	—	119,440	—	—	9,731	—	—	—
BBB	160,930	152	—	137,132	—	23,646	—	—	—	—
BBB-	78,706	—	—	75,724	—	956	2,026	—	—	—
BB+	24,962	—	—	22,021	—	—	2,941	—	—	—
BB	16,294	—	—	10,699	—	—	5,595	—	—	—
BB-	6,261	—	—	6,261	—	—	—	—	—	—
B+	15,204	—	—	15,204	—	—	—	—	—	—
NR	772,528	3,730	1,798	15,673	79,677	2	184,180	411,517	72,092	3,859
Subtotal	<u>1,333,545</u>	<u>\$ 33,394</u>	<u>\$ 1,798</u>	<u>\$ 462,076</u>	<u>\$ 79,677</u>	<u>\$ 29,190</u>	<u>\$ 239,055</u>	<u>\$ 411,517</u>	<u>\$ 72,623</u>	<u>\$ 4,215</u>
N/A	<u>260,683</u>	—	—	—	—	—	158,326	38,466	63,891	—
Total debt securities Investments	1,594,228									
Synthetic Guaranteed Investment Contracts	<u>1,032,383</u>									
Total	<u>\$2,626,611</u>									

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 (ADR).
- Portfolios should be adequately diversified to limit foreign currency and security risk.

(Notes continue on next page.)

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, 2023
(expressed in thousands)

Currency	Defined Benefit Plans							Defined Contribution Plans			Total All Systems and Plans
	Short-term	Debt	Equity	Absolute Return	Private Equity	Real Assets	Total	Debt	Equity	Total	
Australian dollar	\$ 4,232	\$ 33,293	\$ 181,136	\$ —	\$ 621	\$ —	\$ 219,282	\$ 32,494	\$ 58,695	\$ 91,189	\$ 310,471
Brazilian real	399	—	135,851	—	—	—	136,250	—	—	—	136,250
British pound sterling	(405)	415,348	692,562	47,513	62,455	—	1,217,473	36,082	128,516	164,598	1,382,071
Canadian dollar	(5,804)	49,312	454,808	—	—	—	498,316	(21,096)	87,431	66,335	564,651
Chilean peso	356	—	17,326	—	—	—	17,682	—	1,828	1,828	19,510
Chinese yuan renminbi	7	14,118	7,072	—	—	—	21,197	11,343	76,914	88,257	109,454
Colombian peso	253	—	1,964	62,533	—	—	64,750	—	304	304	65,054
Czech koruna	8	—	1,411	—	—	—	1,419	—	446	446	1,865
Danish krone	61	3,918	84,645	—	—	—	88,624	874	23,360	24,234	112,858
Egyptian pound	48	—	1,088	—	—	—	1,136	—	516	516	1,652
Euro	21,730	615,414	1,319,565	457,747	254,448	38,170	2,707,074	135,986	233,864	369,850	3,076,924
Hong Kong dollar	772	27,226	598,747	—	—	—	626,745	15,843	15,511	31,354	658,099
Hungarian forint	14	3,268	24,749	—	—	—	28,031	1,566	755	2,321	30,352
Iceland krona	191	—	395	—	—	—	586	—	—	—	586
Indian rupee	638	—	186,494	—	—	—	187,132	—	55,879	55,879	243,011
Indonesian rupiah	86	3,128	19,077	—	—	—	22,291	1,660	6,115	7,775	30,066
Japanese yen	(499)	73,689	751,398	—	—	—	824,588	—	7,264	7,264	831,852
Kuwaiti dinar	347	—	7,554	—	—	—	7,901	32,464	178,326	210,790	218,691
Malaysian ringgit	686	—	15,989	—	—	—	16,675	—	2,553	2,553	19,228
Mexican peso	76	22,854	65,865	59,304	—	—	148,099	—	4,799	4,799	152,898
Moroccan dirham	17	—	—	—	—	—	17	7,122	8,621	15,743	15,760
New Israeli shekel	66	—	17,284	—	—	—	17,350	—	—	—	17,350
New Romanian leu	6	—	1,436	—	—	—	1,442	—	—	—	1,442
New Taiwan dollar	536	—	156,274	—	—	—	156,810	13,523	1,983	15,506	172,316
New Zealand dollar	119	46,626	8,155	—	—	—	54,900	—	6,890	6,890	61,790
Norwegian krone	70	—	16,394	—	—	—	16,464	—	2	2	16,466
Pakistani rupee	—	—	—	—	—	—	—	2,698	826	3,524	3,524
Peruvian nuevo sol	23	7,955	—	—	—	—	7,978	—	2,052	2,052	10,030
Philippine peso	404	—	40,174	—	—	—	40,578	—	3,280	3,280	43,858
Polish zloty	75	—	66,055	4,219	—	—	70,349	—	2,805	2,805	73,154
Qatar riyal	—	—	—	—	—	—	—	—	4	4	4
Russian ruble	—	—	—	—	—	—	—	—	13,274	13,274	13,274
Saudi riyal	305	—	43,069	—	—	—	43,374	1,389	10,807	12,196	55,570
Singapore dollar	198	2,217	29,723	—	—	—	32,138	5,595	10,111	15,706	47,844
South African rand	284	16,354	30,695	—	—	—	47,333	17,953	42,339	60,292	107,625
South Korean won	453	43,658	176,347	—	—	—	220,458	2,717	28,380	31,097	251,555
Swedish krona	(3,280)	17,006	142,384	—	—	—	156,110	3,258	68,486	71,744	227,854
Swiss franc	212	5,708	258,142	15,228	—	—	279,290	—	54,897	54,897	334,187
Thai baht	240	2,698	21,882	—	—	—	24,820	1,542	6,380	7,922	32,742
Turkish lira	117	—	10,138	—	—	—	10,255	—	2,649	2,649	12,904
dirham	39	—	17,567	—	—	—	17,606	—	3,969	3,969	21,575
Total Securities Subject to Foreign Currency Risk	<u>\$ 23,080</u>	<u>\$ 1,403,790</u>	<u>\$ 5,603,415</u>	<u>\$ 646,544</u>	<u>\$ 317,524</u>	<u>\$ 38,170</u>	<u>\$8,032,523</u>	<u>\$ 303,013</u>	<u>\$1,150,831</u>	<u>\$ 1,453,844</u>	<u>\$9,486,367</u>

(Notes continue on next page.)

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, 2024	
<i>(expressed in thousands)</i>	
<u>Investment Category</u>	<u>Fair Value (with accruals)</u>
Growth.....	\$ 1,622,780
Real Assets	692,739
Income	1,008,149
Defensive	325,553
Total Investments	<u>\$ 3,649,221</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 next page.)

At June 30, 2024, Trust Lands had the following recurring fair value measurements:

Trust Lands (permanent fund)				
Investments Measured at Fair Value				
June 30, 2024				
<i>(expressed in thousands)</i>				
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
<u>Investments by Fair Value Level</u>				
Growth				
Public Equity	\$ 880,672	\$ 879,966	\$ 580	\$ 126
Private Equity	(4)	—	(4)	—
Total Growth	<u>880,668</u>	<u>879,966</u>	<u>576</u>	<u>126</u>
Real Assets				
Public Real Assets	177,957	177,856	101	—
Private Real Assets	(1)	(1)	—	—
Total Real Assets	<u>177,956</u>	<u>177,855</u>	<u>101</u>	<u>0</u>
Income				
Public Income	2,221	—	(298)	2,519
Private Income	300,052	235,651	62,975	1,426
Total Income	<u>302,273</u>	<u>235,651</u>	<u>62,677</u>	<u>3,945</u>
Defensive				
GRIPs	129,789	129,771	18	—
Cash and Cash Equivalents	22,860	21,303	1,557	—
Total Defensive	<u>152,649</u>	<u>151,074</u>	<u>1,575</u>	<u>0</u>
Total Investments by Fair Value Level	<u>\$ 1,513,546</u>	<u>\$ 1,444,546</u>	<u>\$ 64,929</u>	<u>\$ 4,071</u>
<u>Investments Measured at the Net Asset Value (NAV)</u>				
Growth				
Public Equity	377,036			
Private Equity	365,076			
Real Assets				
Public Real Assets	82,855			
Private Real Assets	431,928			
Income				
Public Income	429,138			
Private Income	276,738			
Defensive				
Systematic Convexity	172,903			
Total Investments Measured at the NAV	<u>2,135,674</u>			
Total Investments Measured at Fair Value	<u>\$ 3,649,220</u>			

(Notes continue on 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, 2024				
<i>(dollars expressed in thousands)</i>				
Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Growth				
Public Equity	\$ 377,036	\$ —	Daily-90 Days	3-90 Days
Private Equity	365,076	226,744	Limited	N/A
Total Growth	<u>742,112</u>	<u>226,744</u>		
Real Assets				
Public Real Assets	82,855	—	90 Days, Limited	90 Days, N/A
Private Real Estate	431,928	223,494	Limited	N/A
Total Real Assets	<u>514,783</u>	<u>223,494</u>		
Income				
Public Income	429,138	5,389	30-183 Days, Limited	15-180 Days
Private Income	276,738	162,656	Limited	N/A
Total Income	<u>705,876</u>	<u>168,045</u>		
Defensive				
Systematic Convexity	172,903	—	1-92 Days	1-45 Days
Total Defensive	<u>172,903</u>	<u>0</u>		
Total Investments Measured at NAV	<u>\$ 2,135,674</u>	<u>\$ 618,283</u>		

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

Growth - Public Equity: Consists of seven (7) investments in hedge funds with equity investments and one (1) 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 the Trust Funds' investments held or ownership interest in partners' capital.

Growth - Private Equity: Consists of sixty-six (66) 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, secondaries and special situations. These investment commitments were made in 2016 onwards 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. The Trust Funds have no plans to liquidate the total portfolio. As of June 30, 2024, 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 - Public Real Assets: Consists of one (1) investment in a pooled investment fund with a focus on real estate property and property income and one (1) investment in a hedge fund. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the Trust Funds' investments ownership interest in partners' capital.

Real Assets - Private Real Assets: Consists of ten (10) investments in private real estate limited partnerships and forty-five (45) investments in limited partnerships. Generally speaking, the types of strategies included in this portfolio include core, value added and opportunistic property interests. These investment commitments were made over a period ranging from 2008 onwards 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. The Trust Funds have no plans to liquidate the total portfolio. As of June 30, 2024, 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.

Income - Public Income: Consists of nine (9) investments in limited partnerships with underlying insurance linked securities investments and associated strategies and seven (7) investments in pooled investment funds including hedge funds. The fair value of the investments in this type have been determined using the NAV per share (or its equivalent) of the Trust Funds' ownership interest in partners' capital.

(Notes continue on next page.)

Income - Private Income: Consists of thirty-six (36) 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 ten years and are therefore considered illiquid. The Trust Funds have no plans to liquidate the total portfolio. As of June 30, 2024, 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 six (6) investments in hedge funds with underlying investments in Commodity Trading Advisor/Systematic Convexity and associated investment strategies. The fair values of the investments in this type has been determined using the NAV per share (or its equivalent) of the Trust Funds' 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, 2024, 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, 2024
(dollars expressed in thousands)

Investment Category	Fair Value	Weighted Average Maturity (Years)
Asset Backed Securities	\$ 3,905	8.93
Bank Loans	9,323	4.83
Commercial Mortgage-Backed	79	6.31
Corporate Bonds	35,992	3.79
Corporate Convertible Bonds	1,232	16.46
Funds – Corporate Bond	52,788	3.37
Funds – Government Bond	50,246	8.52
Funds – Short Term Investments	52,161	2.85
Government Bonds	92,044	24.88
Index Linked Government Bonds	37,546	2.52
Funds – Other Fixed Income	99,887	3.87
Other Fixed Income	953	0.23
Total Debt Securities Investments ...	<u>\$ 436,156</u>	8.63

As of June 30, 2024, Trust Lands held \$260.073 million in nineteen (19) 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, 2024, 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).

(Table on next page)

Trust Lands
(permanent fund)
Credit Risk of Debt Securities at Fair Value
June 30, 2024
(expressed in thousands)

Quality Rating	Total	AAA	AA	A	BBB	BB	B	CCC	NR
Asset Backed Securities	\$ 3,905	\$ 250	\$ 900	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,755
Bank Loans	9,323	—	—	—	237	2,011	5,653	103	1,319
Commercial Mortgage-Backed	79	—	—	79	—	—	—	—	—
Corporate Bonds	35,992	—	149	135	3,394	13,076	14,975	3,400	863
Corporate Convertible Bonds	1,232	—	—	—	257	539	—	—	436
Funds – Corporate Bond	52,788	—	—	—	—	—	—	—	52,788
Funds – Government Bond	50,246	—	—	—	—	—	—	—	50,246
Funds – Short Term Investments	52,161	—	—	—	—	—	—	—	52,161
Index Linked Government Bonds	10,241	10,241	—	—	—	—	—	—	—
Funds – Other Fixed Income	99,887	—	—	—	—	—	—	—	99,887
Other Fixed Income	953	—	—	—	—	—	—	—	953
Subtotal	<u>316,807</u>	<u>\$ 10,491</u>	<u>\$ 1,049</u>	<u>\$ 214</u>	<u>\$ 3,888</u>	<u>\$ 15,626</u>	<u>\$ 20,628</u>	<u>\$ 3,503</u>	<u>\$261,408</u>
U.S. Treasuries	119,349								
Total Debt Securities	<u>\$ 436,156</u>								

* As of June 30, 2024, the Trust Funds held \$22.161 million in the Northern Trust Institutional Funds Treasury Portfolio - Premier Class, an AAA rated money market fund.

Custodial Credit

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, 2024, the following investments, including accrued income/expense, have custodial credit risk:

- Cash and Cash Equivalents – The \$940 thousand frictional cash and cash equivalents subject to custodial credit risk are in foreign banks in the Trust Land's 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 \$506.227 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, 2024, Trust Lands does not hold any credit positions exceeding 5 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 next page.)

Trust Lands' exposure to foreign currency (inclusive of pending foreign exchange purchases and sales) as of June 30, 2024, is as follows:

Trust Lands (permanent fund)					
Foreign Currency Risk					
June 30, 2024					
(expressed in thousands)					
Currency	Alternative Investments	Debt	Short-term	Equity	Total
Australian dollar	\$ —	\$ —	\$ 12	\$ 11,902	\$ 11,914
British pound sterling	2,405	135	(74)	12,898	15,364
Canadian dollar	—	—	(1,568)	4,728	3,160
Chinese yuan renminbi	—	—	334	6,237	6,571
Danish krone	—	—	97	6,128	6,225
Euro	97,247	188	474	48,911	146,820
HK offshore Chinese Yuan Renminbi	—	—	404	4,040	4,444
Hong Kong dollar	—	—	106	5,020	5,126
Japanese yen	—	—	118	16,596	16,714
New Israeli shekel	—	—	38	2,108	2,146
New Zealand dollar	—	—	20	1,144	1,164
Norwegian krone	—	—	14	2,976	2,990
Singapore dollar	—	—	27	4,968	4,995
Swedish krona	—	—	—	6,046	6,046
Swiss franc	—	—	270	11,646	11,916
Total Securities Subject to Foreign Currency Risk	<u>\$ 99,652</u>	<u>\$ 323</u>	<u>\$ 272</u>	<u>\$ 145,348</u>	<u>\$ 245,595</u>

D. Discretely Presented Component Units

Custodial Credit Risk – Deposits

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

The discretely presented 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 discretely presented component units at June 30, 2024, were \$471.067 million. Of these, \$323.455 million were exposed to custodial credit risk as uninsured and uncollateralized and \$134.123 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 discretely presented component units' names.

Investments

The discretely presented 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 Utah Board of Higher Education 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 Utah Board of Higher Education. 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 discretely presented component units' investments at June 30, 2024, 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 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, 2024, for the discretely presented component units:

Discretely Presented Component Units Debt Securities Investments Investments and Derivative Instruments Measured at Fair Value				
At June 30, 2024				
<i>(expressed in thousands)</i>				
	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<u>Investments by Fair Value Level</u>				
Debt Securities				
U.S. Treasuries	\$ 2,171,528	\$ 15,208	\$ 2,156,320	\$ —
U.S. Agencies	2,978,385	—	2,978,385	—
Government Mortgage-backed Securities	139,199	—	123,613	15,586
Corporate Debt / Commercial Paper	682,444	—	681,603	841
Negotiable Certificates of Deposit	37,693	—	37,693	—
Money Market Mutual Funds	578,889	24,425	554,464	—
Municipal/Public Bonds	19,586	—	19,586	—
Asset-backed Securities	27,751	—	15,504	12,247
Bond Mutual Funds	312,362	15,090	263,392	33,880
Exchange Traded Products	5,626	—	5,626	—
Non-government-backed CMOs	125	—	—	125
Utah Public Treasurers' Investment Fund	1,595,085	—	1,595,085	—
Total Debt Securities	<u>8,548,673</u>	<u>54,723</u>	<u>8,431,271</u>	<u>62,679</u>
Equity Securities				
Equity Securities	1,237,099	136,107	1,017,176	83,816
Total Equity Securities	<u>1,237,099</u>	<u>136,107</u>	<u>1,017,176</u>	<u>83,816</u>
Other Investments				
Real Estate	7,015	—	—	7,015
Total Other Investments	<u>7,015</u>	<u>0</u>	<u>0</u>	<u>7,015</u>
Total Investments by Fair Value Level	<u>9,792,787</u>	<u>\$ 190,830</u>	<u>\$ 9,448,447</u>	<u>\$ 153,510</u>
<u>Investments Measured at the Net Asset Value (NAV)</u>				
Core Real Estate	1,091			
Credit Sensitive Fixed Income	122,458			
Diversifying Strategies	190,356			
Environment Sustainability	1,824			
Global Distressed	6			
Hedge Funds	71,377			
Other Real Assets	127,390			
Private Debt	1,239			
Private Equity	104,936			
Private Equity Core Real Estate	8,286			
Private Equity Natural Resources	14,450			
Private Equity Partnerships	39,768			
Private Equity Real Estate	30,679			
Private Infrastructure	17,197			
Private Real Estate	10,139			
Real Estate Opportunity	7,274			
Secondary Partners	5,991			
Venture Capital Funds	126,324			
Total Investments Measured at the NAV	<u>880,785</u>			
Total Investments Measured at Fair Value	<u>\$ 10,673,572</u>			
<u>Invested Securities Lending Collateral</u>				
Debt Securities	\$ 3,984	\$ 3,984	\$ 0	\$ 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 and U.S. Agencies 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, Commercial Paper, Municipal/Public Bonds, Negotiable Certificates of Deposit, Exchange Trade Products, and Equity Securities are valued using quoted prices for similar securities in active markets.
- 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 securities and Asset-backed Securities are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.
- Utah Public Treasurers' Investment Funds are valued using the application of the June 30, 2024, fair value factor, as calculated by the Utah State Treasurer, to the June 30, 2024 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.

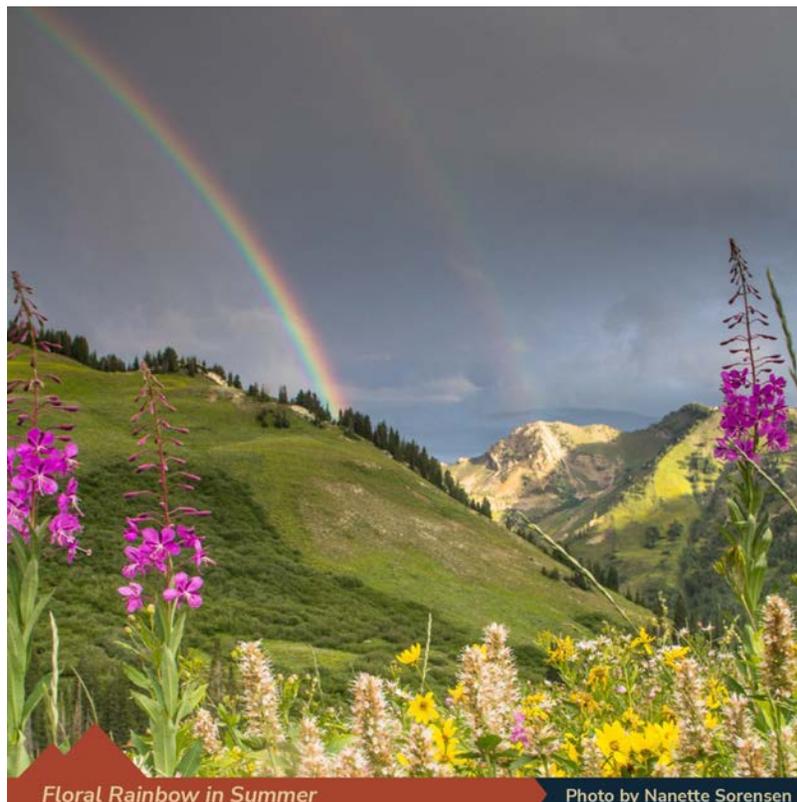
Securities classified in Level 3 are valued using the following approaches:

- Government Mortgage-backed securities and Non-Government Backed Collateralized Mortgage Obligations are valued using discounted cash flow techniques.
- Bond Mutual Funds, Domestic Equity, and Equity Securities (namely common and preferred stocks) are valued manually 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, (discretely presented component units), have opted to invest portions of their portfolios in alternative assets, including private capital. Private capital partnerships utilize investments strategies that focus 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:

(Notes continue on next page.)



Floral Rainbow in Summer

Photo by Nanette Sorensen

**Discretely Presented Component Units Debt Securities
Investments Measured at the Net Asset Value (NAV)**

At June 30, 2024

(expressed in thousands)

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Core Real Estate	\$ 1,091	\$ 534	N/A	N/A
Credit Sensitive Fixed Income	122,458	11,225	Quarterly	90 Days
Diversifying Strategies	190,356	1,524	Daily, quarterly, annually	0 - 90 Days
Global Distressed	6	76	N/A	N/A
Hedge Funds	21,117	1,014	Quarterly	100 Days
Hedge Funds	9,778	—	Daily, Monthly, 4Yr Rolling	1 - 60 Days
Hedge Funds	40,481	—	Monthly, quarterly	30 - 75 Days
Other Real Assets	127,391	16,497	N/A	N/A
Private Debt	1,239	2,733	N/A	N/A
Private Equity	104,936	33,053	N/A	N/A
Private Equity Core Real Estate	8,286	—	Quarterly	90 Days
Private Equity Natural Resources	14,450	6,843	N/A	N/A
Private Equity Partnerships	39,768	14,163	N/A	N/A
Private Equity Real Estate	30,679	8,647	N/A	N/A
Private Infrastructure	17,197	12,353	N/A	N/A
Private Real Estate	10,139	4,124	N/A	N/A
Real Estate Opportunity	7,274	3,947	N/A	N/A
Secondary Partners	5,991	2,413	N/A	N/A
Venture Capital Funds	126,324	41,524	N/A	N/A
Environmental Sustainability	1,824	459	N/A	N/A
Total Investments Measured at NAV	<u>\$ 880,785</u>	<u>\$ 161,129</u>		

Interest Rate Risk

The following table presents the debt investments and maturities at June 30, 2024, for the discretely presented component units.

Discretely Presented Component Units

Debt Investments at Fair Value

At June 30, 2024

(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	\$ 2,171,528	\$ 964,619	\$ 413,341	\$ 127,801	\$ 665,767	\$ —
U.S. Agencies	2,978,385	912,729	1,153,330	897,652	14,674	—
Government Mortgage-backed Securities	139,199	—	86	2,647	12,604	123,862
Corporate Debt / Commercial Paper	682,442	149,752	318,489	76,501	137,700	—
Negotiable Certificates of Deposit	37,693	9,269	28,424	—	—	—
Money Market Mutual Funds	578,889	578,889	—	—	—	—
Municipal/Public Bonds	19,586	—	7,061	5,940	6,585	—
Asset-backed Securities	27,751	—	1,259	—	22,012	4,480
Bond Mutual Funds	312,361	18,369	120,501	163,056	10,435	—
Exchange Traded Securities	5,626	—	818	—	4,808	—
Non-government-backed CMOs	125	—	—	—	125	—
Securities Lending Cash Collateral Pool	3,984	3,984	—	—	—	—
Utah Public Treasurers' Investment Fund	1,595,086	1,585,248	9,838	—	—	—
Total Debt Investments	<u>\$ 8,552,655</u>	<u>\$ 4,222,859</u>	<u>\$ 2,053,147</u>	<u>\$ 1,273,597</u>	<u>\$ 874,710</u>	<u>\$ 128,342</u>

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

The discretely presented 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 MMA or the UPMIFA and Rule 541, as applicable. For

non-endowment funds, Section 51-7-11 of the MMA requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The MMA 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 MMA 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 discretely presented component unit) policy to manage its exposure to fair value loss arising from 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 investment's full price. PEHP compares the fixed income portfolio's effective duration against the Bloomberg U.S. Intermediate Aggregate Bond Index. The allowable duration range was 3.35 to 5.59 percent as of December 31, 2023 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 discretely presented component units' policy for reducing its exposure to credit risk is to comply with the State's MMA, the UPMIFA, and Rule 541, as previously discussed. The discretely presented component units' debt investments as of June 30, 2024, 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.

Discretely Presented Component Units Debt Investments Quality Ratings At June 30, 2024

(expressed in thousands)

Debt Investments	Fair Value	Quality Ratings						
		AAA	AA	A	BBB	BB	B	Not Rated
U.S. Treasuries	\$ 332,527	\$ 269,466	\$ 9,728	\$ —	\$ —	\$ —	\$ —	\$ 53,333
U.S. Agencies	2,978,083	115,231	652,913	2,422	2,850	—	—	2,204,667
Government Mortgage-backed Securities	139,199	—	—	—	—	—	—	139,199
Corporate Debt / Commercial Paper	682,444	2,580	33,335	355,669	265,125	3,057	—	22,678
Negotiable Certificates of Deposit	37,693	754	2,248	6,808	3,015	—	—	24,868
Money Market Mutual Funds	578,889	548,780	—	—	—	—	—	30,109
Municipal/Public Bonds	19,585	8,883	8,285	1,970	447	—	—	—
Asset-backed Securities	27,751	1,606	21,648	—	—	—	—	4,497
Bond Mutual Funds	312,361	1,980	1,353	105	686	127	1	308,109
Exchange Traded Products	5,626	—	—	—	4,436	—	—	1,190
Non-government-backed CMOs	125	—	—	—	—	—	—	125
Securities Lending Cash Collateral Pool	3,984	—	—	—	—	—	—	3,984
Utah Public Treasurers' Investment Fund	1,595,085	—	—	—	—	—	—	1,595,085
Subtotal	<u>6,713,352</u>	<u>\$ 949,280</u>	<u>\$729,510</u>	<u>\$ 366,974</u>	<u>\$ 276,559</u>	<u>\$ 3,184</u>	<u>\$ 1</u>	<u>\$ 4,387,844</u>
U.S. Treasuries	1,839,002							
U.S. Agencies	301							
Total Debt Securities	<u>\$8,552,655</u>							

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the discretely presented 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 discretely presented component units do not have a formal policy for custodial credit risk.

The various discretely presented component units' investments at June 30, 2024, were held by the discretely presented component unit or in the name of the discretely presented component unit by the discretely presented component unit's custodial bank or trustee, except the following, which were uninsured, were not registered in the name of the discretely presented component unit, and were held by other entities, as listed below (expressed in thousands):

Counterparty

U.S. Treasuries	\$1,772,080
U.S. Agencies	\$2,756,795
Corporate Debt	\$ 394,134
Municipal/Public Bonds	\$ 14,274
Equity Securities	\$ 50,845

Counterparty's Trust Department or Agent

U.S. Treasuries	\$ 50,291
U.S. Agencies	\$ 140,110
Corporate Debt	\$ 89,402

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 discretely presented component unit), the discretely presented 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 MMA 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 Utah Board of Higher Education. Rule 17 of the Money Management Council limits non-endowment fund investments in a single issuer of commercial paper and corporate obligations between 5 and 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. If a security is downgraded, the manager has 30 days to sell enough of the security to comply with the single issuer guideline applicable to the new rating. At no time should more than 1 percent of an Investment Manager's assets at market be with a single below investment grade issuer. No individual holding shall constitute more than 5 percent of the market value of the issuer with the exception of the U.S. government or its agencies, or collateralized mortgage obligations.

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

- The University of Utah held more than 5 percent of its total investments in the Federal Home Loan Bank, Federal Farm Credit Bank, and the Federal Agricultural Mortgage Corporation. These investments represent 14.10, 10.90, and 6.20 percent, respectively, of the University's total investments.
- Utah State University held more than 5 percent of total investments in securities of the Federal Farm Credit Bank and Federal Home Loan Bank. These investments represent 16.49 and 5.52 percent of the total investments.
- Utah Transit Authority, to maximize credit risk, looks to diversity the investments with any one issuer. All corporate investments are less than 1 percent of the total investments and do not represent a concentration of credit risk to the portfolio as of December 31, 2023. A concentration of credit risk does exist with the Federal Farm Credit Bank and Federal Home Loan Bank investments, in US Agencies, which represent 11.09 and 14.03 percent of the total investment, respectively.
- Salt Lake Community College held more than 5 percent of total investments in securities of Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Federal Agricultural Mortgage Corporation. These investments represent 27.40, 15.30, 9.50, and 5.30 percent, respectively, of the College's total investments.
- Utah Valley University held more than 5 percent of its total investments in Federal Home Loan Bank (18.19 percent); Freddie Mac (7.19 percent); Toronto Dominion (6.84 percent); and Wells Fargo (6.83 percent).

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 discretely presented component units do not have a formal policy to limit foreign currency risk. The University of Utah's exposure to foreign currency risk is \$5.900 million in Private Real Estate investments being held in Euro currency denomination.

E. Securities Lending

Utah Retirement Systems (URS) (pension trust and defined contribution plans), Public Employees Health Program (PEHP) (major discretely presented 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 No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, 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 \$889 thousand and \$85.019 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 \$1.180 billion for URS, \$873 thousand for PEHP, and \$132.334 million for Trust Lands. Collateral received for those securities on loan was \$1.280 billion for URS, \$889 thousand for PEHP, and \$138.260 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 136 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, 2023, 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, 2023, 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, 2023
(expressed in thousands)

	Defined Benefit Plans	Defined Contribution Plans
Cash and Cash Equivalent		
Long	\$ —	\$ —
Short	(271,194)	—
Equity		
Long	11,182	—
Short	(65,068)	(27,715)
Fixed Income		
Long	592,405	118,501
Short	(511,974)	(193,305)
Total Futures	<u>\$ (244,649)</u>	<u>\$ (102,519)</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, 2023, 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, 2023

(expressed in thousands)

Currency	Defined Benefit Plans				Currency	Defined Contribution Plans			
	Notional Cost	Pending Foreign Exchange Purchases	Pending Foreign Exchange Sales	Fair Value		Notional Cost	Pending Foreign Exchange Purchases	Pending Foreign Exchange Sales	Fair Value
Australian dollar	\$ (35,741)	\$ 18,716	\$ (55,551)	\$ (36,835)	Australian dollar	\$ (20,373)	\$ 1,660	\$ (22,741)	\$ (21,081)
British pound sterling	(420,055)	377,765	(799,621)	(421,856)	British pound sterling	(34,434)	15,941	(50,668)	(34,727)
Canadian dollar	(41,241)	32,504	(74,953)	(42,449)	Canadian dollar	(6,567)	2,439	(9,208)	(6,769)
Czech koruna	(30)	—	(30)	(30)	Danish krone	(826)	219	(1,060)	(841)
Danish krone	(3,924)	2,732	(6,693)	(3,961)	Euro	(139,824)	38,551	(180,564)	(142,013)
Euro	(615,083)	362,464	(984,012)	(621,548)	HK offshore Chinese yuan renminbi	(26,700)	—	(26,806)	(26,806)
HK offshore Chinese yuan renminbi	(40,883)	—	(41,045)	(41,045)	Indian rupee	(1,417)	—	(1,444)	(1,444)
Hong Kong dollar	1,263	1,423	(160)	1,263	Indonesian rupiah	(1,682)	—	(1,689)	(1,689)
Hungarian forint	(2,986)	—	(3,042)	(3,042)	Japanese yen	(23,881)	14,174	(39,280)	(25,106)
Indonesian rupiah	(3,210)	—	(3,225)	(3,225)	Mexican peso	(6,425)	374	(6,947)	(6,573)
Japanese yen	(48,857)	69,464	(121,017)	(51,553)	New Taiwan dollar	(883)	—	(882)	(882)
Malaysian ringgit	—	—	—	—	New Zealand dollar	(12,883)	512	(13,754)	(13,242)
Mexican peso	(17,549)	1,943	(19,921)	(17,978)	Peruvian nuevo sol	(2,616)	—	(2,656)	(2,656)
New Taiwan dollar	(2,715)	—	(2,712)	(2,712)	Singapore dollar	(1,330)	—	(1,350)	(1,350)
New Zealand dollar	(44,872)	8,099	(54,215)	(46,116)	South African rand	(5,307)	—	(5,499)	(5,499)
Norwegian krone	(54)	—	(56)	(56)	South Korean won	(17,140)	—	(17,396)	(17,396)
Peruvian nuevo sol	(8,010)	—	(8,135)	(8,135)	Swedish krona	(2,316)	2,129	(4,536)	(2,407)
Singapore dollar	(2,200)	—	(2,233)	(2,233)	Swiss franc	(3,504)	—	(3,627)	(3,627)
South African rand	(16,303)	47	(16,939)	(16,892)	Thai baht	(1,412)	—	(1,456)	(1,456)
South Korean won	(41,843)	—	(42,468)	(42,468)	United States dollar	309,520	383,214	(73,694)	309,520
Swedish krona	(12,184)	13,941	(26,506)	(12,565)	Total Forwards Subject to Foreign Currency Risk	<u>\$ 0</u>	<u>\$ 459,213</u>	<u>\$ (465,257)</u>	<u>\$ (6,044)</u>
Swiss franc	(6,993)	218	(7,457)	(7,239)					
Thai baht	(2,484)	—	(2,559)	(2,559)					
Turkish Lira	(46)	—	(46)	(46)					
United States dollar	1,366,000	2,249,659	(883,657)	1,366,002					
Total Forwards Subject to Foreign Currency Risk	<u>\$ 0</u>	<u>\$ 3,138,975</u>	<u>\$(3,156,253)</u>	<u>\$ (17,278)</u>					

(Notes continue on next page.)

At December 31, 2023, 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, 2023 (expressed in thousands)			
	Defined Benefit Plans	Defined Contribution Plans	
Cash and Cash Equivalent:			
Call	\$ —	\$ —	
Put	3,887,500	—	
Fixed Income:			
Call	(33,999)	(7)	
Put	(63,103)	(21)	
Swaptions:			
Call	(3,177,161)	(191)	
Put	(1,373,045)	(75)	
Total Options	<u>\$ (759,809)</u>	<u>\$ (294)</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.

Swaps – URS has entered into various inflation, overnight indexed 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 counterparty who, in turn, agrees to make return interest payments that float with some reference rate. 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, 2023, 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, 2023 (expressed in thousands)			
	Fair Value		
	Defined Benefit Plans	Defined Contribution Plans	
Fixed Income Portfolio Swaps			
Interest Rate Swaps:			
Pay Fixed Receive Variable	\$ 2,672	\$ (67)	
Pay Variable Receive Fixed	664	64	
Retail Price Index:			
Pay Fixed Receive Variable	(168)	58	
Pay Variable Receive Fixed	112	(62)	
Overnight Indexed Swaps:			
Pay Fixed Receive Variable	(266)	(11)	
Pay Variable Receive Fixed	205	15	
Other	(2,938)	(858)	
Total Swaps	<u>\$ 281</u>	<u>\$ (861)</u>	

Derivative Credit Risk

Derivatives 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, 2023, if all counterparties fail to perform as contracted, was \$16.738 million. Derivative instrument credit risk at fair value is shown in the next table.

This maximum exposure is reduced \$41.639 million by 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, 2023, 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, 2023 (expressed in thousands)				
Quality Rating	Forwards	Options	Swaps	Total
AA-	\$ (3,522)	\$ —	\$ —	\$ (3,522)
A+	(14,604)	(878)	3,396	(12,086)
A	(4,556)	(3,666)	—	(8,222)
A-	(651)	(384)	275	(760)
BBB+	10	—	—	10
NA	—	3,875	(1,766)	2,109
Total Subject to Credit Risk	<u>\$ (23,323)</u>	<u>\$ (1,053)</u>	<u>\$ 1,905</u>	<u>\$ (22,471)</u>

Synthetic Guaranteed Investment Contracts

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, 2023, was \$103 thousand and the market value was \$988 thousand. 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, 2023

(dollars expressed in thousands)

	1-3 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	\$ 53,392	\$ 51,099	1.20	AAA	\$ 36,125	\$ 34,573	0.87	AAA	\$ 9,498	\$ 9,090	1.03	AAA	\$ 99,015	\$ 94,762
Agencies	15,683	15,009	3.51	AAA	18,701	17,898	3.95	AAA	—	—	—	—	34,384	32,907
Corporates	209,503	200,505	1.85	A3	212,154	203,043	3.66	A3	46,401	44,409	4.89	BAA	468,058	447,957
Non Corporate	—	—	—	—	6,108	5,845	3.31	A1	325	311	7.54	A1	6,433	6,156
Government Mortgage-backed Securities	33,778	32,327	4.02	AAA	93,317	89,310	5.44	AAA	27,260	26,089	5.82	AAA	154,355	147,726
U.S. Treasuries	110,493	105,747	1.03	AAA	74,805	71,593	2.15	AAA	24,075	23,041	8.02	AAA	209,373	200,381
Commercial Mortgage-backed Securities	19,480	18,644	1.10	AAA	28,833	27,595	1.69	AAA	3,846	3,681	2.63	AAA	52,159	49,920
Cash	4,468	4,276	—	—	3,409	3,262	—	—	729	698	—	—	8,606	8,236
Total	<u>\$ 446,797</u>	<u>\$ 427,607</u>			<u>\$473,452</u>	<u>\$453,119</u>			<u>\$112,134</u>	<u>\$107,319</u>			<u>\$1,032,383</u>	<u>\$ 988,045</u>

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

At December 31, 2023

(dollars expressed in thousands)

Contract Issuer	Fair Value	Market Value	Rate	Duration	Quality Ratings
American General	\$ 103,239	\$ 98,804	3.15%	3.18	A+
Lincoln National Life	103,238	98,804	3.15%	3.18	A+
Massachusetts Mutual Life Insurance Company	103,239	98,804	3.15%	3.18	AA+
MetLife	103,238	98,804	3.15%	3.18	AA-
Pacific Life	103,238	98,804	3.15%	3.18	AA-
Prudential	103,238	98,805	3.15%	3.18	AA-
Royal Bank of Canada	103,238	98,805	3.15%	3.18	AA-
RGA Reinsurance	103,238	98,805	3.15%	3.18	AA-
Transamerica	103,239	98,805	3.15%	3.18	AA-
State State Bank	103,238	98,805	3.15%	3.18	A+
Total	<u>\$ 1,032,383</u>	<u>\$ 988,045</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, 2024, 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.

(Table on next page)

Trust Lands
(permanent fund)
Derivative Financial Instruments
June 30, 2024
(expressed in thousands)

Risk Type	Gross Notional Value	Asset Fair Market Value	Liability Fair Market Value	Earnings (Losses)
Equity Rights/ Warrants.....	\$ 98	\$ —	\$ —	\$ (31)
Currency Forwards.....	335	3	—	5
Swaps.....	941	60	—	227
Futures.....	8,010	—	—	2,605
Total.....	<u>\$ 9,384</u>	<u>\$ 63</u>	<u>\$ 0</u>	<u>\$ 2,806</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 Statements 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.

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. 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.

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.

Internal Participant Account Balances

State funds authorized to earn interest and surplus cash balances of State funds invest in the PTIF as an internal investment pool. From the perspective of the various State funds and discretely presented component units, the PTIF functions as both a cash management pool and a demand deposit account. The State's cash management policy is to invest financial resources as soon as the monies are available within the banking system. The pooling of cash allows the Treasurer to invest monies not needed to pay immediate obligations so that investment earnings on available cash are maximized. Investments and investment activity of the PTIF are not segregated; rather, each contributing State fund's balance is treated as equity in the PTIF pool and presented as "Pooled Cash and Investments". Discretely presented component unit's equity in the PTIF is presented as "Cash and Cash Equivalents".

(Notes continue on next page.)

The PTIF condensed financial statements, inclusive of external and internal participants along with the portfolio statistics for the fiscal year ended June 30, 2024, are shown in the tables below:

Utah Public Treasurers' Investment Fund	
Statement of Net Position	
June 30, 2024	
<i>(expressed in thousands)</i>	
Assets	
Cash and Cash Equivalents	\$ 2,526,232
Investments	30,614,592
Interest Receivable	193,979
Receivable for Unsettled Trades	13,422
Total Assets	<u>\$ 33,348,225</u>
Liabilities	
Payable for Unsettled Trades	\$ 700,000
Net Position	
External Participant Account Balances:	
External Participants	16,276,968
Unrealized Gains/(Losses)	(4,729)
Total External Participants	<u>16,272,239</u>
Internal Participant Account Balances:	
Primary Government	14,802,668
Discretely Presented Component Units	1,578,078
Unrealized Gains/(Losses)	(4,760)
Total Internal Participants	<u>16,375,986</u>
Total Net Position	<u>\$ 32,648,225</u>
Participant Account Balance:	
Net Position Valuation Factor	1.00150349

Utah Public Treasurers' Investment Fund	
Statement of Changes in Net Position	
For the Fiscal Year Ended June 30, 2024	
<i>(expressed in thousands)</i>	
Additions	
Pool Participant Deposits	<u>\$ 21,954,853</u>
Investment Income:	
Investment Earnings	1,818,994
Fair Value Increases (Decreases)	39,043
Total Investment Income	<u>1,858,037</u>
Less Administrative Expenses	(1,295)
Net Investment Income	<u>1,856,742</u>
Total Additions	<u>23,811,595</u>
Deductions	
Pool Participant Withdrawals	21,580,951
Earnings Distributions	1,809,166
Total Deductions	<u>23,390,117</u>
Net Increase/(Decrease) From Operations	<u>421,478</u>
Net Position	
Beginning of Year	32,226,747
Net Position – End of Year	<u>\$ 32,648,225</u>

Utah Public Treasurers' Investment Fund
Portfolio Statistics
At June 30, 2024

	Range of Yields	Weighted Average Maturity
U.S. Treasuries	5.05% – 5.25%	78.98 days
Money Market Mutual Funds	5.19% – 5.22%	1 day
U.S. Agencies	4.80% – 5.57%	90.47 days
Corporate Bonds and Notes	5.19% – 7.00%	45.03 days
Commercial Paper	5.17% – 5.33%	76.15 days
	Weighted Average Yield	Weighted Average Maturity
Total Investment Fund	5.37%	82.96 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, 2024.

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, 2024, for the PTIF:

**Utah Public Treasurers' Investment Fund
Investments Measured at Fair Value**

At June 30, 2024

(expressed in thousands)

Investments by Fair Value Level	Fair Value	Fair Value Measurements Using	
		Level 1	Level 2
Debt Securities			
U.S. Treasuries	\$ 8,399,936	\$ 8,399,936	\$ —
U.S. Agencies	\$20,514,027	20,514,027	—
Corporate Bonds and Notes	2,384,166	—	2,384,166
Money Market Mutual Funds	252,287	252,287	—
Commercial Paper	1,724,855	1,724,855	—
Total Debt Securities	<u>\$33,275,271</u>	<u>\$30,891,105</u>	<u>\$ 2,384,166</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, 2024, are presented on the following table:

Utah Public Treasurers' Investment Fund		
At June 30, 2024		
<i>(expressed in thousands)</i>		
Investment Type	Fair Value	Investment Maturities (in years) Less Than 1
Debt Securities		
U.S. Treasuries	\$ 8,399,936	\$ 8,399,936
U.S. Agencies	20,514,027	20,514,027
Corporate Bonds and Notes	2,384,166	2,384,166
Money Market Mutual Funds	252,287	252,287
Commercial Paper	1,724,855	1,724,855
Total Debt Securities	<u>\$ 33,275,271</u>	<u>\$ 33,275,271</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, 2024, 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, 2024

(expressed in thousands)

Fair Value	Quality Ratings				
	AA	A	BBB	AAAm ¹	A-1 ²
U.S. Agencies	\$20,514,027	\$18,372,164	\$ —	\$ —	\$ 2,141,863
Corporate Bonds and Notes	2,384,166	684,342	1,177,865	521,959	—
Money Market Mutual Funds	252,287	—	—	252,287	—
Commercial Paper	1,724,855	—	—	—	1,724,855
Subtotal	24,875,335	<u>19,056,506</u>	<u>1,177,865</u>	<u>521,959</u>	<u>3,866,718</u>
U.S. Treasuries	8,399,936	—	—	—	—
Total Debt Securities	<u>\$33,275,271</u>	—	—	—	—

¹ S&P Global rating for money market mutual funds.

² Short term credit rating given by S&P Global

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, 2024, 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

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 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, 2024, 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 category of Other receivables for the General fund includes a receivable of \$184.999 million for the State’s portion of the National Opioid Settlement and Litigation Lawsuit.

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

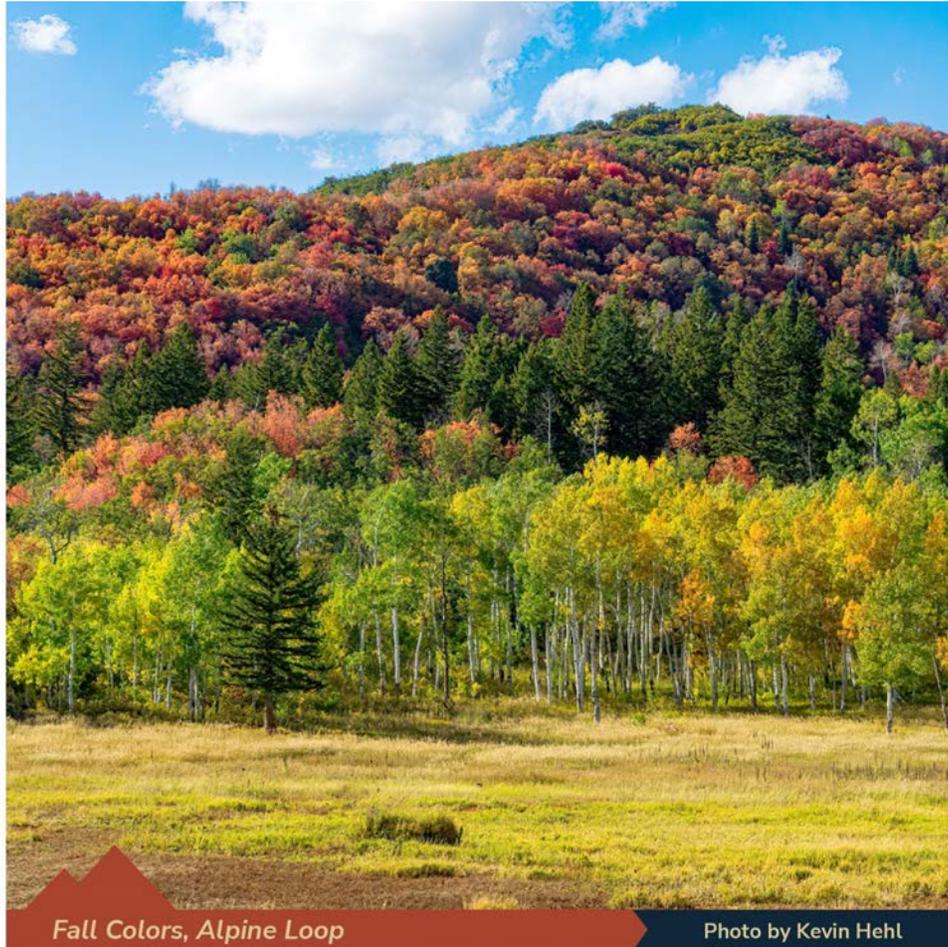
Adjustments for fiduciary funds listed below represent amounts due from various fiduciary funds that were reclassified as external receivables on the government-wide Statement of Net Position.

Aggregated receivables for major and nonmajor discretely presented component units at June 30, 2024, were \$1.342 billion and \$311.478 million, respectively. These receivables are net of an allowance for doubtful accounts of \$763.474 million and \$17.913 million, respectively.

As of June 30, 2024, the State has notes receivables due from the University of Utah (major discretely presented component unit) for \$57.690 million related to the Huntsman Cancer Hospital expansion (2009E and 2017 refunding lease revenue bond series), and due from the Utah System of Technical Colleges (nonmajor discretely presented component unit) for an administration and training building (2011 lease revenue bond series) totaling \$565 thousand. The State has energy efficiency loans due from Utah State University totaling \$246 thousand.

The State has interest receivable of \$256 thousand and a related infrastructure note receivable of \$15.619 million due from the Military Installation Development Authority (nonmajor discretely presented component unit).

(Table continues on next page.)



Receivables as of June 30, 2024, consisted of the following (expressed in thousands):

	<u>Accounts Receivable</u>					
	<u>Federal</u>	<u>Customer</u>	<u>Other</u>	<u>Interest</u>	<u>Taxes</u>	<u>Notes/ Mortgages</u>
Governmental Activities:						
General Fund	\$ 571,073	\$ 408,791	\$ 295,074	\$ —	\$ 496,675	\$ 261
Income Tax Fund	273,857	31,348	6,786	50	1,228,542	9,976
Transportation Fund	100,018	6,802	12,717	—	91,294	—
Transportation Investment Fund	—	—	—	—	98,448	—
Trust Lands Fund	—	—	62,887	807	—	—
Nonmajor Funds	388	142,696	26	1,505	15,231	58,255
Internal Service Funds	—	10,564	—	—	—	—
Adjustments:						
Fiduciary Funds	—	—	231	—	—	—
Total Receivables	<u>945,336</u>	<u>600,201</u>	<u>377,721</u>	<u>2,362</u>	<u>1,930,190</u>	<u>68,492</u>
Less Allowance for Uncollectibles:						
General Fund	—	(110,947)	—	—	(10,636)	—
Income Tax Fund	—	—	—	—	(203,809)	—
Transportation Fund	—	(200)	—	—	(583)	—
Transportation Investment Fund	—	—	—	—	(2,433)	—
Internal Service Funds	—	(1,013)	—	—	—	—
Receivables, net	<u>\$ 945,336</u>	<u>\$ 488,041</u>	<u>\$ 377,721</u>	<u>\$ 2,362</u>	<u>\$ 1,712,729</u>	<u>\$ 68,492</u>
Current Receivables	\$ 945,336	\$ 443,005	\$ 183,199	\$ 2,362	\$ 1,547,183	\$ 8,725
Noncurrent Receivables	—	45,036	194,522	—	165,546	59,767
Total Receivables, net	<u>\$ 945,336</u>	<u>\$ 488,041</u>	<u>\$ 377,721</u>	<u>\$ 2,362</u>	<u>\$ 1,712,729</u>	<u>\$ 68,492</u>
Business-type Activities:						
Unemployment Compensation	\$ 60	\$ 173,658	\$ —	\$ —	\$ —	\$ —
Water Loan Programs	1,141	131	—	7,541	5,761	904,583
Community Impact Loan Fund	—	—	—	5,186	—	441,222
Employers' Reinsurance Fund	—	18,450	—	—	743	—
Alcoholic Beverage Services	—	2,452	—	—	—	1,507
Nonmajor Funds	3,115	11,531	—	4,953	—	336,432
Total Receivables	<u>4,316</u>	<u>206,222</u>	<u>0</u>	<u>17,680</u>	<u>6,504</u>	<u>1,683,744</u>
Less Allowance for Uncollectibles:						
Unemployment Compensation	—	(54,811)	—	—	—	—
Employers' Reinsurance Fund	—	(16,800)	—	—	—	—
Total Receivables, net	<u>\$ 4,316</u>	<u>\$ 134,611</u>	<u>\$ 0</u>	<u>\$ 17,680</u>	<u>\$ 6,504</u>	<u>\$ 1,683,744</u>

(Notes continue on next page.)

NOTE 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities as of June 30, 2024, consisted of the following (expressed in thousands):

	Salaries/ Benefits	Service Providers	Vendors/ Other	Government	Tax Refunds/ Credits	Interest	Total
Governmental Activities:							
General Fund	\$ 140,629	\$ 453,830	\$ 136,781	\$ 204,033	\$ 16,825	\$ —	\$ 952,098
Income Tax Fund	4,734	2,427	22,913	282,577	94,801	—	407,452
Transportation Fund	17,838	1,627	238,765	60,761	2,261	—	321,252
Trust Lands Fund	—	—	31,042	—	—	—	31,042
Nonmajor Governmental Funds	1,081	11	187,063	7,388	492	31,708	227,743
Internal Service Funds	13,975	—	23,013	1,041	—	4	38,033
Adjustments:							
Fiduciary Funds	—	—	—	992	—	—	992
Other	—	—	—	—	—	724	724
Total Governmental Activities	<u>\$ 178,257</u>	<u>\$ 457,895</u>	<u>\$ 639,577</u>	<u>\$ 556,792</u>	<u>\$ 114,379</u>	<u>\$ 32,436</u>	<u>\$ 1,979,336</u>
Business-type Activities:							
Unemployment Compensation Fund	\$ —	\$ 12,989	\$ 2,913	\$ 191	\$ —	\$ —	\$ 16,093
Water Loan Programs	—	—	2,021	1,106	—	—	3,127
Community Impact Loan Fund	4	—	331	318	—	—	653
Employers' Reinsurance Fund	—	—	354	—	—	—	354
Alcoholic Beverage Services Fund	3,288	—	4,392	—	—	562	8,242
Nonmajor Enterprise Funds	1,967	843	11,123	—	33	—	13,966
Total Business-type Activities	<u>\$ 5,259</u>	<u>\$ 13,832</u>	<u>\$ 21,134</u>	<u>\$ 1,615</u>	<u>\$ 33</u>	<u>\$ 562</u>	<u>\$ 42,435</u>

Accounts payable and accrued liabilities 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 next page.)

NOTE 7. INTERFUND BALANCES AND LOANS

Interfund Balances

Interfund balances at June 30, 2024, consisted of the following (expressed in thousands):

Due to General Fund from:		Due to Nonmajor Enterprise Funds from:	
Income Tax Fund	\$ 402	General Fund	\$ 122
Transportation Fund	1,015	Nonmajor Enterprise Funds	—
Trust Lands Fund	76	Internal Service Funds	6
Nonmajor Governmental Funds	2,899	Total due to Nonmajor Enterprise Funds from other funds	<u>128</u>
Unemployment Compensation Fund	13,459		
Water Loan Programs	61	Due to Internal Service Funds from:	
Nonmajor Enterprise Funds	237	General Fund	\$ 41,118
Alcoholic Beverage Services Fund	73,627	Income Tax Fund	185
Internal Service Funds	2,600	Transportation Fund	5,539
Total due to General Fund from other funds	<u>\$ 94,376</u>	Employers' Reinsurance Fund	70
		Nonmajor Governmental Funds	1,700
Due to Income Tax Fund from:		Nonmajor Enterprise Funds	469
General Fund	\$ 8,552	Community Impact Loan Fund	1
Unemployment Compensation Fund	683	Alcoholic Beverage Services Fund	1,800
Trust Lands Fund	26,556	Internal Service Funds	173
Total due to Income Tax Fund from other funds	<u>\$ 35,791</u>	Fiduciary Funds	19
		Total due to Internal Service Funds from other funds	<u>\$ 51,074</u>
Due to Transportation Fund from:		Due to Fiduciary Funds from:	
General Fund	\$ 1,465	General Fund	\$ 198
Income Tax Fund	6	Nonmajor Governmental Funds	794
Nonmajor Governmental Funds	1,844	Nonmajor Enterprise Funds	4
Internal Service Funds	460	Total due to Fiduciary Funds from other funds	<u>\$ 996</u>
Total due to Transportation Fund from other funds	<u>\$ 3,775</u>		
		Total Due to / Due from	<u>\$ 260,946</u>
Due to Trust Lands from:			
General Fund	\$ 127		
Transportation Fund	2		
Nonmajor Enterprise Funds	4,702		
Total due to Trust Lands from other funds ..	<u>\$ 4,831</u>		
Due to Nonmajor Governmental Funds from:			
General Fund	\$ 18,278		
Transportation Fund	1,572		
Alcoholic Beverage Services Fund	6,588		
Internal Service Funds	30		
Fiduciary Funds	212		
Total due to Nonmajor Governmental Funds from other funds	<u>\$ 26,680</u>		
Due to Water Loan Programs from:			
General Fund	\$ 93		
Trust Lands Fund	117		
Total due to Water Loan Programs from other funds	<u>\$ 210</u>		
Due to Alcoholic Beverage Services Fund from:			
Nonmajor Governmental Funds	\$ 43,065		
Internal Service Funds	20		
Total due to Alcoholic Beverage Services Fund from other funds	<u>\$ 43,085</u>		

These interfund balances resulted from timing 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, 2024, interfund loans receivable/payable balances consist of \$50.560 million in revolving loans payable to the General Fund from Internal Service Funds. The balance payable portion to the General Fund from Internal Service Funds of \$50.560 million includes \$30.442 million that is not expected to be repaid within one year and is classified as nonspendable fund balance.

(Notes continue on next page.)

NOTE 8. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows (expressed in thousands):

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets Not Depreciated/Amortized:				
Land and Related Assets	\$ 2,614,956	\$ 15,350	\$ (28,440)	\$ 2,601,866
Infrastructure	17,177,762	1,279,976	—	18,457,738
Construction in Progress ²	1,859,933	1,204,612	(1,534,437)	1,530,108
Total Capital Assets Not Depreciated/Amortized	<u>21,652,651</u>	<u>2,499,938</u>	<u>(1,562,877)</u>	<u>22,589,712</u>
Capital Assets Depreciated/Amortized:				
Buildings and Improvements	3,501,754	62,072	(79)	3,563,747
Lease Buildings ¹	205,103	34,916	(1,108)	238,911
Infrastructure	92,464	87	—	92,551
Machinery and Equipment	613,997	83,114	(17,970)	679,141
Lease Machinery and Equipment	10,135	—	(41)	10,094
Intangible Assets—Software	477,584	36,778	(3,565)	510,797
Subscription Based—Software	13,111	9,176	(5,279)	17,008
Total Capital Assets Depreciated/Amortized	<u>4,914,148</u>	<u>226,143</u>	<u>(28,042)</u>	<u>5,112,249</u>
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	(1,291,289)	(84,219)	43	(1,375,465)
Lease Buildings ¹	(32,104)	(17,190)	152	(49,142)
Infrastructure	(49,382)	(2,654)	—	(52,036)
Machinery and Equipment	(362,627)	(43,300)	14,558	(391,369)
Lease Machinery and Equipment	(8,172)	(1,276)	41	(9,407)
Intangible Assets—Software	(279,542)	(47,748)	3,437	(323,853)
Subscription Based—Software	(3,107)	(4,332)	2,953	(4,486)
Total Accumulated Depreciation/Amortization	<u>(2,026,223)</u>	<u>(200,719)</u>	<u>21,184</u>	<u>(2,205,758)</u>
Total Capital Assets Depreciated/Amortized, Net	<u>2,887,925</u>	<u>25,424</u>	<u>(6,858)</u>	<u>2,906,491</u>
Capital Assets, Net	<u>\$ 24,540,576</u>	<u>\$ 2,525,362</u>	<u>\$ (1,569,735)</u>	<u>\$ 25,496,203</u>
Business-type Activities:				
Capital Assets Not Depreciated/Amortized:				
Land and Related Assets	\$ 39,759	\$ 254	\$ (80)	\$ 39,933
Construction in Progress	9,592	3,449	—	13,041
Total Capital Assets Not Depreciated/Amortized	<u>49,351</u>	<u>3,703</u>	<u>(80)</u>	<u>52,974</u>
Capital Assets Depreciated/Amortized:				
Buildings and Improvements	110,345	15,148	(623)	124,870
Lease Buildings	29,981	745	(318)	30,408
Infrastructure	126	—	—	126
Machinery and Equipment	14,531	164	(462)	14,233
Intangible Assets—Software	1,571	—	—	1,571
Subscription Based—Software	349	1,024	—	1,373
Total Capital Assets Depreciated/Amortized	<u>156,903</u>	<u>17,081</u>	<u>(1,403)</u>	<u>172,581</u>
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	(49,129)	(3,908)	48	(52,989)
Lease Buildings	(1,968)	(1,154)	318	(2,804)
Infrastructure	(50)	(6)	—	(56)
Machinery and Equipment	(11,249)	(405)	458	(11,196)
Intangible Assets—Software	(1,243)	(101)	—	(1,344)
Subscription Based—Software	(74)	(229)	—	(303)
Total Accumulated Depreciation/Amortization	<u>(63,713)</u>	<u>(5,803)</u>	<u>824</u>	<u>(68,692)</u>
Total Capital Assets Depreciated/Amortized, Net	<u>93,190</u>	<u>11,278</u>	<u>(579)</u>	<u>103,889</u>
Capital Assets, Net	<u>\$ 142,541</u>	<u>\$ 14,981</u>	<u>\$ (659)</u>	<u>\$ 156,863</u>

¹ Beginning balances for lease buildings asset and accumulated amortization were adjusted for a lease that was reinstated during fiscal year 2024, with an increase of \$2,861 thousand to each account, respectively.

² Construction in Progress was re-evaluated during fiscal year 2024 which resulted in a beginning balance adjustment. See [Note 2](#) for additional information.

Construction in progress of governmental activities includes amounts for buildings the State is constructing for colleges and universities and other discretely presented 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 discretely

presented component units. For fiscal year 2024, \$126.080 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 discretely presented component units.

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

General Government.....	\$ 15,641
Health and Human Services	57,513
Corrections	29,752
Public Safety	22,312
Courts	12,880
Environmental Quality	2,130
Employment and Family Services	6,822
Natural Resources	11,666
Cultural and Community Engagement	567
Business, Labor, and Agriculture	2,373
Public Education	567
Transportation	17,892
Depreciation and amortization on capital assets of the State's internal service funds is charged to the various functions based on their usage of services provided	20,604
Total Depreciation and Amortization Expense	<u>\$ 200,719</u>

Discretely Presented Component Units

The following table summarizes net capital assets reported by the discretely presented component units (expressed 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	\$ —	\$ 122,540	\$ 76,523	\$ 416,301	\$ 214,211	\$ 829,575
Art and Special Collections	—	140,771	74,569	—	18,785	234,125
Construction in Progress	9,364	554,556	79,403	188,838	163,284	995,445
Total Capital Assets Not Depreciated/Amortized	<u>9,364</u>	<u>817,867</u>	<u>230,495</u>	<u>605,139</u>	<u>396,280</u>	<u>2,059,145</u>
Capital Assets Depreciated/Amortized:						
Building and Improvements	—	5,324,639	1,522,778	355,820	3,079,751	10,282,988
Infrastructure and Land Improvements	—	581,584	—	2,829,503	232,680	3,643,767
Machinery and Equipment	446	1,740,229	324,129	902,179	434,072	3,401,055
Lease Land and Improvements	—	63	313	868	65,653	66,897
Lease Buildings	—	123,237	41,627	499	48,118	213,481
Lease Machinery and Equipment	—	14,863	1,990	—	2,074	18,927
Intangible Assets	—	—	—	65,713	1,299	67,012
Subscription Based—Software	24,949	78,383	18,609	15,125	48,465	185,531
Total Capital Assets Depreciated/Amortized	<u>25,395</u>	<u>7,862,998</u>	<u>1,909,446</u>	<u>4,169,707</u>	<u>3,912,112</u>	<u>17,879,658</u>
Less Accumulated Depreciation/Amortization	(2,259)	(3,853,613)	(957,181)	(1,859,036)	(1,520,474)	(8,192,563)
Total Capital Assets Depreciated/Amortized, Net	<u>23,136</u>	<u>4,009,385</u>	<u>952,265</u>	<u>2,310,671</u>	<u>2,391,638</u>	<u>9,687,095</u>
Capital Assets, Net	<u>\$ 32,500</u>	<u>\$ 4,827,252</u>	<u>\$ 1,182,760</u>	<u>\$ 2,915,810</u>	<u>\$ 2,787,918</u>	<u>\$ 11,746,240</u>

NOTE 9. LEASE COMMITMENTS

The State leases various buildings, equipment, and participates in Subscription-Based IT Arrangements (SBITAs). Although the terms vary, most leases and SBITAs are subject to annual appropriations from the State Legislature to continue the lease or SBITA obligations. If an appropriation is reasonably assured, leases and SBITAs are considered noncancellable for financial

reporting purposes. Lease and SBITA terms also include any options to extend that are reasonably certain will be exercised.

In the government-wide financial statements and proprietary fund financial statements, lease and software subscription assets along with a corresponding liability are recorded at the inception of the lease or SBITA at the present value of the future minimum payments. The principal portion of lease or SBITA payment

reduces the liability and the interest portion is expensed. In the governmental fund financial statements, both the principal and interest portions of lease and SBITA payments are recorded as expenditures of the applicable governmental function. The primary government's lease payments were \$19.620 million in principal and \$2.794 million in interest for fiscal year 2024. The primary government's software subscription liability payments

were \$4.149 million in principal and \$365 thousand in interest for fiscal year 2024. See [Note 8](#) for additional information on lease and software subscription assets, including accumulated amortization.

Principal and interest required payments for leases and software subscriptions are as follows:

**Leases
Principal and Interest Requirements**

**Primary Government
(expressed in thousands)**

Fiscal Year	Total Principal Required	Total Interest Required	Total Amount Required
2025	\$ 19,958	\$ 2,647	\$ 22,605
2026	19,898	2,449	22,346
2027	18,609	2,239	20,849
2028	18,378	2,042	20,419
2029	17,242	1,847	19,089
2030-2034	62,899	6,693	69,592
2035-2039	28,268	3,695	31,963
2040-2044	12,720	2,186	14,906
2045-2049	8,953	1,224	10,177
2050-2054	6,288	591	6,879
2055-2059	4,671	196	4,867
2060-2064	176	1	176
Total	<u>\$ 218,060</u>	<u>\$ 25,810</u>	<u>\$ 243,868</u>

**Software Subscriptions
Principal and Interest Requirements**

**Primary Government
(expressed in thousands)**

Fiscal Year	Total Principal Required	Total Interest Required	Total Amount Required
2025	\$ 3,554	\$ 279	\$ 3,833
2026	3,672	184	3,856
2027	2,962	104	3,066
2028	1,970	39	2,009
2029	378	6	384
2030-2034	86	3	89
Total	<u>\$ 12,622</u>	<u>\$ 615</u>	<u>\$ 13,237</u>

**Leases
Principal and Interest Requirements
Discretely Presented Component Units**

(expressed in thousands)

Fiscal Year	Total Principal Required	Total Interest Required	Total Amount Required
2025	\$ 23,076	\$ 6,734	\$ 29,810
2026	20,102	6,320	26,422
2027	17,463	5,957	23,420
2028	13,494	5,663	19,157
2029	9,026	5,387	14,413
2030-2034	35,118	23,654	58,772
2035-2039	23,921	21,234	45,155
2040-2044	17,401	19,233	36,634
2045-2049	9,052	17,390	26,442
2050-2054	659	17,523	18,182
2055-2059	—	17,754	17,754
2060-2064	—	17,649	17,649
2065-2069	—	17,043	17,043
2070-2074	—	15,762	15,762
2075-2079	4,204	13,583	17,787
2080-2084	18,221	10,219	28,440
2085-2089	26,092	5,308	31,400
2090-2094	9,677	348	10,025
Total	<u>\$ 227,506</u>	<u>\$ 226,761</u>	<u>\$ 454,267</u>

**Software Subscriptions
Principal and Interest Requirements
Discretely Presented Component Units**

(expressed in thousands)

Fiscal Year	Total Principal Required	Total Interest Required	Total Amount Required
2025	\$ 27,536	\$ 2,595	\$ 30,131
2026	19,738	1,934	21,672
2027	11,105	1,437	12,542
2028	5,820	1,106	6,926
2029	3,089	966	4,055
2030-2034	6,169	3,169	9,338
2035-2039	8,931	1,475	10,406
2040-2044	1,639	31	1,670
Total	<u>\$ 84,027</u>	<u>\$ 12,713</u>	<u>\$ 96,740</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, 2024 are presented in the following table.

Changes for Utah Transit Authority and PEHP (major discretely presented component units) are included as of year ended December 31, 2023. 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	\$ 1,694,190	\$ —	\$ (319,180)	\$ 1,375,010	\$ 348,710
General Obligation Bonds - Direct Placement	112,200	—	(17,700)	94,500	18,100
State Building Ownership Authority (SBOA) Lease Revenue Bonds	144,797	—	(7,497)	137,300	12,755
SBOA Lease Revenue Bonds - Direct Placement	5,440	—	(5,440)	—	—
Net Unamortized Premiums	115,627	—	(31,180)	84,447	25,304
Notes Payable	3,035	10,000	(744)	12,291	3,742
Other Long-term Liabilities:					
Leases (Note 9)	174,961	33,961	(18,466)	190,456	18,638
Software Subscriptions (Note 9)	10,004	5,880	(4,332)	11,552	3,318
Compensated Absences (Note 1) ²	254,992	137,289	(128,131)	264,150	130,675
Claims Liability (Note 19) ²	71,636	24,604	(21,853)	74,387	24,389
Pollution Remediation Obligation ²	4,921	37	(546)	4,412	392
Settlement Obligations ²	366	391	(203)	554	149
Net Pension Liability (Note 17) ¹	631,147	34,267	—	665,414	—
Net OPEB Liability (Note 18) ¹	1,610	—	(1,610)	—	—
Total Governmental Long-term Debt and Liabilities	<u>\$ 3,224,926</u>	<u>\$ 246,429</u>	<u>\$ (556,882)</u>	<u>\$ 2,914,473</u>	<u>\$ 586,172</u>
Business-type Activities					
Long-term Debt:					
State Building Ownership Authority Lease Revenue Bonds	\$ 107,198	\$ —	\$ (6,908)	\$ 100,290	\$ 7,995
Net Unamortized Premiums/(Discounts)	9,122	1	(1,415)	7,708	1,268
Other Long-term Liabilities:					
Leases (Note 9)	28,013	745	(1,154)	27,604	1,320
Software Subscriptions (Note 9)	275	1,024	(229)	1,070	236
Claims and Uninsured Liabilities	239,260	305,433	(317,939)	226,754	49,398
Net Pension Liability (Note 17) ¹	10,360	1,521	—	11,881	—
Arbitrage Liability (Note 1)	—	1,501	—	1,501	—
Total Business-type Long-term Debt and Liabilities	<u>\$ 394,228</u>	<u>\$ 310,225</u>	<u>\$ (327,645)</u>	<u>\$ 376,808</u>	<u>\$ 60,217</u>
Discretely Presented Component Units					
Long-term Debt:					
Revenue Bonds	\$ 5,576,120	\$ 398,920	\$ (311,655)	\$ 5,663,385	\$ 202,600
Net Unamortized Premiums/(Discounts)	83,017	3,155	(9,285)	76,887	1,929
Notes Payable / Annuities Payable	348,319	49,036	(67,403)	329,952	38,393
Other Long-term Liabilities:					
Leases (Note 9)	238,305	23,182	(33,980)	227,507	23,076
Software Subscriptions (Note 9) ³	92,481	20,669	(29,123)	84,027	27,536
Claims Liability (Note 19)	342,915	1,779,284	(1,738,309)	383,890	308,837
Leave/Termination Benefits (Note 1)	272,577	221,701	(197,673)	296,605	183,694
Net Pension Liability (Note 17)	203,991	—	(10,052)	193,939	—
Net OPEB Liability (Note 18)	48	—	(48)	—	—
Total Discretely Presented Component Long-term Debt and Liabilities	<u>\$ 7,157,773</u>	<u>\$ 2,495,947</u>	<u>\$ (2,397,528)</u>	<u>\$ 7,256,192</u>	<u>\$ 786,065</u>

¹ The Net Pension Liability and Net Other Postemployment Benefit (OPEB) Liability of governmental activities are liquidated in the General Fund, Income Tax 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.

² Compensated Absences of governmental activities are liquidated in the General Fund, Income Tax 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).

³ Beginning balances increased due to the implementation of GASB Statement No. 96, *Subscription-Based IT Arrangements*. See [Note 2](#) for more information.

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 other financed purchases. 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, 2024, the State had \$52.077 million of unissued general obligation highway bond authorizations and \$266.640 million of unissued general obligation rail and transit bond authorizations remaining.

During fiscal year 2024, no general obligation or general obligation refunding bonds were issued. General obligation bonds payable information is presented below.

General Obligation Bonds Payable
(dollars expressed in thousands)

Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2024
2009D Highway Issue	09/29/09	2019, 2024	4.15 % – 4.55 %	\$ 491,760	\$ 87,915
2010B Highway Issue	09/30/10	2019 – 2025	3.19 % – 3.54 %	\$ 621,980	180,845
2015 Refunding Issue	04/29/15	2019 – 2026	3.50 % – 5.00 %	\$ 220,980	39,235
2017 Highway/Prison Issue	07/10/17	2018 – 2032	3.00 % – 5.00 %	\$ 142,070	76,355
2017 Refunding Issue	12/15/17	2018 – 2028	2.21 %	\$ 118,700	94,500
2018 Highway/Prison Issue	02/28/18	2018 – 2032	3.13 % – 5.00 %	\$ 343,155	207,515
2019 Highway Issue	01/15/19	2019 – 2033	5.00 %	\$ 127,715	94,800
2020 Highway Issue	02/11/20	2020 – 2034	3.00 % – 5.00 %	\$ 448,430	371,930
2020B Highway/Prison Issue	05/14/20	2020 – 2034	3.00 % – 5.00 %	\$ 447,315	316,415
Total General Obligation Bonds Outstanding					1,469,510
Plus Unamortized Bond Premium					84,735
Total General Obligation Bonds Payable					<u>\$ 1,554,245</u>

**General Obligation Bond Issues
Debt Service Requirements to Maturity
For the Fiscal Year Ended June 30, 2024**
(expressed in thousands)

Fiscal Year	Principal						
	2009D Highway Bonds	2010B Highway Bonds	2015 Refunding Bonds	2017 Highway/Prison Bonds	2017 Refunding - Direct Placement	2018 Highway/Prison Bonds	2019 Highway Bonds
2025	\$ 87,915	\$ 104,430	\$ 39,235	\$ 13,700	\$ 18,100	\$ 26,705	\$ 7,490
2026	—	76,415	—	14,425	18,500	28,030	7,875
2027	—	—	—	15,175	18,900	29,480	8,280
2028	—	—	—	15,930	19,300	18,280	8,705
2029	—	—	—	3,200	19,700	19,215	9,150
2030-2034	—	—	—	13,925	—	85,805	53,300
2035-2039	—	—	—	—	—	—	—
Total	<u>\$ 87,915</u>	<u>\$ 180,845</u>	<u>\$ 39,235</u>	<u>\$ 76,355</u>	<u>\$ 94,500</u>	<u>\$ 207,515</u>	<u>\$ 94,800</u>

Fiscal Year	Principal				
	2020 Highway Bonds	2020B Highway/Prison Bonds	Total Principal Required	Total Interest Required	Total Amount Required
2025	\$ 20,900	\$ 48,335	\$ 366,810	\$ 47,499	\$ 414,309
2026	59,185	50,910	255,340	36,785	292,125
2027	60,345	53,590	185,770	28,025	213,795
2028	24,275	69,165	155,655	20,782	176,437
2029	25,525	18,015	94,805	16,656	111,461
2030-2034	148,275	62,670	363,975	34,502	398,477
2035-2039	33,425	13,730	47,155	—	47,155
Total	<u>\$ 371,930</u>	<u>\$ 316,415</u>	<u>\$ 1,469,510</u>	<u>\$ 184,249</u>	<u>\$ 1,653,759</u>

C. Revenue Bonds

Revenue bonds payable consist of those issued by the Utah State Building Ownership Authority 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, 2024, are reported as a long-term liability of the governmental activities, except for \$107.998 million, which is reported in the Alcoholic Beverage Services Fund (major enterprise fund). This portion is reported as liabilities of the business-type activities on the government-wide Statement of Net Position.

Discretely Presented Component Units

University of Utah, Utah State University, and nonmajor discretely presented 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 discretely presented component units for the fiscal year ended June 30, 2024, is presented below.

Pledged Revenue — Discretely Presented Component Units
(dollars expressed in thousands)

	University of Utah	Utah State University	Utah Transit Authority	Nonmajor Component Units
Type of Revenue Pledged ¹	A, B, & C	A & B	D	A, E
Amount of Pledged Revenue	\$3,348,555	\$562,946	\$3,022,642	\$1,610,602
Term of Commitment	Thru 2053	Thru 2056	Thru 2044	Thru 2057
Percent of Revenue Pledged	100.00%	100.00%	100.00%	30% – 100%
Current Year Pledged Revenue	\$449,342	\$128,855	\$415,169	\$51,824
Current Year Principal and Interest Paid	\$164,814	\$22,985	\$250,519	\$47,952

¹ 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.
- E. Allocated property tax revenues levied upon taxable property in the project area.

(Notes continue on next page.)

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

Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2024
SBOA Lease Revenue Bonds:					
Series 2009E	09/09/09	2018 – 2030	4.62 % – 5.77 %	\$ 89,470	\$ 57,690
Series 2011	10/25/11	2012 – 2031	2.13 % – 4.00 %	\$ 5,250	565
Series 2012A	11/20/12	2017 – 2027	1.50 % – 5.00 %	\$ 11,755	3,940
Series 2015	04/29/15	2016 – 2030	3.00 % – 5.00 %	\$ 785	420
Series 2016	04/05/16	2016 – 2038	2.25 % – 5.00 %	\$ 93,625	72,275
Series 2018	02/21/18	2020 – 2039	3.00 % – 5.00 %	\$ 2,920	2,410
Total Lease Revenue Bonds Outstanding					137,300
Less Unamortized Bond Discount					(288)
Total Lease Revenue Bonds Payable					<u>\$ 137,012</u>

Business-type Activities
(dollars expressed in thousands)

SBOA Lease Revenue Bonds:					
Series 2009C	09/09/09	2024, 2029	5.29 %, 5.77 %	\$ 16,715	\$ 9,470
Series 2012A	11/20/12	2017 – 2027	1.50 % – 5.00 %	\$ 3,855	615
Series 2015	04/29/15	2016 – 2030	3.00 % – 5.00 %	\$ 29,230	15,500
Series 2016	04/05/16	2016 – 2038	2.25 % – 5.00 %	\$ 4,525	3,300
Series 2018	02/21/18	2020 – 2039	3.00 % – 5.00 %	\$ 15,545	12,815
Series 2020	02/27/20	2021 – 2039	2.00 % – 5.00 %	\$ 18,865	16,145
Series 2022	06/22/22	2022 – 2042	5.00 %	\$ 42,675	42,445
Total Lease Revenue Bonds Outstanding					100,290
Plus Unamortized Bond Premium					7,708
Total Lease Revenue Bonds Payable					<u>\$ 107,998</u>
Total Revenue/Lease Revenue Bonds Payable					<u>\$ 245,010</u>

(Notes continue on next page.)

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

Fiscal Year	Principal							
	2009C Utah SBOA Bonds	2009E Utah SBOA Bonds	2011 Utah SBOA Bonds	2012A Utah SBOA Bonds	2015 Utah SBOA Bonds	2016 Utah SBOA Bonds	2018 Utah SBOA Bonds	2020 Utah SBOA Bonds
2025	\$ 1,685	\$ 6,015	\$ 70	\$ 2,850	\$ 3,005	\$ 4,400	\$ 745	\$ 805
2026	1,785	8,635	75	1,135	3,150	4,650	785	845
2027	1,890	9,145	80	570	3,325	4,750	825	890
2028	1,995	10,665	80	—	2,855	4,850	865	935
2029	2,115	11,285	85	—	1,775	5,000	905	985
2030-2034	—	11,945	175	—	1,810	27,300	5,050	5,475
2035-2039	—	—	—	—	—	24,625	6,050	6,210
2040-2044	—	—	—	—	—	—	—	—
Total	<u>\$ 9,470</u>	<u>\$ 57,690</u>	<u>\$ 565</u>	<u>\$ 4,555</u>	<u>\$ 15,920</u>	<u>\$ 75,575</u>	<u>\$ 15,225</u>	<u>\$ 16,145</u>

Fiscal Year	Principal			
	2022 Utah SBOA Bonds	Total Principal Required	Total Interest Required	Total Amount Required
2025	\$ 1,175	\$ 20,750	\$ 10,288	\$ 31,038
2026	1,680	\$ 22,740	9,249	\$ 31,989
2027	1,760	\$ 23,235	8,183	\$ 31,418
2028	1,850	\$ 24,095	7,068	\$ 31,163
2029	1,940	\$ 24,090	5,876	\$ 29,966
2030-2034	11,270	\$ 63,025	17,249	\$ 80,274
2035-2039	13,890	\$ 50,775	7,282	\$ 58,057
2040-2044	8,880	\$ 8,880	902	\$ 9,782
Total	<u>\$ 42,445</u>	<u>\$ 237,590</u>	<u>\$ 66,097</u>	<u>\$ 303,687</u>

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

Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2024
University of Utah Revenue Bonds	1998 – 2024	2027 – 2053	0.17% – 6.28%	\$ 2,408,820	\$ 2,302,862
Utah State University Revenue Bonds	2007 – 2023	2026 – 2056	1.03% – 5.25%	\$ 435,533	372,732
Utah Transit Authority	2006 – 2023	2025 – 2044	0.35% – 5.94%	\$ 3,057,106	2,071,646
Nonmajor Component Units Revenue Bonds	2011 – 2022	2013 – 2057	1.87% – 6.50%	\$ 971,294	916,145
Total Revenue Bonds Outstanding					5,663,385
Plus Unamortized Bond Premium					76,887
Total Revenue Bonds Payable					<u>\$ 5,740,272</u>

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

Fiscal Year	Principal						
	University of Utah	Utah State University	Utah Transit Authority	Nonmajor Component Units	Total Principal Required	Total Interest Required	Total Amount Required
2025	\$ 109,348	\$ 12,117	\$ 66,955	\$ 14,180	\$ 202,600	\$ 223,165	\$ 425,765
2026	106,796	12,644	72,045	16,909	208,394	218,100	426,494
2027	127,709	13,441	78,095	17,539	236,784	210,289	447,073
2028	131,619	14,075	85,750	18,238	249,682	201,949	451,631
2029	127,129	13,959	88,165	18,153	247,406	192,988	440,394
2030-2034	569,003	73,862	505,276	100,576	1,248,717	838,225	2,086,942
2035-2039	562,641	68,894	616,950	136,010	1,384,495	569,682	1,954,177
2040-2044	365,330	65,650	554,100	183,685	1,168,765	273,268	1,442,033
2045-2049	115,463	56,845	4,310	248,340	424,958	116,886	541,844
2050-2054	87,824	33,595	—	148,410	269,829	34,671	304,500
2055-2059	—	7,650	—	14,105	21,755	2,135	23,890
Total	<u>\$ 2,302,862</u>	<u>\$ 372,732</u>	<u>\$ 2,071,646</u>	<u>\$ 916,145</u>	<u>\$ 5,663,385</u>	<u>\$ 2,881,358</u>	<u>\$ 8,544,743</u>

D. Conduit Debt Obligations

The Utah Charter School Finance Authority (nonmajor discretely presented 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, 2024, is \$546.406 million in taxable and tax-exempt conduit debt.

E. Defeased Bonds and Bond Refunding

Primary Government

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, 2024, the total amount outstanding of defeased general obligation bonds was \$78.430 million. At June 30, 2024, there were no outstanding defeased lease revenue bonds.

Discretely Presented Component Units

In prior years, discretely presented 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, 2024, \$53.915 million of colleges and universities' bonds outstanding are considered defeased.

F. 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, 2024, the liability is \$4.412 million. The State does not anticipate recovering reimbursements from the parties who caused the pollution.

G. Notes Payable / Annuities Payable

Primary Government

Notes payable for governmental activities consists of direct financing lease-purchase arrangements for the Spanish Fork Courthouse and the Mormon Meteor, a Utah historic artifact. The Spanish Fork Courthouse note contains a 2.85 percent interest rate. On the governmental fund financial statements, both the principal and interest portions of notes payable are recorded as expenditures of the applicable government function. Payments on notes payable were \$721 thousand in principal and \$76 thousand interest for fiscal year 2024. Payment information on notes payable is presented as follows:

**Notes Payable Debt Service Requirements to Maturity
Primary Government
For Fiscal Year Ended June 30
(expressed in thousands)**

Spanish Fork Courthouse			
Fiscal Year	Principal	Interest	Total Amount Required
2025.....	\$ 742	\$ 56	\$ 798
2026.....	763	34	797
2027.....	786	12	798
Totals	<u>\$ 2,291</u>	<u>\$ 102</u>	<u>\$ 2,393</u>

Mormon Meteor			
Fiscal Year	Principal	Interest	Total Amount Required
2025.....	\$ 3,000	\$ —	\$ 3,000
2026.....	2,000	—	2,000
2027.....	2,000	—	2,000
2028.....	3,000	—	3,000
Totals	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 10,000</u>

Discretely Presented Component Units

The notes payable/annuities payable include \$4.154 million in life annuity contracts. The notes payable balance consists of notes issued by discretely presented component units for the purchase of buildings and equipment. The notes bear various interest rates and will be repaid over the next 33 years. They are secured by the related assets. The Utah Transit Authority (UTA) (major discretely presented component unit) entered into an interlocal agreement with Utah County that requires UTA to reimburse Utah County for all bond costs (i.e., principal, interest, and cost of issuance) prior to December 31, 2028 related to Utah County's \$65 million 2016 Subordinated Transportation Sales Tax Revenue Bond that was issued for the construction of the Utah Valley Express bus route.

Payment information on notes payable and annuities payable is presented on the following page.

(Table on next page)

Notes Payable Debt Service Requirements to Maturity
Discretely Presented Component Units

For the Fiscal Year Ended June 30

(expressed in thousands)

Fiscal Year	Principal				Total Principal Required	Total Interest Required	Total Amount Required
	University of Utah	Utah State University	Utah Transit Authority	Nonmajor Component Units			
2025	\$ 19,446	\$ 528	\$ 14,511	\$ 3,908	\$ 38,393	\$ 11,416	\$ 49,809
2026	18,783	526	14,559	4,529	38,396	10,536	48,932
2027	18,103	376	14,980	4,720	38,178	9,040	47,218
2028	19,527	339	14,683	4,715	39,264	7,919	47,183
2029	17,961	52	14,103	4,612	36,729	6,568	43,297
2030-2034	13,762	—	87,640	20,366	121,767	14,317	136,084
2035-2039	334	—	17,364	9,447	27,146	3,651	30,797
2040-2044	33	—	—	—	33	318	351
2045-2049	20	—	—	—	20	29	49
2050-2054	20	—	—	—	20	24	44
2055-2059	6	—	—	—	6	—	6
Total	<u>\$ 107,995</u>	<u>\$ 1,821</u>	<u>\$ 177,840</u>	<u>\$ 52,296</u>	<u>\$ 339,952</u>	<u>\$ 63,818</u>	<u>\$ 403,770</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, 2024, consisted of the following:

Deferred Outflows and Inflows of Resources
(expressed in thousands)

	Primary Government		Discretely Presented Component Units
	Governmental Activities	Business-type Activities	
Deferred Outflows:			
Deferred Amount on Refundings of Bonded Debt	\$ 2,903	\$ 768	\$ 66,063
Relating to Pensions	502,574	9,982	162,074
Relating to Other Postemployment Benefits	17,718	392	21,356
Total Deferred Outflows	<u>\$ 523,195</u>	<u>\$ 11,142</u>	<u>\$ 249,493</u>
Deferred Inflows:			
Deferred Revenue	\$ 11,734	\$ —	\$ —
Relating to Beneficial Interests	—	—	17,902
Deferred Amount on Refundings of Bonded Debt	—	—	9,433
Relating to Pensions	3,459	68	2,125
Relating to Other Postemployment Benefits	13,202	297	564
Relating to Leases	—	—	169,868
Total Deferred Inflows	<u>\$ 28,395</u>	<u>\$ 365</u>	<u>\$ 199,892</u>

Of the \$523.195 million deferred outflows of resources reported in the governmental activities column on the government-wide Statement of Net Position, \$502.574 million represent deferred outflows relating to pensions, of which \$43.682 million are reported in the Internal Service Funds; and \$17.718 million represent deferred outflows relating to other postemployment, of which \$1.527 million are reported in the Internal Service Funds. The remaining \$2.903 million represent deferred amount on refundings of bonded debt.

Of the \$28.395 million deferred inflows of resources reported in the governmental activities column on the government-wide Statement of Net Position, \$3.459 million represent deferred inflows relating to pensions, of which \$228 thousand are reported in the Internal Service Funds; and \$13.202 million represent deferred inflows relating to other postemployment, of which

\$1.158 million are reported in the Internal Service Funds. The remaining \$11.734 million in deferred revenue represent imposed fees received before the period when those resources are permitted to be used or are unavailable.

Deferred outflows and inflows of resources for governmental funds, proprietary funds, and discretely presented 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 \$693.890 million in unavailable revenue. This was comprised of \$372.221 million from various taxes and \$321.669 million from other sources.

The deferred outflows of resources relating to pensions for governmental activities of \$502.574 million and for business-type activities of \$9.982 million differ from the deferred outflows of resources for the primary government of \$521.654 million as reported in [Note 17](#) due to the following: Utah Schools for the Deaf and the Blind (nonmajor discretely presented component unit) of \$8.214 million, Point of the Mountain Development Authority (nonmajor discretely presented component unit) of \$41 thousand, and the Utah Inland Port Authority (nonmajor discretely presented component unit) of \$624 thousand are excluded from presentation in the governmental and business-type activities reported above, but are included in the deferred outflows of resources reported for the primary government.

activities of \$68 thousand differ from the deferred inflows of resources for the primary government of \$3.581 million in [Note 17](#) due to the following: Utah Schools for the Deaf and the Blind (nonmajor discretely presented component unit) of \$49 thousand and the Utah Inland Port Authority (nonmajor discretely presented component unit) of \$2 thousand are excluded from presentation in the governmental and business-type activities reported above, but are included in the deferred inflows of resources reported for the primary government.

The deferred inflows of resources relating to pensions for governmental activities of \$3.459 million and for business-type

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, 2024, follows:

Governmental Fund Balances
(expressed in thousands)

	<u>Restricted Purposes</u>	<u>Committed Purposes</u>	<u>Assigned Purposes</u>
General Fund:			
General Government:			
Legislature	\$ —	\$ 26,920	\$ —
Elected Officials	61,514	13,641	—
Governor’s Office	4,224	99,801	—
Government Operations	123,277	72,166	—
Revenue Assessments and Collections	—	42,750	—
Corrections	—	12,216	—
Public Safety	11,201	67,032	—
Courts	6	16,817	—
Health and Human Services	13,480	181,533	—
Environmental Quality	—	19,914	—
Employment and Family Services	7,378	52,525	—
Natural Resources	63,624	736,044	—
Cultural and Community Engagement	25	17,337	—
Business, Labor, and Agriculture	201	205,679	—
Budget Reserve (Rainy Day) Account	—	330,285	—
Medicaid Budget Stabilization Account	—	219,775	—
Industrial Assistance	—	30,736	—
Tax Accruals and Other Liabilities	—	—	344,485
Fiscal Year 2025 Appropriations:			
Line Item Appropriations	—	—	317,670
Other Purposes	1,515	236,420	1,075
Total	<u>\$ 286,445</u>	<u>\$ 2,381,591</u>	<u>\$ 663,230</u>

Continues

Governmental Fund Balances
(expressed in thousands)

	<u>Restricted Purposes</u>	<u>Committed Purposes</u>	<u>Assigned Purposes</u>
<i>Continued</i>			
Income Tax Fund:			
Minimum School Program	\$ 94,397	\$ —	\$ —
State Office of Education	247,466	—	—
School Building Program	40,046	—	—
School Land Trust Program	119,272	—	—
Income Tax Budget Reserve Account	858,238	—	—
Tax Accruals and Other Purposes ¹	393,222	—	—
Fiscal Year 2025 Appropriations:			
Line Item Appropriations	1,035,541	—	—
Available for Appropriation	6,145	—	—
Other Purposes	85,013	—	—
Total	<u>\$ 2,879,340</u>	<u>\$ 0</u>	<u>\$ 0</u>
Transportation Fund:			
Transportation – Construction and Maintenance	\$ 475,574	\$ 190,583	\$ —
Public Safety	79,907	—	—
Corridor Preservation	127,861	—	—
Aeronautical Programs	22,611	—	—
Tax Accruals and Other Purposes ¹	74,671	—	—
Total	<u>\$ 780,624</u>	<u>\$ 190,583</u>	<u>\$ 0</u>
Transportation Investment Fund:			
Transportation Investment Capacity Projects	\$ —	\$ 3,705,974	\$ —
Other Purposes	—	365,719	—
Total	<u>\$ 0</u>	<u>\$ 4,071,693</u>	<u>\$ 0</u>
Permanent Fund - Trust Lands:			
Public Education System ¹	\$ 1,265,828	\$ —	\$ —
Higher Education and Other Purposes	69,074	—	—
Total	<u>\$ 1,334,902</u>	<u>\$ 0</u>	<u>\$ 0</u>
Nonmajor Governmental Funds:			
Capital Projects	\$ 1,945	\$ —	\$ 1,239,753
Debt Service	—	—	198,714
State Endowment Fund	16,750	411,194	—
Environmental Reclamation	49,128	6,441	—
Higher Education Student Success Endowment	307,491	—	—
Rural Development	—	38,454	—
Utah Capitol Investment Corp	39,570	—	—
Medicaid Expansion	—	324,023	39
Other Purposes	62,091	247,403	1,355
Total	<u>\$ 476,975</u>	<u>\$ 1,027,515</u>	<u>\$ 1,439,861</u>

¹ 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 (the “Rainy Day Fund”) in the General Fund and an Income Tax Fund Budget Reserve Account (the “Income Tax Reserve”) in the Income Tax Fund. 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 Income Tax Fund to be deposited in the Income Tax Reserve, in each case up to a statutory limit. State law limits the totals of the Rainy Day Fund and Income Tax Reserve to 9 and 11 percent of appropriations from the General Fund and Income Tax Fund, respectively, for the fiscal year in which the surplus occurred.

The Rainy Day Fund and Income Tax Reserve are available only under specific circumstances detailed in the *Utah Code*. Historically, resources from the Rainy Day Fund or Income Tax 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 20 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 Income Tax Reserve has been used twice for budget shortfalls.

The Rainy Day Fund and the Income Tax Reserve ended the year with balances of \$330.285 million and \$858.238 million, respectively. For the fiscal year ended June 30, 2024, there were no transfers into the Rainy Day Fund because there was no revenue surplus, as defined by law. The Income Tax Reserve Fund received \$1.95 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. From the fund's inception, no appropriations have been made 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, 2024, there was no transfer into the Medicaid Budget Stabilization Account because there was no revenue surplus, as defined by law. The account ended the year with a balance of \$219.775 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 \$5 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 \$10.627 billion of restricted net position, of which \$391.646 million is restricted by enabling legislation.

NOTE 13. DEFICIT NET POSITION AND FUND BALANCE

Funds reporting a deficit total net position at June 30, 2024, are (expressed in thousands):

Internal Service Funds:	
Property Management Fund.....	\$ (1,462)

The Property Management Fund is used to manage and maintain state-owned properties. The deficit balance is primarily attributable to rising operating and maintenance costs, which outpaced the revenue generated by the fund. The rates charged to state agencies for property management services were set below the actual cost of providing these services, leading to an under-recovery of expenses. As a result, the fund did not generate enough revenue to fully recover costs. The Property Management Fund also reported a \$1.807 million deficit in the unrestricted portion of its net position at June 30, 2024.

Other than noted above, funds reporting a deficit position in the unrestricted portion of their net position at June 30, 2024, are (expressed in thousands):

Internal Service Funds:	
Fleet Operations	\$ (35,208)

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

The Military Installation Development Authority (nonmajor discretely presented component unit) reported a deficit position of \$113.025 million, as well as a deficit in the unrestricted portion of their net position at June 30, 2024, of \$213.498 million. This was due to greater than expected infrastructure project costs.

(Notes continue on next page.)

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, 2024, are as follows (expressed in thousands):

Transferred From	Transferred To					
	Governmental Funds					
	General Fund	Income Tax Fund	Transportation Fund	Transportation Investment Fund	Trust Lands Fund	Nonmajor Governmental Funds
General Fund	\$ —	\$ 16,055	\$ 268,415	\$ 1,114,636	\$ 19	\$ 400,602
Income Tax Fund	2,389,178	—	—	—	80,477	516,711
Transportation Fund	60,140	—	—	99,344	—	6,577
Transportation Investment Fund	—	—	14,966	—	—	318,530
Trust Lands Fund	—	106,222	—	—	—	—
Nonmajor Governmental Funds	395,255	—	—	—	—	—
Water Loan Programs	7,549	—	—	—	—	—
Community Impact Loan Fund	2,875	—	—	—	—	—
Employers' Reinsurance Fund	92	—	—	—	—	—
Alcoholic Beverage Services Fund	132,751	1,750	—	—	—	404
Nonmajor Enterprise Funds	9,598	—	—	—	—	—
Internal Service Funds	1,108	—	—	—	—	—
Total	\$ 2,998,546	\$ 124,027	\$ 283,381	\$ 1,213,980	\$ 80,496	\$ 1,242,824

Transferred From	Transferred To					Total
	Enterprise Funds					
	Water Loan Programs	Employers' Reinsurance Fund	Alcoholic Beverage Services Fund	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ 88,532	\$ 469	\$ 140,000	\$ 284,045	\$ 13,294	\$ 2,326,067
Income Tax Fund	—	—	—	—	—	\$ 2,986,366
Transportation Fund	—	—	—	—	—	\$ 166,061
Transportation Investment Fund	—	—	—	—	—	\$ 333,496
Trust Lands Fund	—	—	—	—	—	\$ 106,222
Nonmajor Governmental Funds	—	—	—	—	781	\$ 396,036
Water Loan Programs	—	—	—	—	—	\$ 7,549
Community Impact Loan Fund	—	—	—	—	—	\$ 2,875
Employers' Reinsurance Fund	—	—	—	—	—	\$ 92
Alcoholic Beverage Services Fund	—	—	—	—	—	\$ 134,905
Nonmajor Enterprise Funds	—	—	—	—	—	\$ 9,598
Internal Service Funds	—	—	—	—	500	\$ 1,608
Total	\$ 88,532	\$ 469	\$ 140,000	\$ 284,045	\$ 14,575	\$ 6,470,875

Transfers from major governmental funds to nonmajor governmental funds are primarily for debt service expenditures and capital facility construction. Transfers from the General Fund to the Transportation Investment Fund (major capital projects fund) are to finance various infrastructure transportation and transit-related projects. Transfers from Alcoholic Beverage Services Fund (major enterprise fund) to the General Fund are liquor profits 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 Income Tax Fund (major governmental fund). All other transfers are made to finance various programs authorized by the Legislature.

For fiscal year 2024, the Legislature authorized transfers of \$1.108 million from Internal Service Funds to the General Fund to subsidize general fund revenues. In addition, the Legislature authorized payments of \$1.735 billion to discretely presented component units. Payments to discretely presented 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 discretely presented 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 Utah Governor's Office of Economic Opportunity (GOEO). The abatements are offered in exchange for specific actions that are intended to benefit the State or its citizens. Programs offering post-performance tax abatements of corporate and individual tax revenues that would otherwise fund education include the Economic Development Tax Increment Financing (EDTIF) program, the Motion Picture Incentive Program (MPIP), and the Utah Rural Jobs program (URJ). The New Convention Facility Development Incentives program (NCFDI) offers tax abatement of sales tax revenues that would otherwise fund government services.

EDTIF. 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 GOEO, which specifies performance milestones on a commercial project. According to Section 63N-2-1 of the *Utah Code*, for a business entity to be eligible to receive a tax credit, its new commercial project must: **(1)** be located and provide direct investment within the geographic boundaries of a development zone, or create a remote work opportunity; **(2)** include the creation of high-paying jobs in the State, significant capital investment in the State, or significant purchases from vendors, contractors, or service providers in the State; **(3)** generate new State revenues; and **(4)** meet the procedural eligibility requirements to qualify for a tax credit.

Each year, a business entity must apply to GOEO for a tax credit certificate. GOEO reviews the results of the commercial project for compliance before a credit is issued. According to Section 63N-2-104.3 of the *Utah Code*, limitations on tax credit amounts are as follows:

- For a new commercial project located within the boundaries of a first- or second-class county, tax credits may not exceed 50 percent of the new state revenues from the project in any given year or 30 percent over a period of up to 20 years.
- For a new commercial project located within the boundaries of a county of third through sixth class, tax credits may not exceed 50 percent of new state revenues from the project over a period of up to 20 years.

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.

MPIP. The MPIP provides tax credits to encourage television and movie producers and digital media companies 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 motion picture companies and digital media companies to receive an incentive of up to 20 percent of the dollars the companies leave in the state. A motion picture company may receive an additional 5 percent incentive, not to exceed 25 percent of the dollars the company left in the state, by meeting certain requirements: **(1)** employing a significant percentage of cast and crew from Utah; **(2)** highlighting the state of Utah and the Utah Film Commission in the motion picture credits; or **(3)** engaging in other agreed-upon promotional activities. 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. In accordance with Section 63N-8-103(3) of the *Utah Code*, GOEO may issue up to \$6.794 million in tax credit certificates each fiscal year and an additional \$12 million in tax credit certificates for rural productions. GOEO may carry over authorized, unissued tax credits to subsequent fiscal years.

NCFDI. 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 an incentive up to the maximum of the amount of the state portion of the convention incentive for the calendar year and

\$75 million in the aggregate for the eligibility period. The applicant must develop a qualified hotel, which is defined as a full-service hotel development constructed in the state 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 must submit a written claim for a convention incentive that includes all required components described in 63N-2-505 of the *Utah Code*.

GOEO entered into an agreement with a qualified hotel owner during fiscal year 2019 to receive a post-performance tax credit to build a new Salt Palace Convention Center hotel in Salt Lake City. The hotel was completed in fiscal year 2023.

URJ. The URJ 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 the claimant's total credit-eligible capital contribution. A tax credit certificate is issued in the taxable years that includes the fourth through seventh anniversaries of the closing dates in an amount equal to 25 percent of the total credit-eligible contribution.

According to Section 63N-4-303 of the *Utah Code*, a Rural Investment Company (RIC) must submit an application that includes the following: **(1)** the total investment authority sought, which may not exceed \$42 million; **(2)** a copy of the applicant's license as a federally licensed rural business investment company or as a federally licensed small business investment company; **(3)** evidence that before the date the application is submitted, the applicant or affiliates of the applicant have invested at least \$50 million in nonpublic companies located in counties in the United States with fewer than 50,000 inhabitants; **(4)** a signed affidavit from each claimant stating the amount of the commitment to make credit-eligible capital contributions; and **(5)** the sum of all credit-eligible capital contribution commitments, which must equal 58 percent of the total investment authority sought by the applicant. In addition, within 65 days of approval, an RIC must: **(1)** collect the total amount of committed credit-eligible capital contributions stated in the application; **(2)** collect one or more cash equity investments contributed by affiliates of the RIC; **(3)** collect one or more cash investments that, when combined with the collections in **(1)** and **(2)** above, equal the RICs investment authority; and **(4)** send sufficient documentation to prove the collections.

As authorized by 63N-4-305 of the *Utah Code*, the credit may be revoked if the RIC does any of the following before exiting the program: **(1)** fails to invest 100 percent of its investment authority in growth investments in this state within three years of the closing date; **(2)** 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)** 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 investment in growth investments and held in cash and other marketable securities; **(4)** fails to maintain growth investments equal to 70 percent or 100 percent of its investment authority (depending on its phase of investment authority) in

eligible small businesses that maintain their principal business operations in a rural county; (5) invests more than \$5 million from its investment authority in the same eligible small business; and (6) makes a growth investment in an eligible small business that directly, or indirectly through an affiliate, owns or has the right to acquire an ownership interest in the RIC or makes a loan to or an investment in the RIC; or (9) fails to timely provide a document described in Subsection 63N-4-307(1)(d) of the *Utah Code*.

In calendar year 2017, three RICs applied for and were given investment authority of \$42 million. The third disbursement of \$6.090 million tax credits was issued during fiscal year 2024; the fourth disbursement of \$6.090 million tax credits was made just after the close of fiscal year 2024. In calendar year 2022, four additional applicants were given investment authority of \$42 million and will work over the next two years to fund rural projects. Tax credits cannot be claimed until the taxable year that includes the fourth anniversary of the closing date.

The gross dollar amounts, on an accrual basis, by which the State’s revenues were reduced for the fiscal year ended June 30, 2024 are:

Tax Abatement Programs
(expressed in thousands)

Program	Amount of Taxes Abated
Motion Picture Incentive Program	\$ 19,767
Economic Development Tax Increment Financing	28,176
New Convention Facility Development Incentives program	\$ 7,124
Total	<u>\$ 55,067</u>

The State has other 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 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 and its component units are contesting other legal actions totaling over \$34.000 million and \$7.220 million, respectively, 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, 2024, will be available in the Spring of 2025.
- Management’s estimated liability for the Petroleum Storage Tank Fund (non-major enterprise 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.
- Risk Management manages a liability captive insurance entity and two property captive insurance entities as part of its insurance portfolio. Beginning fiscal year 2024, the Risk Management Fund covers liability claims up to \$1 million per claim, with its liability captive covering the next \$10 million and a commercial excess policy covering an additional \$10 million aggregate. The State’s property insurance is \$525 million for earthquakes and \$1 billion for all other perils. The remaining claims are covered by commercial insurance. The State’s per occurrence deductible for earthquakes is 2 percent of the value of each building involved in the loss, subject to a minimum of \$5 million and a maximum of \$25 million, and the State’s per occurrence deductible for flood losses is \$50 thousand. According to actuarial studies and other known factors, \$74.387 million exists as either incurred but unfiled or unpaid claims. This amount is reported as a liability of the Department of Government Operations 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 \$3.430 billion principal amount of Guaranteed Bonds outstanding at June 30, 2024, with the last maturity date being 2044. 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 discretely presented 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, 2024, \$473.675 million of debt was outstanding under the Program.

- 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 \$26.925 million from tobacco companies in fiscal year 2024 and expects to receive approximately \$23 million in fiscal year 2025. Annual payments will be adjusted for factors, such as inflation, decreased sales volume, previously settled lawsuits, disputed payments, and legal fees.
- In December 2022 the State entered into a settlement agreement with JUUL Labs, Inc. (JUUL), resolving claims related to the company's alleged misleading marketing practices targeting youth and other consumers. As part of the settlement, JUUL agreed to pay a total of \$8.732 million to the State. The amount will be distributed over a period of 6 years. However, JUUL may elect by November 30, 2027 to make the sixth year's payment over three years (\$1.389 million per year) or five years (\$910 thousand per year). Payments are due by December 31 each year. As of June 30, 2024, the State has received \$1.644 million in settlement funds. The remaining balance of \$7.088 million will be recognized in future periods as payments are received from JUUL.
- Beginning in 2021, various nationwide settlements have been reached to resolve opioid litigation brought by Utah and other states against various pharmaceutical manufacturers and distributors, pharmacy chains, and other entities related to claims arising from their roles in causing the opioid crisis. The total settlement amount allocated to the State as of June 30, 2024 is \$252.690 million, to be paid over 19 years. As of June 30, 2024, the State has received \$67.691 million from the settlement. The remaining balance of \$184.999 million will be recognized in future periods as payments are received.
- 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 169 for this remaining year. As of June 30, 2024, the State of Utah has reserved a total of \$773 thousand to cover student evaluations and any repayment of the social impact bond. The program has repaid \$6.300 million to investors as of June 30, 2024. The Board authorized an additional payment to investors of \$431 thousand at the September 2024 board meeting. It is anticipated that the State of Utah will commit additional funds in future years as necessary.

C. Commitments

- At June 30, 2024, the Industrial Assistance Program of the General Fund had grant commitments of \$37.788 million, contingent on participating companies meeting certain performance criteria.
- At June 30, 2024, the Economic Development Tax Increment Financing incentive program had outstanding long-term contract commitments for General Fund cash rebates of \$76.125 million and Income Tax Fund tax credits

- (tax abatements) of \$1.084 billion. These cash rebates and tax credits are contingent on participating companies meeting certain economic development performance criteria.
- At June 30, 2024, the Motion Picture Incentive Program had outstanding contract commitments for General Fund cash rebates of \$9.893 million and Income Tax Fund tax credits (tax abatements) of \$45.486 million. These cash rebates and credits are contingent upon participating motion picture companies meeting certain within-the-state production criteria.
 - At June 30, 2024, the New Convention Facilities Development Incentives program had outstanding contract commitments for General Fund tax credits (tax abatements) of \$67.876 million. These tax credits are contingent on the participating entities meeting certain statutorily required construction criteria.
 - At June 30, 2024, the Utah Rural Jobs Act program had outstanding commitments for Income Tax Fund tax credits (tax abatements) of \$30.450 million. These tax credits are contingent on the participating entities meeting statutorily required construction criteria.
 - At June 30, 2024, the Utah Department of Transportation had construction and other contract commitments of \$1.702 billion, of which \$545.893 million is for Transportation Fund (major special revenue fund) and \$1.156 billion 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, 2024, the permanent Trust Lands Fund had contractual commitments of \$1.787 billion to various investments. Of this amount, an estimated \$618.282 million remained unfunded and subject to call by the funds.
 - At June 30, 2024, the capital projects funds had construction commitments of \$1.062 billion. These commitments will be funded with legislative appropriations, charges for services revenues, and proceeds of general obligation and lease revenue bonds.
 - At June 30, 2024, the enterprise funds had loan commitments of approximately \$645.685 million and grant commitments of approximately \$263.362 million.
 - At yearend December 31, 2023, 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 \$19.300 billion. Funding of \$14.100 billion had been provided by December 31, 2023, leaving an unfunded commitment of \$5.200 billion.
 - 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, 2024, the University had committed, but not paid, a total of \$102.431 million in funding for these alternative investments.
 - At June 30, 2024, Utah State University (major discretely presented component unit) had outstanding commitments for the construction and remodeling of its buildings of approximately \$82.900 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, 2024, the University had committed, but not paid, a total of \$39.063 million in funding for these alternative investments.
- At its yearend of December 31, 2023, the Utah Transit Authority (major discretely presented component unit) had outstanding purchasing commitments of approximately \$145.800 million for capital projects that will be funded through a combination of debt, grants, and other revenue.

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, 2023, financial report has been included in this Annual Comprehensive 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. The Utah Transit Authority (major discretely presented 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.

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:

A. Defined Benefit Plans - Utah Retirement Systems

Summary of Benefits by System

	<u>Noncontributory System</u>	<u>Contributory System</u>	<u>Public Safety System</u>	<u>Firefighters System</u>	<u>Judges System</u>	<u>Tier 2 Public Employees System</u>	<u>Tier 2 Public Safety and Firefighters System</u>
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 ¹	20 years age 60 ¹	10 years age 60	10 years age 60	20 years age 55 ¹	20 years age 60 ¹	20 years age 60 ¹
Years of Service Required and/or Age Eligible for Benefit	20 years age 60 ¹	10 years age 62 ¹	4 years age 65	4 years age 65	10 years age 62	10 years age 62 ¹	10 years age 62 ¹
	10 years age 62 ¹	4 years age 65			6 years age 70	4 years age 65	4 years age 65
	4 years age 65						
Benefit Percent per Year of Service ²	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	Up to 2.50% or 4.00% annually depending on the employer	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 to June 2020; 2.00% per year July 2020 to present
COLA ³	Up to 4.00% annually	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.

¹ With actuarial reductions.

² For members and retirees in the systems, prior to January 1, 1989, there may be a 3.00 percent benefit enhancement.

³ 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 \$1,500 per month per term. Legislators with four or more years of service receive a benefit at age 65 at the rate of \$32.40 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.

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, 2023, the following number of employees were covered by the State's (primary government) single-employer plans:

Death benefits for active and retired employees are in accordance with retirement statutes. Upon termination of employment,

**Single-employer Plans Covered Employees
December 31, 2023**

	<u>Judges System</u>	<u>Governors and Legislators Retirement Plan</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits ..	164	237
Inactive Employees Entitled to But Not Yet Receiving Benefits	6	75
Active Employees	119	44
Total Single-employer Plans Covered Employees	<u>289</u>	<u>356</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, 2024, are presented in the following table (dollars expressed in thousands):

Contributions

Systems/Plan	Employee Paid	Paid by Employer for Employee	Employer Paid	Primary Government	Discretely Presented Component Units (except UTA)
Noncontributory Public Employees	\$ —	— %	22.19 %	\$ 134,904	\$ 54,329
Contributory:					
Contributory Public Employees	\$ —	6.00 %	17.70 %	\$ 360	\$ 476
Tier 2 Public Employees ¹	\$ —	— %	19.84 %	\$ 101,777	\$ 17,261
Public Safety:					
Contributory Public Safety	\$ —	— %	— %	\$ —	\$ —
Noncontributory Public Safety	\$ —	— %	41.35 %	\$ 45,269	\$ 2,050
Tier 2 Public Safety ¹	\$ —	2.59 %	32.54 %	\$ 29,158	\$ 788
Firefighters:					
Contributory Firefighters	\$ —	15.05 %	3.61 %	\$ 60	\$ —
Tier 2 Firefighters ¹	\$ —	2.59 %	14.08 %	\$ 224	\$ —
Judges	\$ —	— %	45.15 %	\$ 11,187	\$ —
Utah Governors and Legislators		Annual Appropriation		\$ 364	

¹ 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 discretely presented component units (except UTA) also paid to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements of \$2.744 million and \$224 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, 2023		
<i>(dollars expressed in thousands)</i>		
	Judges System	Utah Governors and Legislators Retirement Plan
Total Pension Liability		
Service Cost	\$ 6,920	\$ 55
Interest	19,983	868
Difference between Actual and Expected Experience	9,671	(26)
Assumption Changes	(289)	10
Benefit Payments	(18,620)	(1,058)
Net Change in Total Pension Liability	17,665	(151)
Total Pension Liability – Beginning	297,575	13,166
Total Pension Liability – Ending	A \$ 315,240	\$ 13,015
Plan Fiduciary Net Position		
Contributions – Employer	\$ 10,372	\$ 360
Court Fees ¹	1,605	—
Net Investment Income	23,938	1,097
Benefit Payments	(18,620)	(1,058)
Administrative Expense	(92)	(4)
Net Transfers with Affiliated Systems	1,474	15
Net Change in Plan Fiduciary Net Position	18,677	410
Plan Fiduciary Net Position – Beginning	262,307	12,122
Plan Fiduciary Net Position – Ending	B \$ 280,984	\$ 12,532
Net Pension Liability / (Asset) – Ending (A – B)	\$ 34,256	\$ 483
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.13 %	96.29 %
Covered Payroll	\$ 22,225	\$ 724
Net Pension Liability as a Percentage of Covered Payroll	154.13 %	66.71 %

¹ 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 discretely presented component units (except UTA) as well as to public education and other political subdivisions of the State. At December 31, 2023, the net pension asset and the net pension liability for all URS systems is

\$193.320 million and \$2.506 billion, respectively. The plan's fiduciary net position as a percent of the total pension liability is 94.4 percent. At December 31, 2023, the primary government's net pension asset and net pension liability is \$934.471 thousand and \$689.849 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, 2023

(dollars expressed in thousands)

System	Net Pension Asset	Net Pension Liability	Proportionate Share		
			2023	2022	Change
Noncontributory System - State and School Division ..	\$ —	\$ 500,650	24.43 %	23.88 %	0.55 %
Contributory System - State and School Division	—	3,992	42.98 %	38.09 %	4.89 %
Public Safety System - State of Utah Division	—	108,249	96.31 %	96.49 %	(0.18)%
Firefighters System - Other Division A	934	—	3.98 %	3.31 %	0.67 %
Judges System	—	34,256	100.00 %	100.00 %	0.00 %
Utah Governors and Legislators Retirement Plan	—	483	100.00 %	100.00 %	0.00 %
Tier 2 Public Employees System	—	34,259	17.60 %	17.28 %	0.32 %
Tier 2 Public Safety and Firefighters System	—	7,960	21.13 %	20.13 %	1.00 %
Total Net Pension Asset / Liability	<u>\$ 934</u>	<u>\$ 689,849</u>			

At December 31, 2023, the net pension asset and the net pension liability for the discretely presented component units (except UTA) is \$86.013 million and \$51.506 million, respectively. The following table summarizes the discretely presented component unit's net pension asset and liability by system.

**Discretely Presented Component Units (except UTA)
Net Pension Asset and Liability**

December 31, 2023

(dollars expressed in thousands)

System	Net Pension Asset	Net Pension Liability	Proportionate Share		
			2023	2022	Change
Noncontributory System - Higher Education Division ..	\$ 79,148	\$ —	100.00 %	100.00 %	— %
Noncontributory System - State and School Division ...	—	40,411	1.46 %	1.57 %	(0.11)%
Contributory System - Higher Education Division	6,865	—	100.00 %	100.00 %	— %
Contributory System - State and School Division	—	—	— %	0.26 %	(0.26)%
Public Safety System - State of Utah Division	—	4,149	3.69 %	3.50 %	0.19 %
Tier 2 Public Employees System	—	6,736	3.18 %	6.16 %	(2.98)%
Tier 2 Public Safety and Firefighters System	—	210	0.56 %	0.50 %	0.06 %
Total Net Pension Asset / Liability	<u>\$ 86,013</u>	<u>\$ 51,506</u>			

Deferred Outflows and Inflows of Resources

The net pension asset and liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the 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. The following table summarizes the pension expense by system, separated by primary government and the discretely presented component units (except UTA).

(Notes continue on next page.)

Primary Government and Discretely Presented Component Units (except UTA)

Pension Expense

June 30, 2024

(expressed in thousands)

System	Primary Government	Discretely Presented Component Units
Noncontributory System - State and School Division	\$ 168,445	\$ 12,811
Noncontributory System - Higher Education Division	—	(29,741)
Contributory System - State and School Division	(1,580)	—
Contributory System - Higher Education Division	—	(5,093)
Public Safety System - State of Utah Division	65,033	2,705
Firefighters System - Other Division A	(211)	—
Judges System	7,770	—
Utah Governors and Legislators Retirement Plan	(179)	—
Tier 2 Public Employees System	44,754	8,964
Tier 2 Public Safety and Firefighters System	10,151	267
Total Pension Expense	<u>\$ 294,183</u>	<u>\$ (10,087)</u>

Deferred outflows of resources and deferred inflows of resources related to the recognition of pension expense are from the following sources:

Deferred Outflows and Inflows of Resources ¹
Related to Pensions

June 30, 2024

(expressed in thousands)

System	Source	Primary Government	
		Deferred Outflows of Resources	Deferred Inflows of Resources
Noncontributory System	Differences between Expected and Actual Experience	\$ 97,464	\$ —
	Changes in Assumptions	48,000	—
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	63,648	—
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	7,217	813
	Contributions Subsequent to the Measurement Date	68,027	—
	Total	<u>\$ 284,356</u>	<u>\$ 813</u>
Contributory System	Differences between Expected and Actual Experience	\$ —	\$ —
	Changes in Assumptions	—	—
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	1,986	—
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	—	—
	Contributions Subsequent to the Measurement Date	188	—
	Total	<u>\$ 2,174</u>	<u>\$ 0</u>
Public Safety System	Differences between Expected and Actual Experience	\$ 33,975	\$ —
	Changes in Assumptions	8,071	—
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	16,694	—
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	319	—
	Contributions Subsequent to the Measurement Date	22,683	—
	Total	<u>\$ 81,742</u>	<u>\$ 0</u>

Continues

Deferred Outflows and Inflows of Resources ¹
Related to Pensions
June 30, 2024
(expressed in thousands)

System	Source	Primary Government	
		Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Continued</i>			
Firefighters System	Differences between Expected and Actual Experience	\$ 614	\$ —
	Changes in Assumptions	99	—
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	173	—
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	26	250
	Contributions Subsequent to the Measurement Date	30	—
	Total	<u>\$ 942</u>	<u>\$ 250</u>
Judges Retirement System	Differences between Expected and Actual Experience	\$ 11,736	\$ —
	Changes in Assumptions	898	220
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	2,921	—
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	—	—
	Contributions Subsequent to the Measurement Date	5,625	—
	Total	<u>\$ 21,180</u>	<u>\$ 220</u>
Governor & Legislators Plan	Differences between Expected and Actual Experience	\$ —	\$ —
	Changes in Assumptions	—	—
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	102	—
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	—	—
	Contributions Subsequent to the Measurement Date	364	—
	Total	<u>\$ 466</u>	<u>\$ 0</u>
Tier 2 Public Employees System	Differences between Expected and Actual Experience	\$ 10,973	\$ 561
	Changes in Assumptions	19,610	27
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	3,869	—
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	4,479	828
	Contributions Subsequent to the Measurement Date	63,546	—
	Total	<u>\$ 102,477</u>	<u>\$ 1,416</u>
Tier 2 Public Safety and Firefighters System	Differences between Expected and Actual Experience	\$ 4,257	\$ 543
	Changes in Assumptions	5,800	163
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	833	—
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	533	174
	Contributions Subsequent to the Measurement Date	16,896	—
	Total	<u>\$ 28,319</u>	<u>\$ 880</u>
Grand Total	Differences between Expected and Actual Experience	\$ 159,019	\$ 1,104
	Changes in Assumptions	82,476	411
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	90,225	—
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	12,575	2,066
	Contributions Subsequent to the Measurement Date	177,359	—
	Total	<u>\$ 521,654</u>	<u>\$ 3,581</u>

¹ Before amounts allocated for financial statement presentation.

**Deferred Outflows and Inflows of Resources¹
Related to Pensions**

June 30, 2024

(expressed in thousands)

**Discretely Presented
Component Units
(except UTA)**

Source	Discretely Presented Component Units (except UTA)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 28,019	\$ 134
Changes in Assumptions	16,206	15
Net Differences between Projected and Actual Earnings on Pension Plan Investments	32,304	—
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	1,528	1,112
Contributions Subsequent to the Measurement Date	43,803	—
Total	\$ 121,860	\$ 1,261

¹ Before amounts allocated for financial statement presentation.

The \$177.359 million and \$43.803 million reported as deferred outflows of resources by the primary government and discretely presented component units (except UTA), respectively, are the result of contributions subsequent to the measurement date of December 31, 2023. 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 (expressed in thousands):

Recognition of Remaining Deferred Outflows and (Inflows) of Resources

Year Ended December 31	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges Retirement System
	Primary Government	Primary Government	Primary Government	Primary Government	Primary Government
2024	\$ 57,370	\$ (2,899)	\$ 31,060	\$ 103	\$ 3,243
2025	\$ 62,138	\$ 164	\$ 2,967	\$ 198	\$ 4,534
2026	\$ 122,945	\$ 5,933	\$ 32,168	\$ 387	\$ 8,347
2027	\$ (26,937)	\$ (1,212)	\$ (7,135)	\$ (26)	\$ (789)
2028	\$ —	\$ —	\$ —	\$ —	\$ —
Thereafter	\$ —	\$ —	\$ —	\$ —	\$ —

Year Ended December 31	Governors & Legislators Plan	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System	Grand Total	Discretely Presented Component Units (except UTA)
	Primary Government	Primary Government	Primary Government	Primary Government	Primary Government
2024	\$ (114)	\$ 3,242	\$ 756	\$ 92,761	\$ 12,355
2025	\$ 13	\$ 4,606	\$ 969	\$ 75,589	\$ 9,964
2026	\$ 260	\$ 7,899	\$ 1,566	\$ 179,505	\$ 60,292
2027	\$ (58)	\$ 2,574	\$ 506	\$ (33,077)	\$ (9,544)
2028	\$ —	\$ 3,482	\$ 741	\$ 4,222	\$ 638
Thereafter	\$ —	\$ 15,711	\$ 6,004	\$ 21,715	\$ 3,089

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

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	01/01/23	01/01/23	01/01/23	01/01/23	01/01/23	01/01/23	01/01/23	01/01/23
Measurement Date	12/31/23	12/31/23	12/31/23	12/31/23	12/31/23	12/31/23	12/31/23	12/31/23
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	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%
Projected Salary Increases	3.50–9.50%	3.50–9.50%	3.75–7.25%	3.50–8.25%	3.25%	None	3.50–9.50%	3.50–8.25%
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, 2023 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2022. 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 the MP-2020 mortality improvement scale using a base year of 2020, a model developed by the Society of Actuaries.

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, 2023, are summarized in the table below:

Target Allocations

The long-term expected rate of return on pension plan investments was determined using a building-block method in

Target Allocations
Expected Return Arithmetic Basis

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return ¹
Equity Securities	35.00 %	6.87 %	2.40 %
Debt Securities	20.00 %	1.54 %	0.31 %
Real Assets	18.00 %	5.43 %	0.98 %
Private Equity	12.00 %	9.80 %	1.18 %
Absolute Return	15.00 %	3.86 %	0.58 %
Cash and Cash Equivalents	0.00 %	0.24 %	0.00 %
Total Asset Classes	<u>100.00 %</u>		<u>5.45 %</u>
Inflation			<u>2.50 %</u>
Expected Arithmetic Nominal Return			<u>7.95 %</u>

¹ The total URS Defined Benefit long-term expected rate of return is 6.85 percent. It is comprised of a 2.50 percent inflation rate, a real long-term expected rate of return of 4.35 percent that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 6.85 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 6.85 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 (5.85 percent) or 1 percentage-point higher (7.85 percent) than the current rate:

**Primary Government
Changes in Discount Rate
Net Pension Liability / (Asset)**
(expressed in thousands)

System	1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 1,326,926	\$ 500,650	\$ (191,961)
Contributory System	27,277	3,992	(16,148)
Public Safety System	336,417	108,249	(79,478)
Firefighters System	1,115	(934)	(2,601)
Judges System	69,556	34,256	4,293
Utah Governors and Legislators Retirement Plan	1,680	483	(543)
Tier 2 Public Employees System	117,708	34,259	(30,456)
Tier 2 Public Safety and Firefighters System	25,648	7,960	(6,190)
Total Net Pension Liability / (Asset)	<u>\$ 1,906,327</u>	<u>\$ 688,915</u>	<u>\$ (323,084)</u>

Changes in Assumptions

Changes include updates to the mortality improvement assumption, salary increase assumption, disability incidence assumption, assumed retirement rates, and assumed termination rates, as recommended with the January 1, 2023 actuarial experience study.

B. Defined Benefit Plans - Utah Transit Authority

Utah Transit Authority (UTA) (major discretely presented 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 or more of service. The Plan is a qualified government plan and is not subject to all of the provisions of The Employee Retirement Income Security Act (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's financial statements are included as supplementary schedules in the Authority's financial statements. Separate financial statements are not required or issued for the Plan.

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 three 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 2023, 47 participants elected to receive their benefit in the form of lump sum distribution. Lump sum distributions collectively totaled \$7.190 million. Individuals are removed from the Plan’s membership if they choose to take all of their benefit as a lump sum distribution.

As of January 1, 2023, the Plan’s membership consisted of:

**Utah Transit Authority Retirement Plan and Trust Membership
January 1, 2023**

Active participants	2,471
Inactive participants not receiving benefits	535
Retirees and beneficiaries receiving benefits	799
Total	3,805

Contributions

Employer Contribution Requirements

UTA’s contributions are determined by the Pension Committee and approved by the Board of Trustees based on 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 in preparation for the Authority’s adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The rates are determined using the entry age actuarial cost method. The Authority’s Board of Trustees adopted a contribution rate policy of 16 percent for calendar year 2023. Employer contributions in calendar year 2023 totaled \$30.042 million.

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:

(Table on next page)

Utah Transit Authority Retirement Plan and Trust
Changes in Net Position Liability and Related Ratios
Increases (Decreases)
For the Fiscal Year Ended December 31, 2023
(expressed in thousands)

Total Pension Liability	
Service Cost	\$ 14,308
Interest	29,161
Difference between Actual and Expected Experience	6,654
Member voluntary contributions	346
Benefit Payments	(22,266)
Net Change in Total Pension Liability	<u>28,203</u>
Total Pension Liability – Beginning	428,657
Total Pension Liability – Ending	<u>A \$ 456,860</u>
Plan Fiduciary Net Position	
Member voluntary contributions	\$ 346
Contributions – Employer	30,042
Net Investment Income	44,606
Benefit Payments	(22,266)
Administrative Expense	(584)
Net Change in Plan Fiduciary Net Position	<u>52,144</u>
Plan Fiduciary Net Position – Beginning	262,433
Plan Fiduciary Net Position – Ending	<u>B \$ 314,577</u>
Net Pension Liability / (Asset) – Ending (A – B)	<u>\$ 142,283</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.86 %
Covered Payroll	\$ 173,115
Net Pension Liability as a Percentage of Covered Payroll	82.19 %

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, UTA reported a net pension liability of \$142.28 million. The net pension liability was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2023 and rolled-forward using generally accepted actuarial procedures. For the year ended December 31, 2023, UTA recognized pension expense of \$33.76 million.

Utah Transit Authority Retirement Plan and Trust
Deferred Outflows and Inflows of Resources Related to Pensions
December 31, 2023
(expressed in thousands)

Source	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between Expected and Actual Experience	\$ (424)	\$ 13,587
Changes in Assumptions	—	8,425
Net Differences between Projected and Actual on Pension Plan Earnings	—	18,201
Total	<u><u>\$ (424)</u></u>	<u><u>\$ 40,213</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, 2023
(expressed in thousands)

Fiscal Year	Amount
2024	\$ 11,642
2025	\$ 14,336
2026	\$ 14,804
2027	\$ (2,472)
2028	\$ 1,370
Thereafter	\$ 109

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 total pension liability as of December 31, 2023, is based on the results of an actuarial valuation date of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The significant actuarial assumptions and methods used in the January 1, 2023 valuation are as follows:

Utah Transit Authority Retirement Plan and Trust
Summary of Actuarial Assumptions

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary Increases	7.00% per annum for the first five (5) years of employment; 4.00% per annum thereafter
Investment rate of return	6.75% net of investment expenses
Cost of Living Adjustments	None
Mortality	RP-2014 Blue Collar Mortality Table, with MP-2014 Project Scale (Pre-retirement; Employee Table; Post-retirement Annuitant Table)
Annual Payroll Growth Including Inflation	4.00%
Percent of Future Retirement Electing Lump Sum	20.00%

The actuarial assumptions used in the January 1, 2023 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 October 2022 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	56.00 %	36 % – 76 %	6.80 %
Private Equity	10.00 %	0 % – 20 %	— %
Real Assets	7.00 %	3 % – 11 %	6.40 %
Fixed Income	25.00 %	15 % – 35 %	5.30 %
Cash & Equivalents	2.00 %	0 % – 5 %	5.50 %
Total	<u>100.00 %</u>		<u>6.80 %</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 6.75 percent assumed investment rate of return is 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, 2023, the annual money-weighted rate of return, net of investments was 16.76 percent.

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. Based on the actuarial 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 6.75 percent.

**Utah Transit Authority Retirement Plans Changes in
Discount Rate Net Pension Liability (Asset)**

(expressed in thousands)

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 208,156	\$ 142,284	\$ 88,096

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 488 employers participating in the 401(k) Plan and 304 employers participating in the 457 Plan. There are 209,708 plan

participants in the 401(k) Plan, 20,995 participants in the 457 Plan, 20,767 participants in the Roth IRA Plan, and 3,523 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 these plans during the year ended June 30, 2024, by employees and employers are as follows:

**Defined Contribution Savings Plans
Contributions**

(expressed in thousands)

Plan	Primary Government	Component Units
401(k) Plan		
Employer Contributions	\$ 45,976	\$ 10,703
Employee Contributions	\$ 54,616	\$ 7,561
457 Plan		
Employer Contributions	\$ —	\$ —
Employee Contributions	\$ 11,045	\$ 1,332
Roth IRA Plan		
Employer Contributions	\$ —	\$ —
Employee Contributions	\$ 10,355	\$ 847
Traditional IRA		
Employer Contributions	\$ —	\$ —
Employee Contributions	\$ 487	\$ 33

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 0.18 to 1.50 percent of an employee’s salary for the hybrid defined benefit systems and 10.00 to 14.00 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 discretely presented component units paid in 401(k) defined contributions required by statute \$22.602 million and \$2.696 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 (discretely presented component units) to the TIAA and Fidelity retirement systems for June 30, 2024 and June 30, 2023, were \$338.211 million and \$308.072 million, respectively.

University of Utah

University of Utah (major discretely presented component unit) Hospitals and Clinics (UUHC) employees hired prior to January 1, 2001, who were not enrolled in the URS program, are enrolled in a 401(a) defined contribution plan that is administered by the UUHC Chief Human Resources Officer. The administrator has the authority to amend, modify, or terminate the plan. UUHC is required to contribute 14.20 percent of covered payroll to the plan for the employees covered under this plan. Hospital employees hired subsequent to December 31, 2000 are enrolled in a separate 401(a) plan, the Hospital Plan Plus (HPP) Benefit Program. UUHC contributes 6 percent for employees covered under this plan. In addition, these employees are eligible for a match on employee contributions to a 403(b) Match Plan up to 4 percent of salary and fully vest in the UUHC's contributions to both plans after five years of service. The University and plan members contributions were \$90.099 million and \$62.889 million, respectively, for the year ended June 30, 2024.

The ARUP Laboratories, Inc. (blended component unit of the University of Utah) contribution pension and profit sharing plans provide retirement benefits for all employees. Employees may choose to pay into the federal social security tax system or to participate in an enhanced ARUP retirement program. For those who choose to continue to pay social security taxes, ARUP makes contributions each pay period amounting to 5 percent of their compensation and ARUP continues to make matching social security tax contributions. For those who discontinue paying social security taxes, ARUP makes contributions each pay period amounting to 8.10 percent of their compensation and does not contribute any social security tax on their behalf. There are no minimum service and vesting requirements relating to pension contributions. ARUP contributed \$24.176 million for the year ended June 30, 2024.

Contributions to the profit sharing plan are at the discretion of ARUP and are made subject to certain tenure-based and hours-worked thresholds. Employees are fully vested in the profit sharing plan after five years of service. Voluntary contributions to the profit sharing plan by employee participants and ARUP totaled \$36.335 million and \$12.939 million, respectively, for the year ended June 30, 2024.

Utah Transit Authority

The Utah Transit Authority (UTA) (major discretely presented 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. UTA currently matches \$2 for every \$3 of employee contributions, up to 2 percent of the employee's salary. UTA contributed \$2.696 million during calendar year 2023. 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 Planning 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 63A-17-507 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 discretely presented 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, 2024, the following number of employees were covered by the State's single-employer OPEB plans:

**Single-employer Plans Covered Employees
June 30, 2024**

	State Employee OPEB Plan	Elected Official OPEB Plan
Inactive Employees or Beneficiaries Currently Receiving Benefits ..	2,482	114
Inactive Employees Entitled to But Not Yet Receiving Benefits.....	—	99
Active Employees.....	4,439	30
Total Single-employer Plans Covered Employees	<u>6,921</u>	<u>243</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 8.0 percent, toward the cost of health insurance premiums. For the fiscal year ended June 30, 2024, retirees contributed \$1.296 million, or approximately 4.15 percent of total premiums, through their required contributions of \$0 to \$209.93 per month depending on the coverage (single, double, or family) and health plan selected.

The Actuarially Determined Contribution (ADC) of \$(5.232) million, from the December 31, 2020, actuarial valuation, was used to establish the fiscal year 2024 annual budget and fund employer contributions. The State Legislature funded \$6.375 million in employer contributions, \$11.607 million more than the ADC.

Elected Official OPEB Plan Contributions

For the fiscal year ended June 30, 2024, elected officials who participated in the Elected Official OPEB Plan contributed

\$60 thousand, or approximately 6.28 percent of total premiums, through their required contributions of \$0 (for 10 or more years of service) to \$907 per month (for four years of service) depending on the coverage (single or double) and health plan selected.

The Actuarially Determined Contribution (ADC) of \$423 thousand from the December 31, 2020, actuarial valuation was used to establish the fiscal year 2024 annual budget and fund employer contributions. For the fiscal year 2024, the State Legislature funded \$1.249 million in employer contributions, \$826 thousand more than the ADC.

Net OPEB Asset

The net OPEB Asset was measured as of June 30, 2024. The total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022, and rolled-forward using generally accepted actuarial procedures. The combined total net OPEB asset of both single-employer plans was \$35.134 million, and of that amount, the State's (primary government) net OPEB asset was \$34.467 million, and \$666 thousand was allocated to nonmajor discretely presented component units. Below are the changes in the net OPEB asset and related ratios of the net OPEB asset for the single-employer OPEB plans:

(Notes continue on next page.)

Single-employer Plans
Changes in Net OPEB Liability and Related Ratios
Increases (Decreases)
For the Year Ended June 30, 2024
(dollars expressed in thousands)

	State Employee OPEB Plan	Elected Official OPEB Plan
Total OPEB Liability		
Service Cost	\$ 3,500	\$ 120
Interest	6,766	1,198
Difference between Actual and Expected Experience	(7,279)	(1,688)
Assumption Changes	—	—
Benefit Payments	(29,924)	(920)
Net Change in Total OPEB Liability	<u>(26,937)</u>	<u>(1,290)</u>
Total OPEB Liability – Beginning	236,899	23,160
Total OPEB Liability – Ending	A <u><u>\$ 209,962</u></u>	<u><u>\$ 21,870</u></u>
Plan Fiduciary Net Position		
Contributions – Employer	\$ 6,375	\$ 1,249
Net Investment Income (Loss)	11,749	1,430
Benefit Payments	(29,924)	(920)
Net Change in Plan Fiduciary Net Position	<u>(11,800)</u>	<u>1,759</u>
Plan Fiduciary Net Position – Beginning	255,459	21,550
Plan Fiduciary Net Position – Ending	B <u><u>\$ 243,659</u></u>	<u><u>\$ 23,309</u></u>
Net OPEB Liability / (Asset) – Ending (A – B)	<u><u>\$ (33,697)</u></u>	<u><u>\$ (1,439)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Asset	116.05 %	106.58 %
Covered Payroll ¹	\$ 1,519,884	
Net OPEB Asset as a Percentage of Covered Payroll	(2.22)%	
Covered-employee Payroll ¹		\$ 770
Net OPEB Asset as a Percentage of Covered-employee Payroll		(186.88)%

¹ 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.

(Notes continue on next page.)

Deferred Outflows and Inflows of Resources and OPEB Expense

For the year ended June 30, 2024, the total OPEB expense was \$(4.873) million: \$(3.338) million for the State Employee OPEB Plan, and \$(1.536) million for the Elected Official OPEB Plan. Of the total OPEB expense, the State (primary government) recognized \$(4.842) million, and \$(32) thousand was allocated to nonmajor discretely presented component units.

Total deferred inflows of resources related to the recognition of OPEB expense was \$(13.620) million, of which \$(13.503) million

was recognized by the State, and \$(117) thousand was allocated to nonmajor discretely presented component units.

Total deferred outflows of resources related to the recognition of OPEB expense was \$18.272 million, of which \$18.118 million was recognized by the State, and \$155 thousand was allocated to nonmajor discretely presented component units.

Deferred inflows of resources related to OPEB came from the following source:

Deferred Outflows and Inflows of Resources Related to OPEB

June 30, 2024

(expressed in thousands)

Source	State Employee OPEB Plan		Elected Official OPEB Plan	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Differences between expected and Actual Experience.....	\$ 2,474	\$ (11,340)	\$ —	\$ —
Changes in Assumption.....	4,730	(2,280)	—	—
Net Differences between Projected and Actual Earnings on OPEB Plan Investments.....	10,776	—	291	—
Total.....	<u>\$ 17,980</u>	<u>\$ (13,620)</u>	<u>\$ 291</u>	<u>\$ 0</u>

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, 2024**

(expressed in thousands)

Fiscal Year	State Employee OPEB Plan		Elected Official OPEB Plan	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
2025.....	\$ 8,467	\$ (8,566)	\$ 13	\$ —
2026.....	\$ 8,284	\$ (3,235)	\$ 531	\$ —
2027.....	\$ 2,101	\$ (1,820)	\$ (195)	\$ —
2028.....	\$ (871)	\$ —	\$ (58)	\$ —

The total OPEB liability in the December 31, 2022 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.....	12/31/2022	12/31/2022
Measurement Date.....	6/30/2024	6/30/2024
Actuarial Cost Method.....	Entry Age Normal Level Percentage of Pay Cost Method	
Investment Rate of Return.....	3.00%	5.25%
Inflation Rate.....	2.70%	
Healthcare Inflation Rate.....	6.60% initial 4.14% ultimate	

Rates for the pre-retirement mortality assumption were based on the Pub-2010 Headcount-Weighted General or Public Safety Employees Mortality Tables with generational projection using Scale MP-2021. Rates for the post-employment mortality assumption were based on the Pub-2010 Headcount-Weighted General or Public Safety Retirees or Contingent Survivors Mortality Tables with generational projection using Scale MP-2021. The medical trend assumptions used in the valuation were developed using the Society of Actuaries (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, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 3.56 percent for the State Employee OPEB Plan and 4.72 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, 2024, 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 ..	<u>100.00 %</u>		1.00 %
Inflation			<u>2.00 %</u>
Expected Arithmetic Nominal Return			<u>3.00 %</u>

**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			<u>2.00 %</u>
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 is set as (a) the long-term expected rate of return on OPEB Plan investments to the extent that the OPEB plan assets are projected to be sufficient to make projected benefit payments and expected to be invested using a strategy to achieve that return or (b) the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) if the conditions in (a) are not met. The discount rate incorporates the S&P Municipal Bond 20-Year High Grade Index of 4.21 percent.

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/Asset.

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:

(Table on next page)

**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.....	\$ (24,549)	\$ (33,696)	\$ (42,574)
	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
Elected Official OPEB Plan	\$ 1,476	\$ (1,438)	\$ (3,833)
Total Net OPEB Liability / (Asset)	\$ (23,073)	\$ (35,134)	\$ (46,407)

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 or 1 percentage-point higher the current healthcare cost trend rates:

**Healthcare Cost Trend Rates
Net OPEB Liability / (Asset)**
(expressed in thousands)

OPEB Plan	1% Decrease (5.60% decreasing to 3.14%)	Current Discount Rate (6.60% decreasing to 4.14%)	1% Increase (7.60% decreasing to 5.14%)
State Employee OPEB Plan.....	\$ (47,140)	\$ (33,696)	\$ (19,032)
Elected Official OPEB Plan	(4,069)	(1,438)	1,735
Total Net OPEB Liability / (Asset) ...	\$ (51,209)	\$ (35,134)	\$ (17,297)

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 discretely presented 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 discretely presented component units participate in the Risk Management Fund. PEHP provides insurance coverage to 396 municipalities, school districts, and other public entities within the State.

Participants in the Risk Management Fund general property, auto/physical damage, and general liability programs are state agencies, higher education, school districts, and charter schools. All participants share the risk within the PEHP long-term disability, life insurance, health reimbursement arrangement (HRA), Medicare Supplement, and reinsurance programs 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. Risk Management manages a liability captive insurance entity and two property captive insurance entities as part of its insurance portfolio. Beginning in fiscal year 2024, the Risk Management Fund covers liability claims up to \$1 million per

claim, with its liability captive covering the next \$10 million and a commercial excess policy covering an additional \$10 million aggregate. The State’s property insurance is \$525 million for earthquake and \$1 billion for all other perils. The remaining claims are covered by commercial insurance. The State’s per occurrence deductible for earthquakes is 2.0 percent of the value of each building involved in the loss, subject to a minimum of \$5 million and a maximum of \$25 million, and the State’s per occurrence deductible for flood losses is \$50 thousand.

The Risk Management Fund experienced property losses that exceeded its \$1 million self-insured retention in the fiscal year ending June 30, 2020. The Fund did not experience a liability loss that exceeded the State’s self-insured retention of \$2 million, but did experience property losses that exceeded its \$1 million self-insured retention during the fiscal years ending June 30, 2021, 2022, and 2023.

PEHP does not enter into any external medical reinsurance agreements. PEHP has reinsurance coverage for a life catastrophic occurrence in excess of \$3 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 discretely presented component units of the State paid premiums to PEHP for health and life insurance coverage in fiscal year 2024 of \$419.891 million and \$68.531 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 3 percent. PEHP long-term disability benefit reserves of \$9.778 million are reported using a discount rate of 2.75 percent in 2023 and thereafter to calculate the present value of estimated future cash payments as of December 31, 2023 and 2022.

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, 2024, there were 131 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, 2024, the primary government and the discretely presented component units of the State paid premiums for the Long-term Disability Program of \$10.618 million and \$669 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 Utah Tech University (major and nonmajor discretely presented 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 trust 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 for catastrophic malpractice liabilities in excess of the trust fund balances. The coverage provides for \$5 million per occurrence and \$26 million in aggregate.

Utah Transit Authority (UTA) (major discretely presented component unit) is self-insured for amounts up to the maximum statutory liability in any one accident of \$3 million for incidents occurring after May 1, 2019. UTA carries an excess umbrella policy of \$10 million over a \$7 million self-insurance reserve. UTA has Railroad Liability Coverage of \$100 million per annum with \$5 million of risk retention. UTA is self-insured for workers' 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, 2023 and June 30, 2024. The PEHP and UTA balances are for the calendar years ended December 31, 2022 and December 31, 2023:

	Changes in Claims Liabilities <i>(expressed in thousands)</i>			
	Beginning Balance	Current Year Claims and Changes in Estimates	Claims Payments	Ending Balance
Risk Management:				
2023	\$ 66,886	\$ 39,777	\$ (35,027)	\$ 71,636
2024	\$ 71,636	\$ 24,604	\$ (21,853)	\$ 74,387
Public Employees Health Program:				
December 31, 2022	\$ 180,856	\$ 935,082	\$ (938,779)	\$ 177,159
December 31, 2023	\$ 177,159	\$ 988,067	\$ (961,384)	\$ 203,842
Utah Transit Authority:				
December 31, 2022	\$ 1,061	\$ 3,590	\$ (3,084)	\$ 1,567
December 31, 2023	\$ 1,567	\$ 3,473	\$ (3,368)	\$ 1,672
College and University Self-Insurance:				
2023	\$ 108,970	\$ 460,503	\$ (440,642)	\$ 128,831
2024	\$ 128,831	\$ 500,227	\$ (484,357)	\$ 144,700

NOTE 20. SUBSEQUENT EVENTS

Subsequent to June 30, 2024, the Governor's Office of Economic Development Board recommended and the director approved \$25.978 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.

On September 17, 2024, the State issued \$97.155 million in Lease Revenue and Refunding Bonds, Series 2024. Principal on the bonds is due annually commencing on May 1, 2025 through May 1, 2044. The interest rate on the Series 2024 bonds is 5 percent. Proceeds of the bonds will be used for the purchase and construction of capital facilities projects and to advance refund all

of the 2009 C, 2009 E, 2011, and 2015 Series Lease Revenue bonds.

Effective at the beginning of fiscal year 2025, Risk Management made changes to the State’s insurance coverage structure. As of July 1, 2024, the property captive now covers all property claims up to \$15 million, excluding earthquake-related losses. Additionally, for K-12 public education school properties, a second captive insurance vehicle has been established to cover claims between \$15 million and \$50 million, also excluding earthquake-related claims.

Discretely Presented Component Units

On August 7, 2024, the University of Utah (major discretely presented component unit) purchased the City Center building in downtown Salt Lake City, Utah for \$38 million using university funds, without taking on new debt. Additionally, the University entered into an agreement with the University of Utah Growth

Capital Fund Partners, a designated service organization, which will be a discretely presented component unit of the University starting in fiscal year 2025.

In April 2024, The Military Installation Development Authority (MIDA) (nonmajor discretely presented component unit) formed a component unit, MIDA Mountain Veterans Program Infrastructure (MVP PID). A \$45 million tax allocation revenue bond was issued by MVP PID in October 2024. Principal on the bonds is due annually commencing on June 1, 2029 through June 1, 2054. The interest rate on the bonds is 5 percent through June 1, 2044 and then 5.20 percent through 2054 to be paid semiannually. Proceeds of the bonds will be used to fund the construction of an inn and townhomes at Sundance Mountain Resort along with other infrastructure improvements.



Snowy Winter Sunrise

Photo by Brig Dunsmore

REQUIRED SUPPLEMENTARY INFORMATION



2024 **STATE OF UTAH**

Annual Comprehensive Financial Report
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Winter Moon over Ogden

Photo by Chad Roylance

Budgetary Comparison Schedule
General Fund
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
General Revenues				
Sales and Use Tax	\$ 3,402,945	\$ 3,328,957	\$ 3,315,555	\$ (13,402)
Licenses, Permits, and Fees:				
Court Fees	21,417	28,925	16,594	(12,331)
Other Licenses, Permits, and Fees	9,312	10,975	10,548	(427)
Investment Income	207,675	286,560	288,110	1,550
Miscellaneous Taxes and Other:				
Beer Tax	10,428	11,701	9,037	(2,664)
Cigarette and Tobacco Tax	81,019	76,801	78,614	1,813
Insurance Premium Tax	199,919	205,343	212,123	6,780
Oil, Gas, and Mining Severance Taxes	54,268	50,972	50,841	(131)
Court Collections	3,235	4,649	20,717	16,068
Other Taxes	63,538	70,758	56,402	(14,356)
Miscellaneous Other	6,946	6,509	8,224	1,715
Total General Revenues	<u>4,060,702</u>	<u>4,082,150</u>	<u>4,066,765</u>	<u>(15,385)</u>
Department Specific Revenues				
Sales and Use Tax	54,614	118,171	118,171	—
Federal Contracts and Grants	6,815,113	5,605,260	5,605,260	—
Departmental Collections	856,430	784,853	784,853	—
Higher Education Collections	988,329	1,050,441	1,050,441	—
Federal Mineral Lease	—	84,283	84,283	—
Investment Income	4,003	39,810	39,810	—
Miscellaneous	1,228,296	1,175,439	1,175,439	—
Total Department Specific Revenues	<u>9,946,785</u>	<u>8,858,257</u>	<u>8,858,257</u>	<u>0</u>
Total Revenues	<u>14,007,487</u>	<u>12,940,407</u>	<u>12,925,022</u>	<u>(15,385)</u>
Expenditures				
General Government	908,011	887,742	663,386	224,356
Health and Human Services	8,517,276	7,615,697	7,357,089	258,608
Corrections	493,015	493,594	433,391	60,203
Public Safety	679,283	531,572	467,627	63,945
Courts	213,725	217,569	209,622	7,947
Environmental Quality	137,867	92,549	81,939	10,610
Higher Education – State Administration	148,899	147,522	147,522	—
Higher Education – Colleges and Universities	2,784,503	2,817,535	2,817,535	—
Employment and Family Services	1,811,111	1,313,066	1,268,256	44,810
Natural Resources	897,871	891,614	506,477	385,137
Cultural and Community Engagement	83,817	76,431	58,703	17,728
Business, Labor, and Agriculture	327,793	337,630	172,729	164,901
Total Expenditures	<u>17,003,171</u>	<u>15,422,521</u>	<u>14,184,276</u>	<u>1,238,245</u>
Excess Revenues Over (Under) Expenditures	<u>(2,995,684)</u>	<u>(2,482,114)</u>	<u>(1,259,254)</u>	<u>1,222,860</u>
Other Financing Sources (Uses)				
Transfers In	2,762,483	3,000,612	3,000,612	—
Transfers Out	(2,385,236)	(2,298,388)	(2,298,388)	—
Total Other Financing Sources (Uses)	<u>377,247</u>	<u>702,224</u>	<u>702,224</u>	<u>0</u>
Net Change in Fund Balance	<u>(2,618,437)</u>	<u>(1,779,890)</u>	<u>(557,030)</u>	<u>1,222,860</u>
Budgetary Fund Balance – Beginning	3,403,188	3,403,188	3,403,188	—
Budgetary Fund Balance – Ending	<u>\$ 784,751</u>	<u>\$ 1,623,298</u>	<u>\$ 2,846,158</u>	<u>\$ 1,222,860</u>

The [Information About Budgetary Reporting](#) section is an integral part of this schedule.

Budgetary Comparison Schedule
Income Tax Fund
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
General Revenues				
Individual Income Tax	\$ 6,310,459	\$ 6,306,129	\$ 6,251,558	\$ (54,571)
Corporate Tax	717,872	884,068	896,788	12,720
Miscellaneous Other	49,197	77,251	126,911	49,660
Total General Revenues	<u>7,077,528</u>	<u>7,267,448</u>	<u>7,275,257</u>	<u>7,809</u>
Department Specific Revenues				
Federal Contracts and Grants	597,314	810,130	810,130	—
Departmental Collections	6,017	14,381	14,381	—
Investment Income	(31,222)	20,355	20,355	—
Miscellaneous:				
Liquor Sales Allocated for School Lunch	51,853	57,887	57,887	—
Driver Education Fee	6,610	7,310	7,310	—
Property Tax for Charter Schools	—	35,979	35,979	—
Other	(835)	722	722	—
Total Department Specific Revenues	<u>629,737</u>	<u>946,764</u>	<u>946,764</u>	<u>0</u>
Total Revenues	<u>7,707,265</u>	<u>8,214,212</u>	<u>8,222,021</u>	<u>7,809</u>
Expenditures				
Public Education	7,850,128	6,533,300	6,222,201	311,099
Total Expenditures	<u>7,850,128</u>	<u>6,533,300</u>	<u>6,222,201</u>	<u>311,099</u>
Excess Revenues Over (Under) Expenditures	<u>(142,863)</u>	<u>1,680,912</u>	<u>1,999,820</u>	<u>318,908</u>
Other Financing Sources (Uses)				
Transfers In	123,717	124,027	124,027	—
Transfers Out	(3,970,734)	(2,986,366)	(2,986,366)	—
Total Other Financing Sources (Uses)	<u>(3,847,017)</u>	<u>(2,862,339)</u>	<u>(2,862,339)</u>	<u>0</u>
Net Change in Fund Balance	<u>(3,989,880)</u>	<u>(1,181,427)</u>	<u>(862,519)</u>	<u>318,908</u>
Budgetary Fund Balance – Beginning	3,347,833	3,347,833	3,347,833	—
Budgetary Fund Balance – Ending	<u>\$ (642,047)</u>	<u>\$ 2,166,406</u>	<u>\$ 2,485,314</u>	<u>\$ 318,908</u>

The [Information About Budgetary Reporting](#) section is an integral part of this schedule.

Budgetary Comparison Schedule
Transportation Fund
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
General Revenues				
Motor Fuel Tax	\$ 415,868	\$ 450,819	\$ 446,001	\$ (4,818)
Special Fuel Tax	193,505	189,953	196,924	6,971
Licenses, Permits, and Fees:				
Motor Vehicle Registration Fees	91,280	100,872	108,135	7,263
Proportional Registration Fees	18,453	20,392	22,004	1,612
Temporary Permits	171	189	189	—
Special Transportation Permits	11,656	12,880	12,899	19
Highway Use Permits	11,702	12,933	14,413	1,480
Motor Vehicle Control Fees	6,312	6,975	6,987	12
Investment Income	15,165	15,165	29,433	14,268
Miscellaneous Other	—	—	21	21
Other Taxes	—	—	240	240
Total General Revenues	<u>764,112</u>	<u>810,178</u>	<u>837,246</u>	<u>27,068</u>
Department Specific Revenues				
Sales and Aviation Fuel Taxes	—	7,081	7,081	—
Federal Contracts and Grants	690,983	531,247	531,247	—
Departmental Collections	74,383	82,669	82,669	—
Investment Income	386	12,822	12,822	—
Miscellaneous	49,897	101,860	101,860	—
Total Department Specific Revenues	<u>815,649</u>	<u>735,679</u>	<u>735,679</u>	<u>0</u>
Total Revenues	<u>1,579,761</u>	<u>1,545,857</u>	<u>1,572,925</u>	<u>27,068</u>
Expenditures				
Transportation	1,775,110	1,627,299	1,418,924	208,375
Total Expenditures	<u>1,775,110</u>	<u>1,627,299</u>	<u>1,418,924</u>	<u>208,375</u>
Excess Revenues Over (Under) Expenditures	<u>(195,349)</u>	<u>(81,442)</u>	<u>154,001</u>	<u>235,443</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	—	16,974	16,974	—
Transfers In	244,459	283,381	283,381	—
Transfers Out	(157,543)	(166,061)	(166,061)	—
Total Other Financing Sources (Uses)	<u>86,916</u>	<u>134,294</u>	<u>134,294</u>	<u>0</u>
Net Change in Fund Balance	<u>(108,433)</u>	<u>52,852</u>	<u>288,295</u>	<u>235,443</u>
Budgetary Fund Balance – Beginning	631,070	631,070	631,070	—
Budgetary Fund Balance – Ending	<u>\$ 522,637</u>	<u>\$ 683,922</u>	<u>\$ 919,365</u>	<u>\$ 235,443</u>

The [Information About Budgetary Reporting](#) section is an integral part of this schedule.

**Budgetary Comparison Schedule
Budget to GAAP Reconciliation**
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

	General Fund	Income Tax Fund	Transportation Fund
Revenues			
Actual total revenues (budgetary basis)	\$ 12,925,022	\$ 8,222,021	\$ 1,572,925
Differences – Budget to GAAP:			
Intrafund revenues are budgetary revenues but are not revenues for financial reporting	(699,518)	—	(3,667)
Higher education and Utah Schools for the Deaf and the Blind collections are budgetary revenues but are not revenues for financial reporting	(1,050,441)	(13,026)	—
Utah Board of Higher Education revenue not budgeted	5,837	—	—
Revenues for financial reporting purposes but not for budgetary reporting	51,518	359	—
Budgetary revenues reported as transfers for financial reporting	(10,000)	—	—
Change in revenue accrual for nonbudgetary Medicaid claims	(22,674)	—	—
Change in tax accruals designated by law and other liabilities are revenues for financial reporting but not for budgetary reporting	27,980	1,430	(1,513)
Federal revenue related to pandemic relief moved to the Unemployment Compensation Fund for financial reporting purposes	(278)	—	—
Revenues for budgetary reporting but recorded as a prior period adjustment for financial reporting	(17,562)	—	—
Change in estimated federal receivables recorded as revenues for financial reporting but not for budgetary reporting	—	(115,008)	—
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u>\$ 11,209,884</u>	<u>\$ 8,095,776</u>	<u>\$ 1,567,745</u>
Expenditures			
Actual total expenditures (budgetary basis)	\$ 14,184,276	\$ 6,222,201	\$ 1,418,924
Differences – Budget to GAAP:			
Intrafund expenditures for reimbursements are budgetary expenditures but are not expenditures for financial reporting	(699,518)	—	(3,667)
Expenditures related to higher education (General Fund) and Utah Schools for the Deaf and the Blind (Income Tax Fund) collections are budgetary expenditures but are not expenditures for financial reporting	(1,050,441)	(13,026)	—
Utah Board of Higher Education expenditures not budgeted	2,149	—	—
Certain budgetary transfers and other charges are reported as an increase or reduction of expenditures for financial reporting	(2,322)	—	—
Leave charges budgeted as expenditures when earned rather than when taken or due	(2,547)	(47)	(615)
Change in estimated liabilities recorded as expenditures for financial reporting but not for budgetary reporting	—	(91,791)	—
Change in accrual for Medicaid (incurred but not reported) claims excluded from the budget by statute	(20,699)	—	—
Budgetary expenditures related to medical personal protective equipment (PPE) that remains in inventory at yearend	21,516	—	—
Budgetary expenditures for unemployment insurance benefits related to pandemic relief moved to the Unemployment Compensation Fund for reporting purposes	278	—	—
Expenditures for financial reporting purposes but not for budgetary reporting	23,622	226	76
Change in Unemployment Claims paid by the State as the Employer	255	—	—
Capital Outlay under leases	36,678	—	2,175
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u>\$ 12,493,247</u>	<u>\$ 6,117,563</u>	<u>\$ 1,416,893</u>

The [Information About Budgetary Reporting](#) section 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 Services Fund, a major 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, 2024, 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 (i.e., 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, in accordance with the Budgetary Procedures Act in Title 63J, Chapter 1 of *Utah Code*, 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. In the Alcoholic Beverage Services Fund (major enterprise fund), the Alcoholic Beverage Services Operation's budget was over expended by \$359 thousand. 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), Income Tax Fund 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, 2024, the State was \$82.292 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 Annual Comprehensive 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.



Tony Grove in Autumn.

Photo by Gavin Vanderbeek

Required Supplementary Information
Changes in Net Pension Liability
Single-employer Plans - Utah Retirement Systems
Calendar Years ending December 31
(dollars expressed in thousands)

Judges System	Calendar Year				
	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	\$ 4,895	\$ 4,794	\$ 5,023	\$ 5,328	\$ 5,682
Interest	13,641	14,136	14,064	14,866	15,697
Difference between Actual and Expected Experience	2,602	171	1,995	809	7,873
Assumption Changes	(130)	—	2,885	13,067	—
Benefit Payments	(11,361)	(12,400)	(12,330)	(13,700)	(16,195)
Net Change in Total Pension Liability	9,647	6,701	11,637	20,370	13,057
Total Pension Liability – Beginning	182,638	192,285	198,986	210,623	230,993
Total Pension Liability – Ending	A \$ 192,285	\$ 198,986	\$ 210,623	\$ 230,993	\$ 244,050
Plan Fiduciary Net Position					
Contributions – Employee	\$ 317	\$ —	\$ —	\$ —	\$ —
Contributions – Employer ¹	5,627	6,555	7,382	7,563	8,091
Court Fees ²	1,486	1,653	1,470	1,477	1,518
Net Investment Income	11,068	2,842	13,820	23,435	(730)
Benefit Payments	(11,361)	(12,400)	(12,330)	(13,621)	(16,111)
Administrative Expense	(71)	(71)	(71)	(79)	(84)
Net Transfers with Affiliated Systems	1,092	1,334	1,600	4,090	4,403
Net Change in Plan Fiduciary Net Position	8,158	(87)	11,871	22,865	(2,913)
Plan Fiduciary Net Position – Beginning	155,676	163,834	163,747	175,618	198,483
Plan Fiduciary Net Position – Ending	B \$ 163,834	\$ 163,747	\$ 175,618	\$ 198,483	\$ 195,570
Net Pension Liability (A - B)	\$ 28,451	\$ 35,239	\$ 35,005	\$ 32,510	\$ 48,480
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.20 %	82.29 %	83.38 %	85.93 %	80.14 %
Covered Payroll	\$ 15,264	\$ 16,372	\$ 16,755	\$ 18,661	\$ 18,802
Net Pension Liability as a Percentage of Covered Payroll	186.39 %	215.24 %	208.92 %	174.21 %	257.84 %
Utah Governors and Legislators Retirement Plan					
Total Pension Liability					
Service Cost	\$ 106	\$ 99	\$ 90	\$ 67	\$ 65
Interest	884	890	851	879	877
Difference between Actual and Expected Experience	307	(105)	167	182	139
Assumption Changes	—	—	241	264	—
Refunds	—	—	—	—	—
Benefit Payments	(909)	(904)	(941)	(978)	(1,034)
Net Change in Total Pension Liability	388	(20)	408	414	47
Total Pension Liability – Beginning	11,879	12,267	12,247	12,655	13,069
Total Pension Liability – Ending	A \$ 12,267	\$ 12,247	\$ 12,655	\$ 13,069	\$ 13,116
Plan Fiduciary Net Position					
Contributions – Employer	\$ 411	\$ 421	\$ 421	\$ 404	\$ 392
Net Investment Income	717	181	849	1,353	(41)
Benefit Payments	(909)	(904)	(941)	(973)	(978)
Refunds	—	—	—	—	—
Administrative Expense	(5)	(5)	(4)	(5)	(5)
Net Transfers with Affiliated Systems	(14)	(20)	(12)	89	(51)
Net Change in Plan Fiduciary Net Position	200	(327)	313	868	(683)
Plan Fiduciary Net Position – Beginning	10,166	10,366	10,039	10,352	11,220
Plan Fiduciary Net Position – Ending	B \$ 10,366	\$ 10,039	\$ 10,352	\$ 11,220	\$ 10,537
Net Pension Liability (A - B)	\$ 1,901	\$ 2,208	\$ 2,303	\$ 1,849	\$ 2,579
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.50 %	81.97 %	81.80 %	85.85 %	80.34 %
Covered Payroll	\$ 1,045	\$ 946	\$ 799	\$ 722	\$ 639
Net Pension Liability as a Percentage of Covered Payroll	181.91 %	233.40 %	288.24 %	256.09 %	403.60 %

Continues

¹ Employer-paid contributions for the Judges System include a 3.00 percent retirement increase (substantial substitute) that is not reflected in this schedule.

² These court fees were recognized as revenue for support provided by nonemployer contributing entities.

Changes in Net Pension Liability
Single-employer Plans - Utah Retirement Systems - continued
Calendar Years ending December 31
(dollars expressed in thousands)

Judges System	Calendar Year				
	2019	2020	2021	2022	2023
Total Pension Liability					
Service Cost	\$ 6,054	\$ 6,144	\$ 6,309	\$ 6,667	\$ 6,920
Interest	16,649	17,675	18,415	19,008	19,983
Difference between Actual and Expected Experience	7,617	548	2,789	6,552	9,671
Assumption Changes	—	3,588	2,928	—	(289)
Benefit Payments	(15,346)	(15,863)	(18,600)	(17,609)	(18,620)
Net Change in Total Pension Liability	14,974	12,092	11,841	14,618	17,665
Total Pension Liability – Beginning	244,050	259,024	271,116	282,957	297,575
Total Pension Liability – Ending	A \$ 259,024	\$ 271,116	\$ 282,957	\$ 297,575	\$ 315,240
Plan Fiduciary Net Position					
Contributions – Employee	\$ —	\$ —	\$ —	\$ —	\$ —
Contributions – Employer ¹	8,500	8,646	8,949	9,378	10,372
Court Fees ²	1,536	1,410	1,354	1,335	1,605
Net Investment Income	27,775	27,391	41,716	(14,729)	23,938
Benefit Payments	(15,346)	(15,863)	(18,600)	(17,609)	(18,620)
Administrative Expense	(81)	(84)	(85)	(88)	(92)
Net Transfers with Affiliated Systems	2,339	2,340	4,563	1,990	1,474
Net Change in Plan Fiduciary Net Position	24,723	23,840	37,897	(19,723)	18,677
Plan Fiduciary Net Position – Beginning	195,570	220,293	244,133	282,030	262,307
Plan Fiduciary Net Position – Ending	B \$ 220,293	\$ 244,133	\$ 282,030	\$ 262,307	\$ 280,984
Net Pension Liability (A - B)	\$ 38,731	\$ 26,983	\$ 927	\$ 35,268	\$ 34,256
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.05 %	90.05 %	99.67 %	88.15 %	89.13 %
Covered Payroll	\$ 19,596	\$ 20,201	\$ 20,537	\$ 21,438	\$ 22,225
Net Pension Liability as a Percentage of Covered Payroll	197.65 %	133.57 %	4.51 %	164.51 %	154.13 %
Utah Governors and Legislators Retirement Plan					
Total Pension Liability					
Service Cost	\$ 59	\$ 104	\$ 46	\$ 52	\$ 55
Interest	882	875	892	872	868
Difference between Actual and Expected Experience	(53)	224	(144)	50	(26)
Assumption Changes	—	169	114	—	10
Refunds	—	(10)	—	—	—
Benefit Payments	(1,013)	(1,023)	(1,036)	(1,010)	(1,058)
Net Change in Total Pension Liability	(125)	339	(128)	(36)	(151)
Total Pension Liability – Beginning	13,116	12,991	13,330	13,202	13,166
Total Pension Liability – Ending	A \$ 12,991	\$ 13,330	\$ 13,202	\$ 13,166	\$ 13,015
Plan Fiduciary Net Position					
Contributions – Employer	\$ 384	\$ 369	\$ 361	\$ 422	\$ 360
Net Investment Income	1,481	1,396	2,042	(693)	1,097
Benefit Payments	(1,012)	(1,023)	(1,036)	(1,010)	(1,058)
Refunds	—	(10)	—	—	—
Administrative Expense	(4)	(4)	(4)	(4)	(4)
Net Transfers with Affiliated Systems	(42)	(17)	7	(18)	15
Net Change in Plan Fiduciary Net Position	807	711	1,370	(1,303)	410
Plan Fiduciary Net Position – Beginning	10,537	11,344	12,055	13,425	12,122
Plan Fiduciary Net Position – Ending	B \$ 11,344	\$ 12,055	\$ 13,425	\$ 12,122	\$ 12,532
Net Pension Liability (A - B)	\$ 1,647	\$ 1,275	\$ (223)	\$ 1,044	\$ 483
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.32 %	90.44 %	101.69 %	92.07 %	96.29 %
Covered Payroll	\$ 639	\$ 757	\$ 666	\$ 724	\$ 724
Net Pension Liability as a Percentage of Covered Payroll	257.75 %	168.43 %	(33.48)%	144.20 %	66.71 %

¹ Employer-paid contributions for the Judges System include a 3.00 percent retirement increase (substantial substitute) that is not reflected in this schedule.

² These court fees were recognized as revenue for support provided by nonemployer contributing entities.

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				Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
	Fiscal Year	Contractually Required Contribution	Contractually Required Contribution	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Judges System	2015	\$ 6,179	\$ 6,179	\$ 6,179	\$ 0	\$ 15,453	39.99 %	
	2016	\$ 7,154	\$ 7,154	\$ 7,154	\$ 0	\$ 17,204	41.58 %	
	2017	\$ 7,728	\$ 7,728	\$ 7,728	\$ 0	\$ 18,347	42.12 %	
	2018	\$ 7,958	\$ 7,958	\$ 7,958	\$ 0	\$ 18,641	42.69 %	
	2019	\$ 8,501	\$ 8,501	\$ 8,501	\$ 0	\$ 19,462	43.68 %	
	2020	\$ 8,800	\$ 8,800	\$ 8,800	\$ 0	\$ 20,114	43.75 %	
	2021	\$ 8,951	\$ 8,951	\$ 8,951	\$ 0	\$ 20,201	44.31 %	
	2022	\$ 9,287	\$ 9,287	\$ 9,287	\$ 0	\$ 20,929	44.37 %	
	2023	\$ 9,911	\$ 9,911	\$ 9,911	\$ 0	\$ 22,142	44.76 %	
	2024	\$ 11,187	\$ 11,187	\$ 11,187	\$ 0	\$ 24,779	45.15 %	
Utah Governors and Legislators Retirement Plan	2015	\$ 411	\$ 411	\$ 411	\$ 0	\$ 1,751	23.47 %	
	2016	\$ 421	\$ 421	\$ 421	\$ 0	\$ 943	44.64 %	
	2017	\$ 421	\$ 421	\$ 421	\$ 0	\$ 799	52.69 %	
	2018	\$ 392	\$ 392	\$ 392	\$ 0	\$ 860	45.58 %	
	2019	\$ 384	\$ 384	\$ 384	\$ 0	\$ 848	45.28 %	
	2020	\$ 369	\$ 369	\$ 369	\$ 0	\$ 639	57.75 %	
	2021	\$ 361	\$ 361	\$ 361	\$ 0	\$ 757	47.69 %	
	2022	\$ 422	\$ 422	\$ 422	\$ 0	\$ 639	66.04 %	
	2023	\$ 360	\$ 360	\$ 360	\$ 0	\$ 757	47.56 %	
	2024	\$ 364	\$ 364	\$ 364	\$ 0	\$ 719	50.63 %	

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 Normal	Entry Age Normal
Amortization method	Level Percent of Payroll	Level Percent of Payroll
Amortization period	Open Group 20-Year Open Period	Closed Group 11-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 five years. One-fifth of the excess or shortfall is recognized each year for five years.	
Actuarial assumptions:		
Investment rate of return		6.85%
Projected salary increases	3.25% ²	None
Inflation rate		2.50%
Post-retirement cost-of-living adjustment ¹		2.50%
Mortality:	Male: 110% of the 2020 PR UTAH Retiree Mortality Table for males, projected with 80% of the ultimate rates from the MP-2019 mortality improvement scale using a base year of 2020. Female: 110% of the 2020 PR UTAH Retiree Mortality Table for females, projected with 80% of the ultimate rates from the MP-2019 mortality improvement scale using a base year of 2020.	

¹ 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.

² 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.

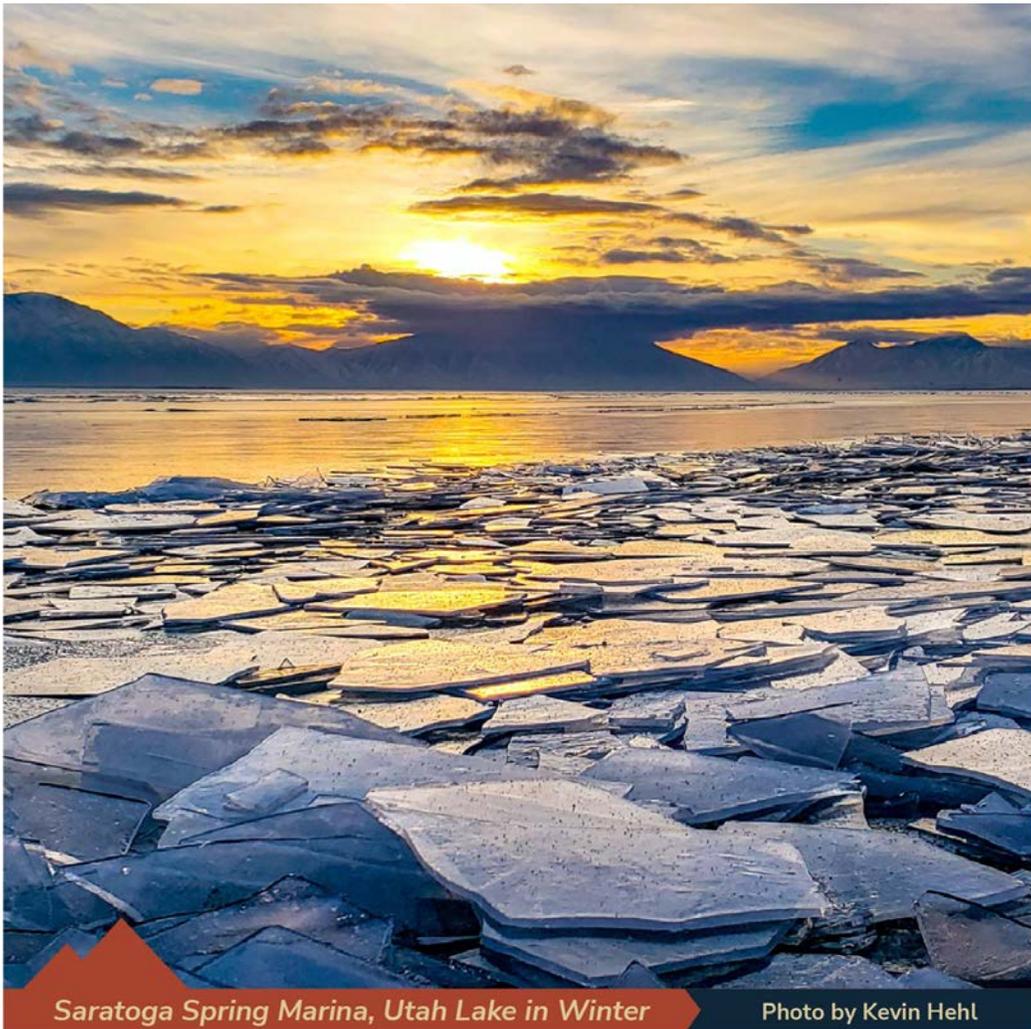
Footnotes to Single-employer Plans - Utah Retirement Systems Schedule of Contributions - continued

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 2017, the actuarial assumed rate of return (the discount rate) was modified from 7.50 percent down to 7.20 percent. In 2018, the discount rate was reduced to 6.95 percent and was again reduced in 2022 to 6.85 percent. This rate is used in establishing retirement contribution rates and in determining current benefit reserve requirements.
- 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.



Saratoga Spring Marina, Utah Lake in Winter

Photo by Kevin Hehl

B. Single-employer Plans - Utah Transit Authority

Utah Transit Authority (UTA) (major discretely presented 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
Calendar Years ending December 31¹
(dollars expressed in thousands)

Utah Transit Authority	Calendar Year				
	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	\$ 7,284	\$ 7,546	\$ 7,712	\$ 8,368	\$ 9,551
Interest	17,623	18,717	19,604	20,368	21,513
Voluntary Member Contributions	276	917	438	698	224
Differences between expected and actual experience	—	(1,973)	(927)	4,916	4,893
Assumption Changes	—	7,725	(3,956)	5,079	—
Benefit Payments	(10,181)	(11,555)	(12,981)	(13,008)	(15,475)
Net Change in Total Pension Liability	15,002	21,377	9,890	26,421	20,706
Total Pension Liability – Beginning	232,691	247,693	269,070	278,960	305,381
Total Pension Liability – Ending	A \$ 247,693	\$ 269,070	\$ 278,960	\$ 305,381	\$ 326,087
Plan Fiduciary Net Position					
Contributions – Employer	\$ 15,366	\$ 16,745	\$ 19,604	\$ 20,506	\$ 22,355
Contributions – Members	276	917	438	698	224
Net Investment Income	5,947	(1,085)	7,591	30,599	(16,630)
Benefit Payments	(10,181)	(11,555)	(12,981)	(13,008)	(15,475)
Administrative Expense	(220)	(244)	(249)	(325)	(440)
Net Change in Plan Fiduciary Net Position	11,188	4,778	14,403	38,470	(9,966)
Plan Fiduciary Net Position – Beginning	135,666	146,854	151,632	166,035	204,505
Plan Fiduciary Net Position – Ending	B \$ 146,854	\$ 151,632	\$ 166,035	\$ 204,505	\$ 194,539
Net Pension Liability (A - B)	\$ 100,839	\$ 117,438	\$ 112,925	\$ 100,876	\$ 131,548
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.29 %	56.35 %	59.52 %	66.97 %	59.66 %
Covered Payroll	\$ 106,004	\$ 110,727	\$ 115,431	\$ 126,691	\$ 132,521
Net Pension Liability as a Percentage of Covered Payroll	95.13 %	106.06 %	97.83 %	79.62 %	99.27 %

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Changes in Net Pension Liability
Single-employer Plan - Utah Transit Authority - continued
Calendar Years ending December 31
(dollars expressed in thousands)

Utah Transit Authority	Calendar Year				
	2019	2020	2021	2022	2023
Total Pension Liability					
Service Cost	\$ 10,244	\$ 10,654	\$ 12,597	\$ 12,294	\$ 14,308
Interest	22,948	24,263	25,640	27,444	29,161
Voluntary Member Contributions	299	84	334	116	346
Differences between expected and actual experience	3,348	4,293	9,188	(621)	6,654
Assumption Changes	—	11,421	—	6,482	—
Benefit Payments	(17,303)	(19,649)	(19,197)	(22,309)	(22,266)
Net Change in Total Pension Liability	19,536	31,066	28,562	23,406	28,203
Total Pension Liability – Beginning	326,087	345,623	376,689	405,251	428,657
Total Pension Liability – Ending	A \$ 345,623	\$ 376,689	\$ 405,251	\$ 428,657	\$ 456,860
Plan Fiduciary Net Position					
Contributions – Employer	\$ 24,008	\$ 24,274	\$ 25,207	\$ 27,133	\$ 30,042
Contributions – Members	299	84	334	116	346
Net Investment Income	40,649	33,846	28,831	(56,562)	44,606
Benefit Payments	(17,303)	(19,649)	(19,197)	(22,309)	(22,266)
Administrative Expense	(434)	(408)	(471)	(554)	(584)
Net Change in Plan Fiduciary Net Position	47,219	38,147	34,704	(52,176)	52,144
Plan Fiduciary Net Position – Beginning	194,539	241,758	279,905	314,609	262,433
Plan Fiduciary Net Position – Ending	B \$ 241,758	\$ 279,905	\$ 314,609	\$ 262,433	\$ 314,577
Net Pension Liability (A - B)	\$ 103,865	\$ 96,784	\$ 90,642	\$ 166,224	\$ 142,283
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.95 %	74.31 %	77.63 %	61.22 %	68.86 %
Covered Payroll	\$ 141,813	\$ 152,297	\$ 153,984	\$ 160,832	\$ 173,115
Net Pension Liability as a Percentage of Covered Payroll	73.24 %	63.55 %	58.86 %	103.35 %	82.19 %

Contributions – The following schedule presents a ten-year history of UTA’s (major discretely presented 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	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	\$ 21,601	\$ 22,355	\$ (754)	\$ 132,521	16.87 %
	2019	\$ 22,241	\$ 24,008	\$ (1,767)	\$ 141,813	16.93 %
	2020	\$ 25,168	\$ 24,274	\$ 894	\$ 152,297	15.94 %
	2021	\$ 24,743	\$ 25,207	\$ (464)	\$ 153,984	16.37 %
	2022	\$ 25,967	\$ 27,133	\$ (1,166)	\$ 160,832	16.87 %
	2023	\$ 29,291	\$ 30,042	\$ (751)	\$ 173,115	17.35 %

Footnotes to Single-employer Plans - Utah Transit Authority Schedule of Contributions

Methods and Assumptions Used to Determine Contribution Rates

	<u>Utah Transit Authority</u>
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	6.75%, net of investment expenses
Projected salary increases	7.00% per annum for the first five years of employment; 4.00% per annum thereafter
Inflation rate	2.50%
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
Percent of Future Retirements Electing Lump Sum	20%

Other Information:

The valuation date is January 1, 2023. This is the date as of which the actuarial valuation is performed. The measurement date is December 31, 2023. This is the date as of which the net pension liability is determined. The reporting date is December 31, 2023. 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	<u>Calendar Year</u>	<u>Annual Money-weighted Rate of Return (Net of Investment Expense)</u>
Utah Transit Authority	2014	4.31 %
	2015	(0.72)%
	2016	4.90 %
	2017	18.01 %
	2018	(8.00)%
	2019	20.56 %
	2020	13.88 %
	2021	10.19 %
	2022	(17.85)%
	2023	16.76 %



Albion Basin in Spring

Photo by Kevin Hehl

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 Annual Comprehensive 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
Calendar Years ending December 31
(dollars expressed in thousands)

Noncontributory System	Calendar Year				
	2014	2015	2016	2017	2018
Proportion of the Net Pension Liability (Asset)	24.07%	23.84%	24.46%	23.46%	23.02%
Proportionate Share of the Net Pension Liability (Asset)	\$604,765	\$748,863	\$792,635	\$573,675	\$856,314
Covered Payroll	\$645,747	\$630,251	\$639,263	\$598,938	\$585,155
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	93.65%	118.82%	123.99%	95.78%	146.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.20%	87.20%	84.90%	89.20%	84.10%
Contributory System					
Proportion of the Net Pension Liability (Asset)	34.02%	32.52%	30.90%	30.98%	28.85%
Proportionate Share of the Net Pension Liability (Asset)	\$3,731	\$20,378	\$16,932	\$2,039	\$20,484
Covered Payroll	\$12,280	\$10,301	\$8,283	\$7,049	\$5,599
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	30.38%	197.83%	204.42%	28.93%	365.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.70%	92.40%	93.40%	99.20%	91.40%
Public Safety System					
Proportion of the Net Pension Liability (Asset)	98.11%	97.81%	97.73%	97.53%	97.56%
Proportionate Share of the Net Pension Liability (Asset)	\$182,306	\$210,570	\$208,964	\$169,585	\$233,535
Covered Payroll	\$111,391	\$109,909	\$112,155	\$107,429	\$106,255
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	163.66%	191.59%	186.32%	157.86%	219.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.30%	82.30%	83.50%	87.40%	83.20%
Firefighters System					
Proportion of the Net Pension Liability (Asset)	(2.59)%	(3.90)%	(4.30)%	(3.84)%	3.80%
Proportionate Share of the Net Pension Liability (Asset)	\$(148)	\$(71)	\$(34)	\$(240)	\$494
Covered Payroll	\$851	\$1,047	\$1,208	\$1,123	\$1,175
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	(17.39)%	(6.78)%	(2.81)%	(21.37)%	42.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	103.50%	101.00%	100.40%	103.00%	94.30%
Tier 2 Public Employees System					
Proportion of the Net Pension Liability (Asset)	17.95%	(17.66)%	19.04%	18.41%	18.15%
Proportionate Share of the Net Pension Liability (Asset)	\$(544)	\$(39)	\$2,123	\$1,623	\$7,772
Covered Payroll	\$88,068	\$114,106	\$156,103	\$180,218	\$211,942
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	(0.62)%	(0.03)%	1.36%	0.90%	3.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	103.50%	100.20%	95.10%	97.40%	90.80%
Tier 2 Public Safety and Firefighters System					
Proportion of the Net Pension Liability (Asset)	(26.64)%	(25.84)%	(26.95)%	(25.32)%	24.07%
Proportionate Share of the Net Pension Liability (Asset)	\$(394)	\$(377)	\$(234)	\$(293)	\$603
Covered Payroll	\$11,011	\$15,378	\$22,263	\$26,727	\$32,199
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	(3.58)%	(2.45)%	(1.05)%	(1.10)%	1.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	120.50%	110.70%	103.60%	103.00%	95.60%

Continues

Changes in Net Pension Liability
Multiple-employer Plans
Calendar Years ending December 31 - Continued
(dollars expressed in thousands)

Noncontributory System	2019	2020	2021	2022	2023
Proportion of the Net Pension Liability (Asset)	24.51%	23.88%	(23.39)%	23.88%	24.43%
Proportionate Share of the Net Pension Liability (Asset)	\$544,490	\$318,386	\$(159,789)	\$515,543	\$500,650
Covered Payroll	\$574,935	\$560,345	\$550,333	\$561,836	\$589,252
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	94.70%	56.82%	(29.03)%	91.76%	84.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability ..	90.10%	94.30%	102.70%	91.60%	92.49%
Contributory System					
Proportion of the Net Pension Liability (Asset)	37.51%	(35.38)%	(35.91)%	38.09%	42.98%
Proportionate Share of the Net Pension Liability (Asset)	\$2,590	\$(8,414)	\$(32,340)	\$4,978	\$3,992
Covered Payroll	\$4,185	\$3,412	\$3,040	\$2,501	\$2,232
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	61.89%	(246.60)%	(1,063.82)%	199.04%	178.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability ..	98.90%	103.70%	114.10%	97.90%	98.51%
Public Safety System					
Proportion of the Net Pension Liability (Asset)	97.15%	96.82%	(96.95)%	96.49%	96.31%
Proportionate Share of the Net Pension Liability (Asset)	\$143,463	\$62,712	\$(88,871)	\$76,123	\$108,249
Covered Payroll	\$103,529	\$98,555	\$95,065	\$102,792	\$109,923
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	138.57%	63.63%	(93.48)%	74.06%	98.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability ..	90.00%	95.80%	105.70%	95.20%	93.80%
Firefighters System					
Proportion of the Net Pension Liability (Asset)	(3.84)%	(2.89)%	(3.26)%	(3.31)%	(3.98)%
Proportionate Share of the Net Pension Liability (Asset)	\$(476)	\$(808)	\$(1,893)	\$(858)	\$(934)
Covered Payroll	\$1,230	\$943	\$1,082	\$1,190	\$1,520
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	(38.70)%	(85.68)%	(174.95)%	(72.10)%	(61.45)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability ..	105.00%	110.50%	120.10%	108.40%	106.79%
Tier 2 Public Employees System					
Proportion of the Net Pension Liability (Asset)	18.16%	17.55%	(17.32)%	17.28%	17.60%
Proportionate Share of the Net Pension Liability (Asset)	\$4,085	\$2,524	\$(7,329)	\$18,819	\$34,259
Covered Payroll	\$252,493	\$280,683	\$321,442	\$377,131	\$455,144
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	1.62%	0.90%	(2.28)%	4.99%	7.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability ..	96.50%	98.30%	103.80%	92.30%	89.58%
Tier 2 Public Safety and Firefighters System					
Proportion of the Net Pension Liability (Asset)	22.04%	20.87%	(20.59)%	20.13%	21.13%
Proportionate Share of the Net Pension Liability (Asset)	\$2,073	\$1,872	\$(1,041)	\$1,679	\$7,960
Covered Payroll	\$36,331	\$41,435	\$49,237	\$61,930	\$80,086
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	5.71%	4.52%	(2.11)%	2.71%	9.94%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability ..	89.60%	93.10%	102.80%	96.40%	89.10%

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	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 %
	2021	\$ 120,837	\$ 120,837	\$ 0	\$ 550,928	21.93 %
	2022	\$ 120,735	\$ 120,735	\$ 0	\$ 552,178	21.87 %
	2023	\$ 124,869	\$ 124,869	\$ 0	\$ 571,037	21.87 %
	2024	\$ 134,904	\$ 134,904	\$ 0	\$ 617,145	21.86 %
Contributory System	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 %
	2021	\$ 569	\$ 569	\$ 0	\$ 3,218	17.68 %
	2022	\$ 487	\$ 487	\$ 0	\$ 2,751	17.70 %
	2023	\$ 409	\$ 409	\$ 0	\$ 2,309	17.71 %
	2024	\$ 360	\$ 360	\$ 0	\$ 2,223	16.19 %
Public Safety System	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 %
	2021	\$ 37,892	\$ 37,892	\$ 0	\$ 94,507	40.09 %
	2022	\$ 39,515	\$ 39,515	\$ 0	\$ 98,362	40.17 %
	2023	\$ 43,036	\$ 43,036	\$ 0	\$ 107,258	40.12 %
	2024	\$ 45,269	\$ 45,269	\$ 0	\$ 113,173	40.00 %
Firefighters System	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 %
	2021	\$ 45	\$ 45	\$ 0	\$ 980	4.59 %
	2022	\$ 51	\$ 51	\$ 0	\$ 1,117	4.57 %
	2023	\$ 48	\$ 48	\$ 0	\$ 1,339	3.58 %
	2024	\$ 60	\$ 60	\$ 0	\$ 1,649	3.64 %
Tier 2 Public Employees System	2015	\$ 18,280	\$ 18,280	\$ 0	\$ 100,055	18.27 %
	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 %

**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
<i>Continued</i>	2020	\$ 51,492	\$ 51,492	\$ 0	\$ 271,156	18.99 %
	2021	\$ 56,448	\$ 56,448	\$ 0	\$ 295,101	19.13 %
	2022	\$ 68,021	\$ 68,021	\$ 0	\$ 350,693	19.40 %
	2023	\$ 81,344	\$ 81,344	\$ 0	\$ 410,051	19.84 %
	2024	\$ 101,777	\$ 101,777	\$ 0	\$ 513,022	19.84 %
Tier 2 Public Safety and Firefighters System.....	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 %
	2021	\$ 14,392	\$ 14,392	\$ 0	\$ 44,527	32.32 %
	2022	\$ 17,906	\$ 17,906	\$ 0	\$ 55,451	32.29 %
	2023	\$ 22,605	\$ 22,605	\$ 0	\$ 70,111	32.24 %
	2024	\$ 29,382	\$ 29,382	\$ 0	\$ 91,198	32.22 %

Continues

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 2017, the actuarial assumed rate of return (the discount rate) was modified from 7.50 to 7.20 percent, and then again in 2018 down to 6.95 percent. In 2022, the discount rate was reduced to 6.85 percent. This rate is used in establishing retirement contribution rates and in determining current benefit reserve requirements.
- 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 1 Public Safety and Firefighter Systems, except for a 10 percent load at first eligibility for un-reduced retirement prior to age 65.

In calendar year 2023, changes included updates to the mortality improvement assumption, salary increase assumption, disability incidence assumption, assumed retirement rates, and assumed termination rates, as recommended with the January 1, 2023 actuarial experience study.

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
(dollars expressed in thousands)

State Employee Plan	Fiscal Year ¹			
	2024	2023	2022	2021
Total OPEB Liability				
Service Cost	\$ 3,500	\$ 3,960	\$ 3,867	\$ 5,919
Interest	6,766	6,990	7,763	9,105
Difference between Actual and Expected Experience	(7,279)	4,124	(7,305)	(15,023)
Assumption Changes	—	7,884	—	(11,404)
Benefit Payments	(29,924)	(29,985)	(30,818)	(31,259)
Net Change in Total OPEB Liability	(26,937)	(7,027)	(26,493)	(42,662)
Total OPEB Liability – Beginning	236,899	243,926	270,419	313,081
Total OPEB Liability – Ending	A \$ 209,962	\$ 236,899	\$ 243,926	\$ 270,419
Plan Fiduciary Net Position				
Contributions – Employer	\$ 6,375	\$ 6,130	\$ 28,842	\$ 27,029
Net Investment Income (Loss)	11,749	5,020	(21,991)	8,020
Benefit Payments	(29,924)	(30,062)	(30,818)	(31,259)
Net Transfers with Affiliated Systems	—	—	—	—
Net Change in Plan Fiduciary Net Position	(11,800)	(18,912)	(23,967)	3,790
Plan Fiduciary Net Position – Beginning	255,459	274,371	298,338	294,548
Plan Fiduciary Net Position – Ending	B \$ 243,659	\$ 255,459	\$ 274,371	\$ 298,338
Net OPEB Liability (A - B)	\$ (33,697)	\$ (18,560)	\$ (30,445)	\$ (27,919)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability ..	116.05 %	107.83 %	112.48 %	110.32 %
Covered Payroll ²	\$ 1,519,884	\$ 1,302,904	\$ 1,161,895	\$ 1,085,049
Net OPEB Liability as a Percentage of Covered Payroll	(2.22)%	(1.42)%	(2.62)%	(2.57)%
Elected Official OPEB Plan				
Total OPEB Liability				
Service Cost	\$ 120	\$ 176	\$ 177	\$ 220
Interest	1,198	1,114	1,149	923
Difference between Actual and Expected Experience	(1,688)	670	(1,165)	3,823
Assumption Changes	—	603	—	125
Benefit Payments	(920)	(864)	(788)	(721)
Net Change in Total OPEB Liability	(1,290)	1,699	(627)	4,370
Total OPEB Liability – Beginning	23,160	21,461	22,088	17,718
Total OPEB Liability – Ending	A \$ 21,870	\$ 23,160	\$ 21,461	\$ 22,088
Plan Fiduciary Net Position				
Contributions – Employer	\$ 1,249	\$ 1,249	\$ 1,249	\$ 1,249
Net Investment Income	1,430	1,716	(2,492)	3,521
Benefit Payments	(920)	(864)	(788)	(721)
Net Transfers with Affiliated Systems	—	—	—	—
Net Change in Plan Fiduciary Net Position	1,759	2,101	(2,031)	4,049
Plan Fiduciary Net Position – Beginning	21,550	19,449	21,481	17,432
Plan Fiduciary Net Position – Ending	B \$ 23,309	\$ 21,550	\$ 19,450	\$ 21,481
Net OPEB Liability (A - B)	\$ (1,439)	\$ 1,610	\$ 2,011	\$ 607
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability ..	106.58 %	93.05 %	90.63 %	97.25 %
Covered-employee Payroll ²	\$ 770	\$ 837	\$ 936	\$ 912
Net OPEB Liability as a Percentage of Covered-employee Payroll	(186.88)%	192.35 %	214.85 %	66.56 %

Continues

¹ The State of Utah adopted GASB Statements No. 74, 75, and 85 in fiscal year 2017. This schedule will eventually include ten years of history.

² 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.

Changes in Net OPEB Liability
Single-employer Plans - Continued
(dollars expressed in thousands)

State Employee Plan	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 ²	\$ 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 ²	\$ 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 %

¹ The State of Utah adopted GASB Statements No. 74, 75, and 85 in fiscal year 2017. This schedule will eventually include ten years of history.

² 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
(dollars expressed in thousands)

Last Ten Fiscal Years	Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution			Covered Payroll ¹	Contributions as a Percentage of Covered Payroll
			Actuarially Determined Contribution	Contribution Deficiency (Excess)			
State Employee OPEB Plan	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 %	
	2021	\$ 26,902	\$ 27,029	\$ (127)	\$ 1,085,049	2.49 %	
	2022	\$ 26,902	\$ 28,842	\$ (1,940)	\$ 1,161,895	2.48 %	
	2023	\$ (5,232)	\$ 6,130	\$ (11,362)	\$ 1,302,904	0.47 %	
	2024	\$ (5,232)	\$ 6,375	\$ (11,607)	\$ 1,519,884	0.42 %	
Elected Official OPEB Plan	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 %	
	2021	\$ 600	\$ 1,249	\$ (649)	\$ 912	136.95 %	
	2022	\$ 600	\$ 1,249	\$ (649)	\$ 936	133.44 %	
	2023	\$ 423	\$ 1,249	\$ (826)	\$ 837	149.22 %	
	2024	\$ 423	\$ 1,249	\$ (826)	\$ 770	162.21 %	

¹ 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 Percentage of Pay Cost Method	
Amortization method	Level Dollar Closed Period	Level Dollar Open Period
Amortization period	1 year for ADC as of December 31, 2023	10 years
Actuarial asset valuation method	Fair Value	
Actuarial assumptions:		
Investment rate of return	3.00%	5.25%
Projected salary increases		2.50%
Inflation rate		2.70%
Health Care Cost Trends	Actual cost increases for 2021, followed by 5.75% for 2022 decreasing to an ultimate rate of 4.04% by 2075. The health care trend rate assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model.	

Other Information:

- The Actuarially Determined Contribution (ADC) is calculated biennially as of December 31. This calculation is used to establish contributions to fund the plans on July 1, which is generally the fiscal year that begins six 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.
- 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. Benefit terms were changed again to allow only elected officials that began service prior to July 1, 2013 to receive Medicare coverage.

Significant Changes to Methods and Assumptions Used to Determine Contribution Rates:Investment Rate of Return:

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 2019, the amortization period for the Elected Official OPEB Plan was changed again from a 20-year open to a 10-year open. During fiscal year 2021, the amortization period for the State Employee OPEB Plan was changed from a 5-year open to a 2-year open.

Healthcare Cost Trend Rates:

In fiscal year 2016, the healthcare cost trend rate changed 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. In fiscal year 2021, the health care trend rate assumption was updated again, resulting in an increase of the initial and ultimate rates from 5.40 to 6.00 percent and 3.94 to 4.04 percent, respectively. In fiscal year 2024, the healthcare trend ultimate and initial rates increased to 4.14 and 6.60 percent, respectively.

Other:

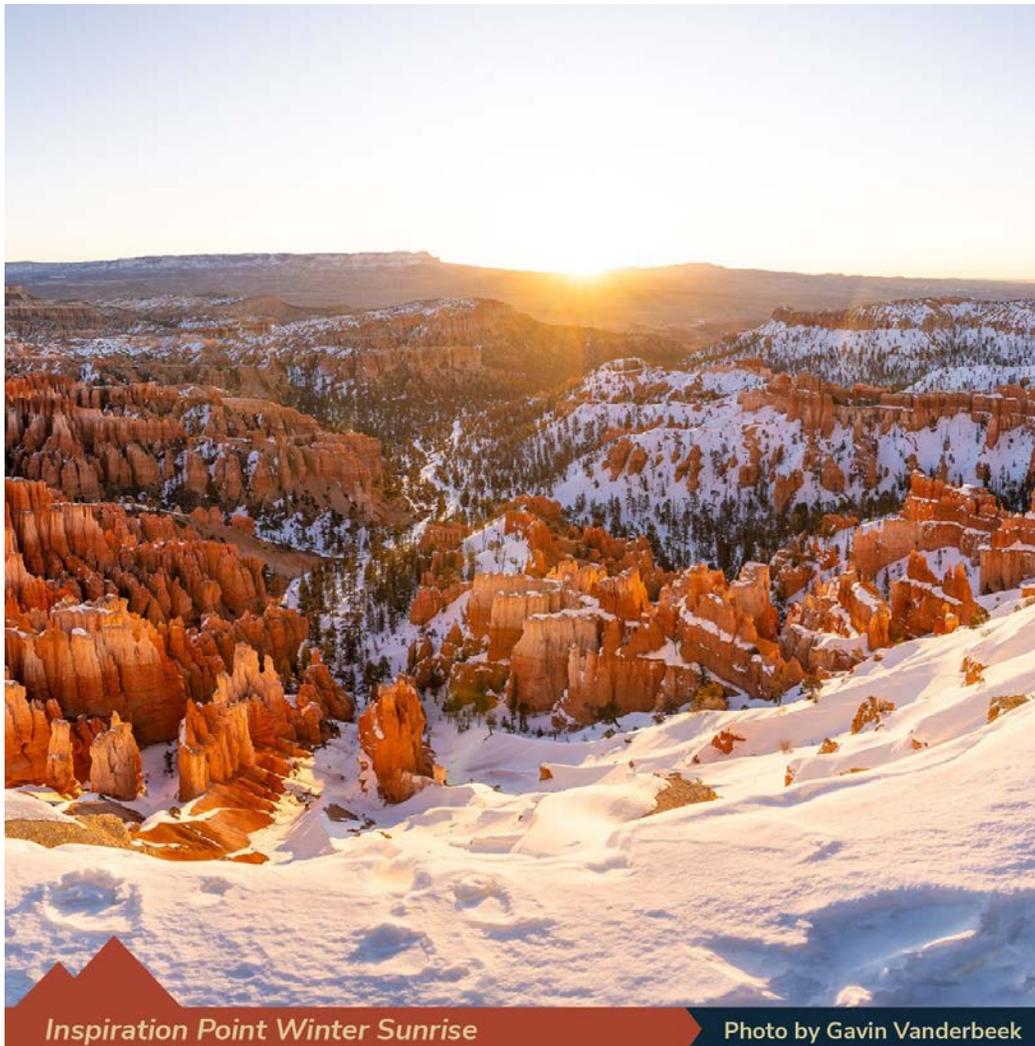
- In fiscal year 2019, the Per Capita Claims Costs (PCCC) aging factors were updated for pre-Medicare and post-Medicare retirees. The pre-Medicare PCCC now vary by age instead of 5-year age bands used in the prior valuation. Additionally, the post-Medicare PCCC varied by 5-year age bands in the prior valuation, but they are now based on the annualized premium rates provided for Medicare Supplement 100 and Enhanced Rx.
- In fiscal year 2021, the following assumptions were updated for both OPEB plans:
 1. Aging subsidy was added to the post-65 periods for prescription drug benefit as a reflection of healthcare costs that vary by age (higher cost as the participant gets older).
 2. Mortality table was updated from (a) RP-2014 Healthy Employee / Annuitant Mortality Tables for males and females with generational projection under 75 percent of Scale MP-2015 to (b) Pub-2010 Headcount-Weighted General or Public Safety Employees / Retirees / Contingent Survivors Mortality Tables with generational projection using Scale MP-2020.
 3. Termination and retirement rates were updated from the same assumptions as used in the URS Actuarial Valuation as of January 1, 2017 to URS Actuarial Valuation as of January 1, 2020.
 4. Percentage of employees assumed to elect spousal coverage at retirement was updated from 80 percent for both male and female to 70 percent for male and 40 percent for female.
 5. Healthcare trend rate assumption was updated from the 2019 SOA Long-Run Medical Cost Trend model to the 2021 version.
- In fiscal year 2021, the following assumptions for the Elected Officials OPEB plan were updated:
 1. Percentage of elected officials assumed to elect coverage at retirement was increased from 40 percent to 55 percent. Percentage of former elected officials (terminated vested participants) assumed to elect coverage in the future has been reduced from 60 percent to 40 percent.
 2. Former elected officials were assumed to commence coverage at age 62 (or immediately if they are currently older than age 62) in the prior valuation. In this year's valuation, only former elected officials who currently have coverage are assumed to commence coverage at age 62. All other former elected officials are assumed to commence coverage at age 65 (or immediately if they are currently older than age 65).
 3. Percentage of elected officials assumed to elect spousal coverage at retirement was updated from 75 percent for both male and female to 90 percent for male and 50 percent for female.
- In fiscal year 2023, the following assumptions for the OPEB plans were updated:
 1. Mortality table has been updated from Pub-2010 Headcount-Weighted General or Public Safety Employees / Retirees / Contingent Survivors Mortality Tables with generational projection using Scale MP-2020 to the Pub-2010 tables with generational projection using scale MP-2021. This change caused a slight increase in liability.
 2. Healthcare trend rate assumption was updated from the 2021 SOA Long-Run Medical Cost Trend model to the 2023 version, which caused an increase in liability.

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OPEB Plans
 Schedule of Investment Returns
 Single-employer Plans

Last Ten Fiscal Years	Fiscal Year ¹	Annual Money-Weighted Rate of Return (Net of Investment Expense)
State Employee OPEB Plan	2018	(0.43)%
	2019	9.72 %
	2020	9.96 %
	2021	2.91 %
	2022	(7.19)%
	2023	1.21 %
	2024	3.56 %
Elected Official OPEB Plan	2018	5.09 %
	2019	11.65 %
	2020	7.20 %
	2021	20.32 %
	2022	(11.05)%
	2023	8.56 %
	2024	4.72 %

¹ The State of Utah adopted GASB Statements No. 74, 75, and 85 in fiscal year 2017. This schedule will eventually include ten years of history.



Inspiration Point Winter Sunrise

Photo by Gavin Vanderbeek

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 6,926 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 ensure 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 ensure 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:

	2023	2022	2021
Statewide System	95.51%	95.50%	95.10%

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
2024	\$699,143	\$530,096
2023	\$571,704	\$482,625
2022	\$512,113	\$399,974
2021	\$461,097	\$415,212
2020	\$291,630	\$400,733

Bridges

Condition Level – Bridges

The State performs assessments on 50 percent of bridges on an annual basis. The established condition level is to maintain 40 percent of the bridges with a rating of “good” and no more than 10 percent with a rating of “poor.”

UDOT began reporting bridge structure condition using two rating scales in fiscal year 2023: National Bridge Inventory (NBI) and Bridge Health Index (BHI). Using NBI, each bridge is assigned an overall condition rating based on its lowest component (deck, super, sub and culvert) rating. The rating scale for these is 0 to 9 by severity of the deficiency, which does not indicate the extent of the deficiency. The component condition ratings are based on subjective interpretation by the inspectors.

BHI was developed by UDOT as a methodology to describe the overall condition of each bridge using data collected from the element level inspection. The BHI is used as a structural performance measure and is made up of elements rolling up to three separate scores (deck, superstructure, and substructure) that are weighted to underscore the importance of each category in overall bridge health. The health of bridge deck elements are weighted higher because the elements contribute to preserving many other areas of the structure.

$$\text{BHI} = (0.40 \times \text{Deck Score}) + (0.35 \times \text{Superstructure Score}) + (0.25 \times \text{Substructure Score})$$

Each of the three scores is calculated at the element level as a ratio of the value of the bridge in the bridge’s current condition to the value of the bridge in the best possible condition.

The condition level ratings of the State’s 2,031 bridges using the NBI and BHI methodologies for fiscal year 2024 and 2023 are as follows:

Rating	2024		2023	
	NBI	BHI	NBI	BHI
Good	22.40%	44.50%	24.10%	47.60%
Fair	76.40%	51.30%	75.10%	48.70%
Poor	1.20%	4.20%	0.70%	3.70%

In prior years, UDOT used the Structures Inventory System to monitor the condition of 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.

The following table reports the results of the bridges assessed for 2022 using the Structures Inventory System:

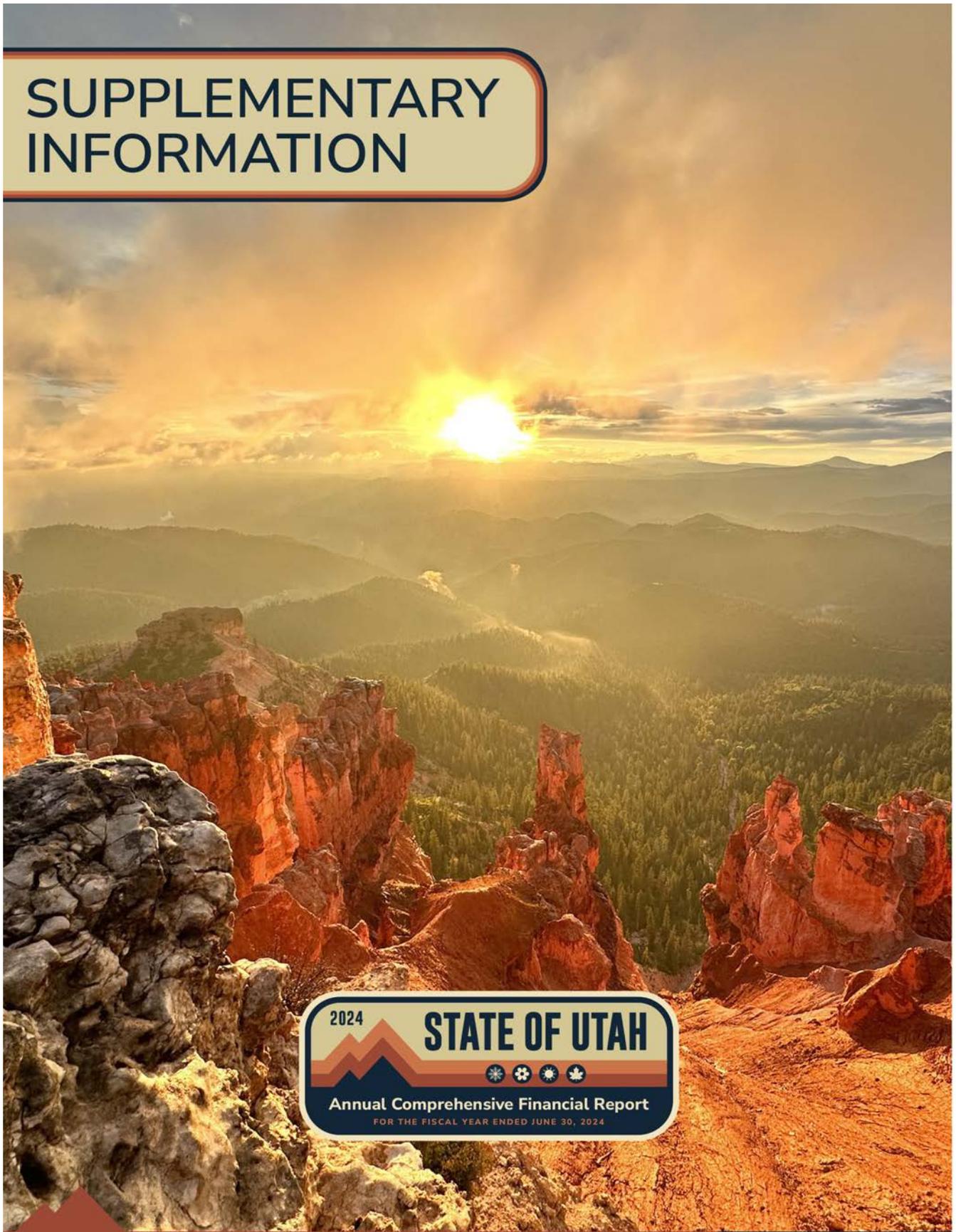
Rating	2022
Good	61.50%
Poor	2.90%

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
2024	\$123,378	\$93,546
2023	\$100,889	\$85,169
2022	\$90,373	\$70,584
2021	\$81,370	\$73,273
2020	\$51,464	\$70,718

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SUPPLEMENTARY INFORMATION



2024 **STATE OF UTAH**

Annual Comprehensive Financial Report
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

After a Fall rain on Strawberry Point

Photo by Joel Gardiner

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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.

Higher Education Student Success Endowment

This fund consists of proceeds from the divestment of the Utah Higher Education Assistance Authority’s loan portfolio. The Utah Board of Higher Education uses these funds to advance higher education system priorities and support prospective students or current students enrolled at an institution.

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.

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.

Utah Capital Investment Corporation

(Blended Component Unit)

The Utah Fund of Funds (UFOF), established under the Utah Venture Capital Enhancement Act, is managed by the Utah Capital Investment Corporation. Its mission was to invest in venture capital and private equity partnerships, aiming for economic impact and a strong return on investment for the State. Legislation passed in 2022, now directs the Corporation to

manage investment realizations and distribute proceeds to the Utah Capital Investment Restricted Account, at State fund managed by the State Treasurer.

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 discretely presented component units. The fund receives financial resources from the proceeds of general obligation bonds, legislative appropriations, and transfers from other funds.

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.

**Combining Balance Sheet
Nonmajor Governmental Funds**
(expressed in thousands)

June 30, 2024

	Special Revenue						
	State Endowment	Environmental Reclamation	Higher Education Student Success Endowment	Universal Telephone Services	Rural Development	Utah Capital Investment Corporation	Medicaid Expansion
ASSETS							
Cash and Cash Equivalents.....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 13,574	\$ —
Pooled Cash and Investments.....	104,869	54,625	68,989	5,601	40,699	—	303,363
Investments.....	306,377	—	226,240	—	—	25,996	—
Receivables:							
Accounts, net.....	—	2,828	—	—	—	—	7,298
Accrued Interest.....	—	—	—	—	—	—	—
Accrued Taxes, net.....	—	—	—	—	—	—	14,323
Notes Receivable.....	—	—	—	—	—	—	—
Due From Other Funds.....	—	—	—	—	—	—	—
Due From Component Units.....	—	—	—	—	—	—	—
Restricted Cash and Cash Equivalents.....	16,750	6,229	12,300	—	—	—	—
Restricted Pooled Cash and Investments.....	—	35,668	—	—	—	—	—
Prepaid Items.....	—	—	—	3	—	—	—
Total Assets.....	<u>\$ 427,996</u>	<u>\$ 99,350</u>	<u>\$ 307,529</u>	<u>\$ 5,604</u>	<u>\$ 40,699</u>	<u>\$ 39,570</u>	<u>\$ 324,984</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts Payable and Accrued Liabilities.....	\$ 52	\$ 1,884	\$ 38	\$ 531	\$ 2,208	\$ —	\$ —
Deposits.....	—	41,897	—	—	—	—	—
Due To Other Funds.....	—	—	—	12	37	—	—
Unearned Revenue.....	—	—	—	—	—	—	922
Total Liabilities.....	<u>52</u>	<u>43,781</u>	<u>38</u>	<u>543</u>	<u>2,245</u>	<u>0</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.....	—	—	—	3	—	—	—
Restricted.....	16,750	49,128	307,491	5,058	—	39,570	—
Committed.....	411,194	6,441	—	—	38,454	—	324,023
Assigned.....	—	—	—	—	—	—	39
Total Fund Balances.....	<u>427,944</u>	<u>55,569</u>	<u>307,491</u>	<u>5,061</u>	<u>38,454</u>	<u>39,570</u>	<u>324,062</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 427,996</u>	<u>\$ 99,350</u>	<u>\$ 307,529</u>	<u>\$ 5,604</u>	<u>\$ 40,699</u>	<u>\$ 39,570</u>	<u>\$ 324,984</u>

Continues

State of Utah

Combining Balance Sheet
 Nonmajor Governmental Funds
 (expressed in thousands)

June 30, 2024

	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	
<i>Continued</i>						
ASSETS						
Cash and Cash Equivalents	\$ 6	\$ —	\$ —	\$ —	\$ —	\$ 13,580
Pooled Cash and Investments	171,621	1,251,452	28,205	220,562	25,332	2,275,318
Investments	25,361	—	—	—	—	583,974
Receivables:						
Accounts, net	132,754	26	—	—	204	143,110
Accrued Interest	—	—	—	1,505	—	1,505
Accrued Taxes, net	908	—	—	—	—	15,231
Notes Receivable	—	—	—	—	58,255	58,255
Due From Other Funds	189	26,491	—	—	—	26,680
Due From Component Units	—	97,574	—	—	—	97,574
Restricted Cash and Cash Equivalents	1,300	48,242	—	—	—	84,821
Restricted Pooled Cash and Investments	—	—	—	—	—	35,668
Prepaid Items	378	—	—	—	—	381
Total Assets	<u>\$ 332,517</u>	<u>\$ 1,423,785</u>	<u>\$ 28,205</u>	<u>\$ 222,067</u>	<u>\$ 83,791</u>	<u>\$ 3,336,097</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 11,156	\$ 179,512	\$ 653	\$ 31,709	\$ —	\$ 227,743
Deposits	—	—	—	—	—	41,897
Due To Other Funds	2,946	4,520	25,607	—	17,180	50,302
Unearned Revenue	12,246	—	—	—	—	13,168
Total Liabilities	<u>26,348</u>	<u>184,032</u>	<u>26,260</u>	<u>31,709</u>	<u>17,180</u>	<u>333,110</u>
Deferred Inflows of Resources:						
Unavailable Revenue	—	—	—	—	58,255	58,255
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>58,255</u>	<u>58,255</u>
Fund Balances:						
Nonspendable:						
Prepaid Items	378	—	—	—	—	381
Restricted	57,033	—	1,945	—	—	476,975
Committed	247,403	—	—	—	—	1,027,515
Assigned	1,355	1,239,753	—	190,358	8,356	1,439,861
Total Fund Balances	<u>306,169</u>	<u>1,239,753</u>	<u>1,945</u>	<u>190,358</u>	<u>8,356</u>	<u>2,944,732</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 332,517</u>	<u>\$ 1,423,785</u>	<u>\$ 28,205</u>	<u>\$ 222,067</u>	<u>\$ 83,791</u>	<u>\$ 3,336,097</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, 2024

	Special Revenue						
	State Endowment	Environmental Reclamation	Higher Education Student Success Endowment	Universal Telephone Services	Rural Development	Utah Capital Investment Corporation	Medicaid Expansion
REVENUES							
Taxes:							
Sales and Use Tax	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 132,781
Other Taxes	26,939	—	—	—	9,108	—	—
Total Taxes	26,939	0	0	0	9,108	0	132,781
Other Revenues:							
Federal Contracts and Grants	—	—	—	—	—	—	—
Charges for Services	—	4,171	—	22,712	—	—	13,412
Investment Income	25,378	3,037	25,788	—	1,347	(2,670)	16,410
Miscellaneous and Other	—	5,853	—	—	—	—	—
Total Revenues	52,317	13,061	25,788	22,712	10,455	(2,670)	162,603
EXPENDITURES							
Current:							
General Government	1,145	4,351	—	—	—	425	—
Health and Human Services	—	—	—	—	—	—	—
Corrections	—	—	—	—	—	—	—
Public Safety	—	—	—	—	—	—	—
Courts	—	—	—	—	—	—	—
Environmental Quality	—	905	—	—	—	—	—
Higher Education – State Administration	—	—	867	—	—	—	—
Higher Education – Colleges and Universities	—	—	—	—	—	—	—
Employment and Family Services	—	—	—	—	3,223	—	—
Natural Resources	—	5,469	—	—	—	—	—
Cultural and Community Engagement	—	—	—	—	—	—	—
Business, Labor, and Agriculture	—	79	—	29,829	—	—	—
Public Education	—	—	—	—	—	—	—
Transportation	—	—	—	—	—	—	—
Capital Outlay	—	—	—	—	—	—	—
Debt Service:							
Principal Retirement	—	—	—	—	—	—	—
Interest and Other Charges	—	—	—	—	—	—	—
Total Expenditures	1,145	10,804	867	29,829	3,223	425	0
Excess Revenues Over (Under) Expenditures	51,172	2,257	24,921	(7,117)	7,232	(3,095)	162,603
OTHER FINANCING SOURCES (USES)							
Sale of Capital Assets	—	—	—	—	—	—	—
Transfers In	—	—	—	—	—	—	—
Transfers Out	—	(72)	—	—	(118)	(10,000)	(136,519)
Total Other Financing Sources (Uses)	0	(72)	0	0	(118)	(10,000)	(136,519)
Net Change in Fund Balances	51,172	2,185	24,921	(7,117)	7,114	(13,095)	26,084
Fund Balances – Beginning	376,772	53,384	—	12,178	31,340	—	297,978
Adjustment to Beginning Fund Balances	—	—	282,570	—	—	52,665	—
Fund Balances – Beginning as Adjusted	376,772	53,384	282,570	12,178	31,340	52,665	297,978
Fund Balances – Ending	\$ 427,944	\$ 55,569	\$ 307,491	\$ 5,061	\$ 38,454	\$ 39,570	\$ 324,062

Continues

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, 2024

	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	
<i>Continued</i>						
REVENUES						
Taxes:						
Sales and Use Tax	\$ 27,382	\$ —	\$ —	\$ —	\$ —	\$ 160,163
Other Taxes	—	—	—	—	—	36,047
Total Taxes	27,382	0	0	0	0	196,210
Other Revenues:						
Federal Contracts and Grants	51,184	20,370	—	3,188	1,098	75,840
Charges for Services	273,342	418,753	—	—	—	732,390
Investment Income	14,991	4,125	—	279	168	88,853
Miscellaneous and Other	43,912	325	—	—	17,720	67,810
Total Revenues	410,811	443,573	0	3,467	18,986	1,161,103
EXPENDITURES						
Current:						
General Government	57,776	431,535	44	—	—	495,276
Health and Human Services	3,250	10,830	—	—	—	14,080
Corrections	—	10,259	—	—	—	10,259
Public Safety	59,478	5,134	—	—	—	64,612
Courts	—	3,942	—	—	—	3,942
Environmental Quality	25	1,828	—	—	—	2,758
Higher Education – State Administration	—	—	—	—	—	867
Higher Education – Colleges and Universities	—	55,430	—	—	—	55,430
Employment and Family Services	930	1,023	—	—	—	5,176
Natural Resources	19,877	1,229	—	—	—	26,575
Cultural and Community Engagement	2,151	18,939	—	—	—	21,090
Business, Labor, and Agriculture	4,844	—	—	—	—	34,752
Public Education	—	755	—	—	—	755
Transportation	—	4,084	—	—	—	4,084
Capital Outlay	—	507,629	—	—	—	507,629
Debt Service:						
Principal Retirement	—	—	—	336,880	12,937	349,817
Interest and Other Charges	—	—	—	63,538	6,431	69,969
Total Expenditures	148,331	1,052,617	44	400,418	19,368	1,667,071
Excess Revenues Over (Under) Expenditures	262,480	(609,044)	(44)	(396,951)	(382)	(505,968)
OTHER FINANCING SOURCES (USES)						
Sale of Capital Assets	2,512	—	—	—	—	2,512
Transfers In	62,880	822,962	—	356,982	—	1,242,824
Transfers Out	(231,569)	(17,758)	—	—	—	(396,036)
Total Other Financing Sources (Uses)	(166,177)	805,204	0	356,982	0	849,300
Net Change in Fund Balances	96,303	196,160	(44)	(39,969)	(382)	343,332
Fund Balances – Beginning	209,866	1,043,593	1,989	230,099	8,738	2,265,937
Adjustment to Beginning Fund Balances	—	—	—	228	—	335,463
Fund Balances – Beginning as Adjusted	209,866	1,043,593	1,989	230,327	8,738	2,601,400
Fund Balances – Ending	\$ 306,169	\$ 1,239,753	\$ 1,945	\$ 190,358	\$ 8,356	\$ 2,944,732

State of Utah

Detail Schedule of Expenditures – Budget and Actual General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

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								
LSN Senate	\$ 7,113	\$ —	\$ —	\$ 7,113	\$ 4,815	\$ —	\$ —	\$ 2,298
LHS House of Representatives	11,948	—	—	11,948	7,135	—	—	4,813
LRG Research & General Counsel	24,853	—	—	24,853	13,561	—	—	11,292
LFA Fiscal Analyst	6,991	—	—	6,991	5,021	—	—	1,970
LAG Auditor General	9,480	—	1	9,481	7,225	—	—	2,256
LSV Legislative Services	13,295	—	48	13,343	9,053	—	—	4,290
Total Legislature	\$ 73,680	\$ 0	\$ 49	\$ 73,729	\$ 46,810	\$ 0	\$ 0	\$ 26,919
Elected Officials								
GOV Governor's Office	\$ 15,471	\$ —	\$ 2,022	\$ 17,493	\$ 14,149	\$ 568	\$ —	\$ 2,776
GOV Office of Planning & Budget	11,257	296	1	11,554	10,021	—	—	1,533
GOV Suicide Prevention	100	—	—	100	99	—	—	1
GOV Local Assistance Matching Grant Program	—	237	—	237	237	—	—	—
GOV Colorado River Authority of Utah	23,609	374	37	24,020	4,205	—	—	19,815
GOV CCJJ Commission on Criminal & Juvenile Justice	29,941	18,263	83	48,287	37,387	829	1,789	8,282
GOV CCJJ Factual Innocence Payments	355	—	—	355	203	—	—	152
GOV CCJJ Indigent Defense Commission	12,753	34	1	12,788	11,850	—	165	773
GOV Emergency Fund	800	—	—	800	57	—	500	243
GOV CCJJ Jail Reimbursement	13,515	—	—	13,515	12,790	—	—	725
GOEO Administration	3,452	—	—	3,452	2,870	—	—	582
GOEO Office of Tourism	35,034	10,643	281	45,958	27,429	—	10,000	8,529
GOEO Business Development Economic Prosperity	98,582	10,716	444	109,742	73,097	—	12,300	24,345
GOEO Pass Through	113,112	—	—	113,112	79,071	—	—	34,041
GOEO Inland Port Authority	3,183	—	—	3,183	3,183	—	—	—
GOEO Point of the Mountain Authority	1,750	—	—	1,750	1,750	—	—	—
GOEO World Trade Center Utah	1,362	—	—	1,362	1,362	—	—	—
GOEO Utah Sports Commission	9,762	—	—	9,762	9,762	—	—	—
GOEO Utah Innovation Lab	15,000	—	—	15,000	15,000	—	—	—
GOEO Industrial Assistance Account	15,449	—	—	15,449	15,449	—	—	—
AG Attorney General	33,523	3,895	1,468	38,886	36,153	—	179	2,554
AG Contract Attorneys	8,042	—	—	8,042	1,581	461	—	6,000
AG Prosecution Council	1,105	—	762	1,867	1,548	169	—	150
AG Children's Justice Centers	13,447	107	267	13,821	9,356	—	—	4,465
AG State Settlement Agreements	32	—	—	32	32	—	—	—
TRS State Treasurer	4,473	—	1,415	5,888	5,616	16	106	150
OSA State Auditor	5,235	—	2,720	7,955	7,534	—	—	421
CPB Capitol Preservation Board	6,905	—	657	7,562	4,687	—	—	2,875
Total Elected Officials	\$ 477,249	\$ 44,565	\$ 10,158	\$ 531,972	\$ 386,478	\$ 2,043	\$ 25,039	\$ 118,412
Government Operations								
DGO Executive Director	\$ 4,220	\$ —	\$ 908	\$ 5,128	\$ 3,765	\$ —	\$ —	\$ 1,363
DGO Administrative Rules	1,235	—	—	1,235	775	—	—	460
DGO DFCM Administration	10,370	—	2,732	13,102	10,691	—	—	2,411
DGO State Archives	3,943	34	47	4,024	3,904	—	—	120
DGO Finance Administration	16,488	—	1,573	18,061	15,285	—	2	2,774
DGO Office of Inspector General - Medicaid Services	2,053	—	2,585	4,638	4,055	—	—	583
DGO Post Conviction Indigent Defense	235	—	—	235	42	—	—	193
DGO Elected Official Post Retirement Benefits Contribution	1,250	—	—	1,250	1,250	—	—	—
DGO Finance Mandated	9,465	—	—	9,465	6,486	2,644	335	—
DGO Judicial Conduct Commission	448	—	—	448	393	—	—	55
DGO Finance Mandated - Ethics Commission	120	—	—	120	21	—	—	99
DGO Finance Mandated - Min Lease Special Service Districts	37,328	—	—	37,328	37,328	—	—	—
DGO Finance Mandated - Postpartum Recovery & Parental Leave	2	—	—	2	—	2	—	—
DGO Purchasing	1,072	—	—	1,072	1,072	—	—	—
TAX Tax Commission Administration	110,020	689	9,858	120,567	102,471	5,569	3,027	9,500
TAX License Plate Production	7,524	—	—	7,524	6,070	—	1,454	—
TAX Liquor Profits Distribution	7,328	—	—	7,328	7,328	—	—	—

State of Utah

Detail Schedule of Expenditures – Budget and Actual General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

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					
TAX Rural Health Care	219	—	—	219	219	—	—	—
DGO Human Resource Management	756	—	—	756	756	—	—	—
CSR Career Service Review Office	351	—	—	351	292	29	—	30
DGO Chief Information Officer	34,078	9,266	1,450	44,794	23,907	40	—	20,847
DGO Integrated Technology Division	3,171	—	1,223	4,394	3,988	—	—	406
Total Government Operations	\$ 251,676	\$ 9,989	\$ 20,376	\$ 282,041	\$ 230,098	\$ 8,284	\$ 4,818	\$ 38,841
Total General Government	\$ 802,605	\$ 54,554	\$ 30,583	\$ 887,742	\$ 663,386	\$ 10,327	\$ 29,857	\$ 184,172
HEALTH and HUMAN SERVICES								
DHHS Operations	\$ 42,454	\$ 24,363	\$ 3,492	\$ 70,309	\$ 62,058	\$ —	\$ —	\$ 8,251
DHHS Clinical Services	33,080	9,501	12,086	54,667	46,593	4	178	7,892
DHHS Department Oversight	13,326	7,173	5,549	26,048	22,155	—	—	3,893
DHHS Prison Medical Services	54,503	851	1,664	57,018	55,905	10	1,093	10
DHHS Health Care Administration	30,828	118,630	63,337	212,795	201,373	—	522	10,900
DHHS Integrated Health Care Services	1,333,160	3,681,780	777,083	5,792,023	5,591,734	24	79,969	120,296
DHHS Long-Term Services & Support	246,805	16,514	401,164	664,483	654,922	5	3,905	5,651
DHHS Public Health, Prevention, & Epidemiology	36,868	144,027	12,635	193,530	189,464	—	3,562	504
DHHS Children, Youth, & Families	212,380	154,755	11,229	378,364	368,490	1,733	638	7,503
DHHS Office of Recovery Services	16,005	30,401	9,488	55,894	55,884	10	—	—
DHHS Juvenile Justice & Youth Services	105,741	2,041	2,784	110,566	108,511	100	350	1,605
Total Health and Human Services	\$ 2,125,150	\$ 4,190,036	\$ 1,300,511	\$ 7,615,697	\$ 7,357,089	\$ 1,886	\$ 90,217	\$ 166,505
CORRECTIONS								
Department of Corrections								
DOC Programs & Operations	\$ 385,234	\$ —	\$ 4,593	\$ 389,827	\$ 384,386	\$ —	\$ 1	\$ 5,440
DOC Medical Services	50,520	—	—	50,520	941	—	49,579	—
DOC Jail Contracting	42,520	—	—	42,520	40,954	—	—	1,566
DOC County Correctional Facility Contracting Reserve	2,000	—	—	2,000	—	—	—	2,000
Total Department of Corrections	\$ 480,274	\$ 0	\$ 4,593	\$ 484,867	\$ 426,281	\$ 0	\$ 49,580	\$ 9,006
Board of Pardons and Parole								
BPP Board of Pardons & Parole	\$ 8,714	\$ —	\$ 13	\$ 8,727	\$ 7,110	\$ 117	\$ —	\$ 1,500
Total Board of Pardons and Parole	\$ 8,714	\$ 0	\$ 13	\$ 8,727	\$ 7,110	\$ 117	\$ 0	\$ 1,500
Total Corrections	\$ 488,988	\$ 0	\$ 4,606	\$ 493,594	\$ 433,391	\$ 117	\$ 49,580	\$ 10,506
PUBLIC SAFETY								
Department of Public Safety								
UCA Admins Services Division	\$ 32,000	\$ —	\$ —	\$ 32,000	\$ 32,000	\$ —	\$ —	\$ —
DPS Programs & Operations	195,185	3,040	16,478	214,703	198,559	—	250	15,894
DPS Emergency Management	14,821	67,807	645	83,273	70,375	—	—	12,898
DPS Emergency Management - National Guard Response	150	—	—	150	—	—	—	150
DPS Emergency & Disaster Management	17,418	—	18	17,436	6,173	—	—	11,263
DPS Bureau of Criminal Identification	12,191	—	7,409	19,600	16,883	—	1,002	1,715
DPS Peace Officer Standards & Training	6,628	—	32	6,660	6,428	—	—	232
DPS Driver License Division	50,868	—	17	50,885	41,208	—	—	9,677
DPS Highway Safety	2,320	5,902	531	8,753	8,074	—	—	679
Total Department of Public Safety	\$ 331,581	\$ 76,749	\$ 25,130	\$ 433,460	\$ 379,700	\$ 0	\$ 1,252	\$ 52,508
Utah National Guard								
UNG Utah National Guard	\$ 22,420	\$ 61,646	\$ 457	\$ 84,523	\$ 77,229	\$ —	\$ —	\$ 7,294
Total Utah National Guard	\$ 22,420	\$ 61,646	\$ 457	\$ 84,523	\$ 77,229	\$ 0	\$ 0	\$ 7,294
Department of Veterans and Military Affairs								
DVMA Veterans & Military Affairs	\$ 6,400	\$ 574	\$ 367	\$ 7,341	\$ 6,443	\$ —	\$ —	\$ 898
DVMA Pass Through	6,248	—	—	6,248	4,255	1,993	—	—
Total Department of Veterans and Military Affairs	\$ 12,648	\$ 574	\$ 367	\$ 13,589	\$ 10,698	\$ 1,993	\$ 0	\$ 898
Total Public Safety	\$ 366,649	\$ 138,969	\$ 25,954	\$ 531,572	\$ 467,627	\$ 1,993	\$ 1,252	\$ 60,700

State of Utah

Detail Schedule of Expenditures – Budget and Actual General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

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					
STATE COURTS								
JUD Court Administrator	\$ 170,676	\$ 4,415	\$ 3,197	\$ 178,288	\$ 171,217	\$ —	\$ 3,775	\$ 3,296
JUD Grand Jury	1	—	—	1	1	—	—	—
JUD Contracts & Leases	24,154	—	—	24,154	23,654	—	—	500
JUD Jury & Witness Fees	3,692	—	5	3,697	3,697	—	—	—
JUD Guardian Ad Litem	11,422	—	7	11,429	11,053	—	100	276
Total State Courts	<u>\$ 209,945</u>	<u>\$ 4,415</u>	<u>\$ 3,209</u>	<u>\$ 217,569</u>	<u>\$ 209,622</u>	<u>\$ 0</u>	<u>\$ 3,875</u>	<u>\$ 4,072</u>
ENVIRONMENTAL QUALITY								
DEQ Executive Director	\$ 5,288	\$ 212	\$ 3,204	\$ 8,704	\$ 7,592	\$ —	\$ —	\$ 1,112
DEQ Air Quality	18,538	5,569	5,345	29,452	24,676	—	261	4,515
DEQ Water Quality	8,462	5,115	1,920	15,497	14,428	—	35	1,034
DEQ Drinking Water	4,466	7,431	(169)	11,728	11,362	—	174	192
DEQ Waste Management & Radiation Control	10,880	1,181	789	12,850	11,258	—	942	650
DEQ Environmental Response & Remediation	6,047	6,714	327	13,088	11,440	—	542	1,106
DEQ Trip Reduction Program	131	—	—	131	108	—	—	23
DEQ Laboratory Services	1,099	—	—	1,099	1,075	—	—	24
Total Environmental Quality	<u>\$ 54,911</u>	<u>\$ 26,222</u>	<u>\$ 11,416</u>	<u>\$ 92,549</u>	<u>\$ 81,939</u>	<u>\$ 0</u>	<u>\$ 1,954</u>	<u>\$ 8,656</u>
HIGHER EDUCATION								
UBHE Administration	\$ 38,158	\$ —	\$ —	\$ 38,158	\$ 38,158	\$ —	\$ —	\$ —
UBHE Institutional & Student Support	10,107	—	—	10,107	10,107	—	—	—
UBHE Student Assistance	43,837	—	—	43,837	43,837	—	—	—
UBHE Talent Ready Utah	17,375	—	—	17,375	17,375	—	—	—
UOU Education & General	502,124	2,000	400,215	904,339	904,339	—	—	—
UOU School of Medicine	48,150	—	32,646	80,796	80,796	—	—	—
UOU University Hospital	25,799	—	—	25,799	25,799	—	—	—
UOU School of Dentistry	4,212	—	13,876	18,088	18,088	—	—	—
UOU Public Service	2,519	—	—	2,519	2,519	—	—	—
UOU Statewide TV Administration	3,105	—	—	3,105	3,105	—	—	—
UOU Cancer Research and Treatment	10,002	—	—	10,002	10,002	—	—	—
UOU Rocky Mtn Center for Occupational & Environmental Health	1,508	—	—	1,508	1,508	—	—	—
UOU Poison Control Center	3,333	—	—	3,333	3,333	—	—	—
UOU Center on Aging	134	—	—	134	134	—	—	—
UOU SafeUT Crisis Text & Tip Line	4,102	—	—	4,102	4,102	—	—	—
USU Education & General	249,361	—	139,589	388,950	388,950	—	—	—
USU Water Research Lab	4,619	—	—	4,619	4,619	—	—	—
USU Agriculture Experiment Station	16,419	2,651	—	19,070	19,070	—	—	—
USU Cooperative Extension Service	21,618	2,631	—	24,249	24,249	—	—	—
USU Eastern Education & General	10,701	—	3,430	14,131	14,131	—	—	—
USU Eastern Career & Technical Education	7,321	—	974	8,295	8,295	—	—	—
USU Prehistoric Museum	570	—	—	570	570	—	—	—
USU Blanding Campus	3,044	—	1,063	4,107	4,107	—	—	—
USU Regional Campus	17,494	—	19,174	36,668	36,668	—	—	—
USU Custom Fit	280	—	—	280	280	—	—	—
WSU Education & General	148,930	—	85,336	234,266	234,266	—	—	—
WSU Rocky Mtn Ctr for Occupational & Environmental Health	1,638	—	—	1,638	1,638	—	—	—
SUU Education & General	73,163	—	70,663	143,826	143,826	—	—	—
SUU Shakespeare Festival	1,022	—	—	1,022	1,022	—	—	—
SUU Rural Development	135	—	—	135	135	—	—	—
SUU Utah Summer Games	145	—	—	145	145	—	—	—
SNOW Education & General	41,719	—	12,309	54,028	54,028	—	—	—
SNOW Career & Technology Education	4,837	—	373	5,210	5,210	—	—	—
SNOW Custom Fit	443	—	—	443	443	—	—	—
UTU Education & General	64,521	—	42,895	107,416	107,416	—	—	—
UTU Zion Park Amphitheater	63	—	—	63	63	—	—	—
UVU Education & General	184,393	78	157,429	341,900	341,900	—	—	—
UVU Fire & Rescue	5,037	—	—	5,037	5,037	—	—	—
SLCC Education & General	129,764	—	53,224	182,988	182,988	—	—	—
SLCC School of Applied Technology	11,912	—	1,236	13,148	13,148	—	—	—
SLCC Custom Fit	757	—	—	757	757	—	—	—

State of Utah

Detail Schedule of Expenditures – Budget and Actual General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

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					
Bridgerland Technical College	22,357	—	2,250	24,607	24,607	—	—	—
Bridgerland Technical College - Custom Fit	700	—	—	700	700	—	—	—
Davis Technical College	26,984	—	3,141	30,125	30,125	—	—	—
Davis Technical College - Custom Fit	690	—	—	690	690	—	—	—
Ogden-Weber Technical College	23,851	—	2,866	26,717	26,717	—	—	—
Ogden-Weber Technical College - Custom Fit	685	—	—	685	685	—	—	—
Uintah Basin Technical College	13,029	—	1,272	14,301	14,301	—	—	—
Uintah Basin Technical College - Custom Fit	500	—	—	500	500	—	—	—
Mountainland Technical College	26,869	—	3,250	30,119	30,119	—	—	—
Mountainland Technical College - Custom Fit	1,142	—	—	1,142	1,142	—	—	—
Southwest Technical College	8,856	—	819	9,675	9,675	—	—	—
Southwest Technical College - Custom Fit	359	—	—	359	359	—	—	—
Dixie Technical College	19,897	—	1,828	21,725	21,725	—	—	—
Dixie Technical College - Custom Fit	357	—	—	357	357	—	—	—
Tooele Technical College	8,177	—	580	8,757	8,757	—	—	—
Tooele Technical College - Custom Fit	390	—	—	390	390	—	—	—
UETN Utah Education & Telehealth Network	35,139	2,718	—	37,857	37,857	—	—	—
UETN Digital Teaching & Learning Program	188	—	—	188	188	—	—	—
Total Higher Education	\$ 1,904,541	\$ 10,078	\$ 1,050,438	\$ 2,965,057	\$ 2,965,057	\$ 0	\$ 0	\$ 0
WORKFORCE SERVICES								
DWS State Office of Rehabilitation	\$ 31,462	\$ 52,205	\$ 452	\$ 84,119	\$ 77,438	\$ —	\$ 13	\$ 6,668
DWS Administration	5,575	9,507	3,627	18,709	18,451	—	258	—
DWS Operations & Policy	77,644	389,552	45,888	513,084	505,104	—	6,255	1,725
DWS Nutritional Assistance - SNAP	—	398,294	—	398,294	398,294	—	—	—
DWS General Assistance	4,359	—	252	4,611	3,381	—	—	1,230
DWS Unemployment Insurance	2,869	25,262	461	28,592	27,121	—	1,337	134
DWS Office of Homeless Services	93,954	21,340	789	116,083	95,383	—	13,388	7,312
DWS HCD Division	11,000	91,032	4,397	106,429	99,939	19	1,697	4,774
DWS HCD Capital Budget	38,990	—	—	38,990	38,990	—	—	—
DWS HCD Special Service Districts	4,155	—	—	4,155	4,155	—	—	—
Total Workforce Services	\$ 270,008	\$ 987,192	\$ 55,866	\$ 1,313,066	\$ 1,268,256	\$ 19	\$ 22,948	\$ 21,843
NATURAL RESOURCES								
DNR Natural Resources Administration	\$ 7,805	\$ —	\$ —	\$ 7,805	\$ 7,531	\$ —	\$ 7	\$ 267
DNR Building Operations	1,421	—	—	1,421	1,421	—	—	—
DNR Forestry, Fire & State Lands	59,113	5,857	25,293	90,263	59,083	202	188	30,790
DNR Oil, Gas & Mining	13,758	5,905	168	19,831	15,239	—	—	4,592
DNR Wildlife Resources	72,340	28,608	118	101,066	94,059	655	5,025	1,327
DNR Species Protection	2,400	—	2,450	4,850	4,124	—	326	400
DNR Watershed	8,258	—	528	8,786	7,141	—	—	1,645
DNR Pass Through	7,739	—	—	7,739	1,982	—	—	5,757
DNR DWR Contributed Research	—	—	363	363	363	—	—	—
DNR DWR Cooperative Agreements	—	23,968	4,851	28,819	28,819	—	—	—
DNR State Parks	41,217	4	1,042	42,263	42,001	—	11	251
DNR State Parks - Capital	214,644	2,030	147	216,821	57,894	—	1,936	156,991
DNR Utah Geological Survey	10,495	1,335	2,486	14,316	13,124	—	—	1,192
DNR Office of Energy Development	13,732	951	291	14,974	5,421	6	237	9,310
DNR Water Resources	131,615	78,198	498	210,311	117,990	422	864	91,035
DNR Outdoor Recreation	14,279	1,961	126	16,366	12,717	122	3,177	350
DNR Outdoor Recreation - Capital	55,751	2,768	—	58,519	6,474	—	1,959	50,086
DNR DWR - Capital	3,009	645	—	3,654	3,654	—	—	—
DNR Wildlife Land and Water Acquisition Program	1,000	—	—	1,000	334	—	—	666
DNR Water Rights	28,748	78	1,223	30,049	20,415	—	1,785	7,849
DNR Public Lands Policy Coordination	9,898	—	—	9,898	5,637	—	—	4,261
DNR Office of the Great Salt Lake Commissioner	2,500	—	—	2,500	1,054	—	696	750
Total Natural Resources	\$ 699,722	\$ 152,308	\$ 39,584	\$ 891,614	\$ 506,477	\$ 1,407	\$ 16,211	\$ 367,519
CULTURAL and COMMUNITY ENGAGEMENT								
DCCE Administration	\$ 6,585	\$ —	\$ 12	\$ 6,597	\$ 4,627	\$ —	\$ 8	\$ 1,962
DCCE Indian Affairs	1,187	—	12	1,199	441	—	61	697

State of Utah

Detail Schedule of Expenditures – Budget and Actual General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

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					
DCCE State Historic Preservation Office	1,902	1,212	146	3,260	2,916	—	—	344
DCCE Archaeological and Historic Sites Grants	500	—	—	500	125	—	—	375
DCCE One Percent for Arts	3,058	—	1,326	4,384	807	—	—	3,577
DCCE State of Utah Museum	1,814	—	—	1,814	1,100	—	—	714
DCCE Historical Society	3,204	—	83	3,287	2,623	—	—	664
DCCE Arts & Museums	4,619	1,285	22	5,926	5,039	—	—	887
DCCE State Library	4,716	2,206	1,553	8,475	7,756	—	—	719
DCCE STEM Action Center	11,798	—	11	11,809	10,914	—	—	895
DCCE Pete Suazo Athletics Commission	340	—	165	505	292	—	—	213
DCCE Commission on Service & Volunteerism	598	6,789	138	7,525	7,370	—	—	155
DCCE Pass Through	1,888	—	—	1,888	1,304	—	61	523
DCCE Arts & Museums Grants	3,862	—	—	3,862	3,730	—	—	132
DCCE Capital Facilities Grants	13,270	—	—	13,270	8,664	190	—	4,416
DCCE Heritage & Events Grants	2,130	—	—	2,130	995	172	—	963
Total Cultural and Community Engagement	<u>\$ 61,471</u>	<u>\$ 11,492</u>	<u>\$ 3,468</u>	<u>\$ 76,431</u>	<u>\$ 58,703</u>	<u>\$ 362</u>	<u>\$ 130</u>	<u>\$ 17,236</u>
BUSINESS, LABOR, and AGRICULTURE								
DAG Agriculture & Food - Administration	\$ 5,200	\$ 374	\$ 42	\$ 5,616	\$ 5,421	\$ —	\$ —	\$ 195
DAG Building Operations	626	—	—	626	626	—	—	—
DAG Utah State Fair	325	—	—	325	325	—	—	—
DAG Predatory Animal Control	2,894	—	683	3,577	3,309	—	190	78
DAG Invasive Species Mitigation	2,053	287	—	2,340	2,340	—	—	—
DAG Rangeland Improvement	9,971	—	164	10,135	7,660	—	—	2,475
DAG Animal Health	6,850	1,402	101	8,353	7,933	—	28	392
DAG Plant Industry	1,302	823	5,656	7,781	7,449	—	—	332
DAG Regulatory Services	1,754	547	4,560	6,861	6,807	—	—	54
DAG Marketing & Economic Development	954	813	26	1,793	1,787	—	—	6
DAG Industrial Hemp	685	—	1,106	1,791	1,760	—	—	31
DAG Analytical Laboratory	932	17	42	991	981	—	—	10
DAG Veterinarian Education Loan Repayment Program	2,500	—	—	2,500	—	—	—	2,500
DAG Resource Conservation	137,389	21,627	1,194	160,210	28,939	—	—	131,271
LBR Labor Commission	13,839	3,221	110	17,170	16,392	14	764	—
CRC General Regulation Administration	47,824	321	1,861	50,006	45,982	218	387	3,419
CRC Building Inspector Training	3,395	—	719	4,114	508	106	—	3,500
CRC Utility Bill Assistance Program	6,989	—	—	6,989	5,581	—	—	1,408
CRC DPU Professional & Technical Services	1,088	—	—	1,088	223	—	—	865
CRC CCS Professional & Technical Services	1,758	—	—	1,758	34	—	—	1,724
FI Financial Institutions	10,281	—	—	10,281	9,855	—	310	116
INS Insurance Department	19,721	—	—	19,721	15,658	—	757	3,306
INS Title Insurance Program	390	—	—	390	80	—	162	148
INS Health Insurance Actuary	794	—	—	794	272	—	228	294
INS Coverage for Autism Spectrum Disorder	8,778	—	—	8,778	—	—	—	8,778
PSC Public Service Commission	3,632	—	10	3,642	2,807	—	—	835
Total Business, Labor, and Agriculture	<u>\$ 291,924</u>	<u>\$ 29,432</u>	<u>\$ 16,274</u>	<u>\$ 337,630</u>	<u>\$ 172,729</u>	<u>\$ 338</u>	<u>\$ 2,826</u>	<u>\$ 161,737</u>
TOTAL GENERAL FUND								
Total Expenditures	<u>\$ 7,275,914</u>	<u>\$ 5,604,698</u>	<u>\$ 2,541,909</u>	<u>\$15,422,521</u>	<u>\$ 14,184,276</u>	<u>\$ 16,449</u>	<u>\$ 218,850</u>	<u>\$ 1,002,946</u>

State of Utah

Detail Schedule of Expenditures – Budget and Actual Income Tax Fund, Transportation Fund, Transportation Investment Fund, and Debt Service Funds

(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

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					
INCOME TAX FUND								
State Board of Education								
PED Policy, Communication, & Oversight	\$ 53,637	\$ 362,163	\$ (861)	\$ 414,939	\$ 382,219	\$ —	\$ —	\$ 32,720
PED Statewide Online Education Program Subsidy	17,166	—	(77)	17,089	11,193	—	—	5,896
PED Child Nutrition Programs	20,779	230,091	57,482	308,352	303,996	—	—	4,356
PED Fine Arts Outreach	6,571	—	—	6,571	5,827	—	—	744
PED State Charter School Board	11,185	—	(177)	11,008	2,653	—	—	8,355
PED Science Outreach	7,202	—	—	7,202	6,975	—	—	227
PED Regional Education Service Agencies	2,115	—	—	2,115	2,115	—	—	—
PED Educator Licensing	8,038	—	(361)	7,677	5,960	—	—	1,717
PED Contracted Initiatives and Grants	167,580	—	(139)	167,441	66,005	—	17	101,419
PED MSP - Categorical Program Administration	12,529	—	(502)	12,027	8,614	—	—	3,413
PED MSP - Basic School Program	3,341,243	—	—	3,341,243	3,313,312	—	—	27,931
PED MSP - Related to Basic Programs	1,407,635	—	—	1,407,635	1,372,102	—	—	35,533
PED MSP - Voted & Board Local Levy Programs	315,260	—	—	315,260	315,260	—	—	—
PED School Building Programs - Capital Outlay Programs	33,250	—	—	33,250	33,250	—	—	—
PED System Standards & Accountability	83,549	210,578	5,291	299,418	252,662	—	—	46,756
PED Public Education Capital Projects	50,500	—	—	50,500	50,500	—	—	—
PED State Board & Administrative Operations	64,870	7,208	5,440	77,518	35,551	—	103	41,864
PED Charter School Finance Authority	48	—	—	48	—	—	48	—
Total State Board of Education	<u>\$ 5,603,157</u>	<u>\$ 810,040</u>	<u>\$ 66,096</u>	<u>\$ 6,479,293</u>	<u>\$ 6,168,194</u>	<u>\$ 0</u>	<u>\$ 168</u>	<u>\$ 310,931</u>
Schools for the Deaf and the Blind								
Schools for the Deaf and the Blind	\$ 41,454	\$ 90	\$ 12,463	\$ 54,007	\$ 54,007	\$ —	\$ —	\$ —
Total Schools for the Deaf and the Blind	<u>\$ 41,454</u>	<u>\$ 90</u>	<u>\$ 12,463</u>	<u>\$ 54,007</u>	<u>\$ 54,007</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Income Tax Fund	<u>\$ 5,644,611</u>	<u>\$ 810,130</u>	<u>\$ 78,559</u>	<u>\$ 6,533,300</u>	<u>\$ 6,222,201</u>	<u>\$ 0</u>	<u>\$ 168</u>	<u>\$ 310,931</u>
TRANSPORTATION FUND								
DOT Support Services	\$ 49,150	\$ 6,218	\$ —	\$ 55,368	\$ 51,685	\$ 2,763	\$ —	\$ 920
DOT Engineering Services	46,822	41,898	1,782	90,502	81,340	4,616	2,018	2,528
DOT Operations/Maintenance	240,686	10,717	5,908	257,311	239,741	9,548	—	8,022
DOT Highway Construction	256,531	404,165	(1,076)	659,620	517,707	—	—	141,913
DOT Region Management	38,322	2,776	2,799	43,897	41,627	1,470	—	800
DOT Aeronautics	17,367	100	180	17,647	10,546	101	—	7,000
DOT Share the Road	32	—	—	32	13	—	19	—
DOT Amusement Ride Safety	668	—	—	668	184	—	362	122
DOT Transportation Safety	15	—	—	15	—	—	15	—
DOT B & C Roads	235,469	—	—	235,469	235,469	—	—	—
DOT Sidewalk Construction	1,660	—	—	1,660	567	—	—	1,093
DOT Pass-Through	17,653	—	600	18,253	18,102	—	—	151
DOT Corridor Preservation	30,634	—	—	30,634	30,634	—	—	—
DOT Cooperative Agreements	—	65,373	47,054	112,427	112,427	—	—	—
DOT Tollway Restricted	1,850	—	—	1,850	1,850	—	—	—
DOT County of 1st Class St. Hwy Program	30,097	—	—	30,097	30,097	—	—	—
DOT Rural Transportation Infrastructure	43,450	—	—	43,450	43,450	—	—	—
DOT Inventory & Miscellaneous	—	—	28,399	28,399	3,485	24,914	—	—
Total Transportation Fund	<u>\$ 1,010,406</u>	<u>\$ 531,247</u>	<u>\$ 85,646</u>	<u>\$ 1,627,299</u>	<u>\$ 1,418,924</u>	<u>\$ 43,412</u>	<u>\$ 2,414</u>	<u>\$ 162,549</u>
TRANSPORTATION INVESTMENT FUND								
DOT TIF Capacity Program	\$ 1,316,395	\$ —	\$ —	\$ 1,316,395	\$ 843,125	\$ —	\$ —	\$ 473,270
DOT Transit Transportation Investment	302,221	—	—	302,221	12,383	—	—	289,838
DOT Railroad Crossing Safety	366	—	—	366	366	—	—	—
Total Transportation Investment Fund	<u>\$ 1,618,982</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,618,982</u>	<u>\$ 855,874</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 763,108</u>
DEBT SERVICE FUNDS								
General Government	\$ 587,082	\$ 3,188	\$ 3,694	\$ 593,964	\$ 400,418	\$ 3,188	\$ —	\$ 190,358
State Building Ownership Authority	8,738	1,098	17,888	27,724	19,368	—	—	8,356
Total Debt Service Funds	<u>\$ 595,820</u>	<u>\$ 4,286</u>	<u>\$ 21,582</u>	<u>\$ 621,688</u>	<u>\$ 419,786</u>	<u>\$ 3,188</u>	<u>\$ 0</u>	<u>\$ 198,714</u>

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, 2024

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 SERVICES								
DABS Operations	\$ 84,390	\$ —	\$ —	\$ 84,390	\$ 84,749	\$ (359)	\$ —	\$ —
DABS Parents Empowered	3,418	—	—	3,418	3,251	—	—	167
Total Alcoholic Beverage Services	<u>\$ 87,808</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 87,808</u>	<u>\$ 88,000</u>	<u>\$ (359)</u>	<u>\$ 0</u>	<u>\$ 167</u>

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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.

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.

Utah Energy Research Fund

This fund is used to fund ongoing operation of the Utah San Rafael Energy Lab and encourage energy-related research within the State by providing matching grants to applicants that have received federal or private grants for specific ongoing energy-related research projects. Funding consists of appropriations, federal funds, and revenues from users of the research lab.

Petroleum Storage Tank Fund

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, responsible parties, and investment income. The net position of this fund is held for the benefit of participants and cannot be used for any other purpose.

**Combining Statement of Net Position
Nonmajor Enterprise Funds**
(expressed in thousands)

June 30, 2024

	Housing Loan Programs	Agriculture Loan Fund	Energy Efficiency Fund	Local Government Loan Fund
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ —	\$ —	\$ —	\$ —
Pooled Cash and Investments	36,580	42,167	3,593	95,777
Receivables:				
Accounts, net	3,115	—	—	—
Accrued Interest	2,735	594	1	301
Notes/Loans/Mortgages, net	4,532	4,227	134	24,047
Due From Other Funds	—	—	—	—
Prepaid Items	—	—	—	—
Inventories	345	—	—	—
Total Current Assets	<u>47,307</u>	<u>46,988</u>	<u>3,728</u>	<u>120,125</u>
Noncurrent Assets:				
Restricted Cash and Cash Equivalents	27,621	—	—	—
Restricted Pooled Cash and Investments	—	—	—	178,280
Investments	—	—	—	—
Accrued Interest Receivable	928	—	—	394
Notes/Loans/Mortgages Receivables, net	178,993	42,276	237	80,664
Net Other Postemployment Benefit Asset	—	6	—	—
Capital Assets:				
Land	—	—	—	—
Buildings and Improvements	—	—	—	—
Machinery and Equipment	—	20	—	—
Software	—	—	—	—
Less Accumulated Depreciation / Amortization	—	(20)	—	—
Total Capital Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Noncurrent Assets	<u>207,542</u>	<u>42,282</u>	<u>237</u>	<u>259,338</u>
Total Assets	<u>254,849</u>	<u>89,270</u>	<u>3,965</u>	<u>379,463</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Relating to Pensions	—	53	—	—
Deferred Outflows Relating to Other Postemployment Benefits	—	2	—	—
Total Deferred Outflows of Resources	<u>0</u>	<u>55</u>	<u>0</u>	<u>0</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	1,604	500	—	7,400
Deposits	2	3	—	2,644
Due To Other Funds	—	1	—	—
Due To Component Units	—	—	—	—
Unearned Revenue	—	—	—	—
Policy Claims Liabilities	—	—	—	—
Lease Liability	—	—	—	—
Subscription Software Liability	—	—	—	—
Total Current Liabilities	<u>1,606</u>	<u>504</u>	<u>0</u>	<u>10,044</u>
Noncurrent Liabilities:				
Lease Liability	—	—	—	—
Subscription Software Liability	—	—	—	—
Net Pension Liability	—	68	—	—
Policy Claims Liability	—	—	—	—
Total Noncurrent Liabilities	<u>0</u>	<u>68</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>1,606</u>	<u>572</u>	<u>0</u>	<u>10,044</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Relating to Pensions	—	—	—	—
Deferred Inflows Relating to Other Postemployment Benefits	—	2	—	—
Total Deferred Inflows of Resources	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>
NET POSITION				
Net Investment in Capital Assets	—	—	—	—
Restricted for:				
Insurance Programs	—	—	—	—
Loan Programs	137,555	6,105	—	—
Other Postemployment Benefits	—	6	—	—
Unrestricted	115,688	82,640	3,965	369,419
Total Net Position	<u>\$ 253,243</u>	<u>\$ 88,751</u>	<u>\$ 3,965</u>	<u>\$ 369,419</u>

Continues

**Combining Statement of Net Position
Nonmajor Enterprise Funds**
(expressed in thousands)

June 30, 2024

<i>Continued</i>	Utah Correctional Industries	State Trust Lands Administration	Utah Dairy Commission	Medical Cannabis Fund
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ —	\$ 1,650	\$ 901	\$ —
Pooled Cash and Investments	1,878	9,182	107	10,687
Receivables:				
Accounts, net	611	9,935	200	751
Accrued Interest	—	—	—	—
Notes/Loans/Mortgages, net	—	—	—	—
Due From Other Funds	94	12	—	20
Prepaid Items	—	—	—	214
Inventories	1,994	—	—	—
Total Current Assets	<u>4,577</u>	<u>20,779</u>	<u>1,208</u>	<u>11,672</u>
Noncurrent Assets:				
Restricted Cash and Cash Equivalents	—	—	—	—
Restricted Pooled Cash and Investments	—	—	—	—
Investments	—	—	311	—
Accrued Interest Receivable	—	—	—	—
Notes/Loans/Mortgages Receivables, net	—	—	—	—
Net Other Postemployment Benefit Asset	88	241	—	72
Capital Assets:				
Land	—	—	297	—
Buildings and Improvements	1,689	15,984	1,497	—
Machinery and Equipment	3,748	1,120	36	440
Software	644	320	—	30
Less Accumulated Depreciation / Amortization	(3,545)	(1,873)	(277)	(206)
Total Capital Assets	<u>2,536</u>	<u>15,551</u>	<u>1,553</u>	<u>264</u>
Total Noncurrent Assets	<u>2,624</u>	<u>15,792</u>	<u>1,864</u>	<u>336</u>
Total Assets	<u>7,201</u>	<u>36,571</u>	<u>3,072</u>	<u>12,008</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Relating to Pensions	1,314	2,662	—	515
Deferred Outflows Relating to Other Postemployment Benefits	33	92	—	28
Total Deferred Outflows of Resources	<u>1,347</u>	<u>2,754</u>	<u>0</u>	<u>543</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	636	2,807	52	430
Deposits	314	—	—	—
Due To Other Funds	98	5,001	—	312
Due To Component Units	42	—	—	—
Unearned Revenue	—	4,763	—	—
Policy Claims Liability	—	—	—	—
Lease Liability	—	502	—	—
Subscription Software Liability	—	71	—	—
Total Current Liabilities	<u>1,090</u>	<u>13,144</u>	<u>52</u>	<u>742</u>
Noncurrent Liabilities:				
Lease Liability	—	12,682	—	—
Subscription Software Liability	—	114	—	—
Net Pension Liability	1,563	4,020	—	527
Policy Claims Liability	—	—	—	—
Total Noncurrent Liabilities	<u>1,563</u>	<u>16,816</u>	<u>0</u>	<u>527</u>
Total Liabilities	<u>2,653</u>	<u>29,960</u>	<u>52</u>	<u>1,269</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Relating to Pensions	6	13	—	4
Deferred Inflows Relating to Other Postemployment Benefits	25	69	—	21
Total Deferred Inflows of Resources	<u>31</u>	<u>82</u>	<u>0</u>	<u>25</u>
NET POSITION				
Net Investment in Capital Assets	2,535	2,182	1,553	264
Restricted for:				
Insurance Programs	—	—	—	—
Loan Programs	—	—	—	—
Other Post Employment Benefits	88	241	—	72
Unrestricted	3,241	6,860	1,467	10,921
Total Net Position	<u>\$ 5,864</u>	<u>\$ 9,283</u>	<u>\$ 3,020</u>	<u>\$ 11,257</u>

Continues

**Combining Statement of Net Position
Nonmajor Enterprise Funds**
(expressed in thousands)

June 30, 2024

	Utah Energy Research Fund	Petroleum Storage Tank Fund	Total Nonmajor Enterprise Funds
<i>Continued</i>			
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ —	\$ —	\$ 2,551
Pooled Cash and Investments	1,004	37,924	238,899
Receivables:			
Accounts, net	—	34	14,646
Accrued Interest	—	—	3,631
Notes/Loans/Mortgages, net	—	247	33,187
Due From Other Funds	—	2	128
Prepaid Items	—	—	214
Inventories	—	—	2,339
Total Current Assets	<u>1,004</u>	<u>38,207</u>	<u>295,595</u>
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	—	—	27,621
Restricted Pooled Cash and Investments	—	—	178,280
Investments	—	—	311
Accrued Interest Receivable	—	—	1,322
Notes/Loans/Mortgages Receivables, net	—	1,075	303,245
Net Other Postemployment Benefit Asset	—	—	407
Capital Assets:			
Land	—	—	297
Buildings and Improvements	—	—	19,170
Machinery and Equipment	—	—	5,364
Software	—	—	994
Less Accumulated Depreciation / Amortization	—	—	(5,921)
Total Capital Assets	<u>0</u>	<u>0</u>	<u>19,904</u>
Total Noncurrent Assets	<u>0</u>	<u>1,075</u>	<u>531,090</u>
Total Assets	<u>1,004</u>	<u>39,282</u>	<u>826,685</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Relating to Pensions	—	—	4,544
Deferred Outflows Relating to Other Postemployment Benefits	—	—	155
Total Deferred Outflows of Resources	<u>0</u>	<u>0</u>	<u>4,699</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	—	537	13,966
Deposits	—	1	2,964
Due To Other Funds	—	—	5,412
Due To Component Units	—	—	42
Unearned Revenue	—	562	5,325
Policy Claims Liability	—	2,540	2,540
Lease Liability	—	—	502
Subscription Software Liability	—	—	71
Total Current Liabilities	<u>0</u>	<u>3,640</u>	<u>30,822</u>
Noncurrent Liabilities:			
Lease Liability	—	—	12,682
Subscription Software Liability	—	—	114
Net Pension Liability	—	—	6,178
Policy Claims Liability	—	27,778	27,778
Total Noncurrent Liabilities	<u>0</u>	<u>27,778</u>	<u>46,752</u>
Total Liabilities	<u>0</u>	<u>31,418</u>	<u>77,574</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Relating to Pensions	—	—	23
Deferred Inflows Relating to Other Postemployment Benefits	—	—	117
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>140</u>
NET POSITION			
Net Investment in Capital Assets	—	—	6,534
Restricted for:			
Insurance Programs	—	7,864	7,864
Loan Programs	—	—	143,660
Other Post Employment Benefits	—	—	407
Unrestricted	1,004	—	595,205
Total Net Position	<u>\$ 1,004</u>	<u>\$ 7,864</u>	<u>\$ 753,670</u>

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds**
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

	Housing Loan Programs	Agriculture Loan Fund	Energy Efficiency Fund	Local Government Loan Fund
OPERATING REVENUES				
Sales and Charges for Services/Premiums	\$ —	\$ —	\$ 1	\$ —
Fees and Assessments	—	55	—	—
Interest on Notes/Mortgages	2,561	998	—	—
Miscellaneous	118	2	—	—
Total Operating Revenues	<u>2,679</u>	<u>1,055</u>	<u>1</u>	<u>0</u>
OPERATING EXPENSES				
Administration	—	290	—	—
Purchases, Materials, and Services for Resale	—	—	—	—
Grants	38,789	—	—	—
Rentals and Leases	—	—	—	—
Maintenance	—	—	—	—
Depreciation/Amortization	—	—	—	—
Benefit Claims	—	—	—	—
Miscellaneous Other:				
Data Processing	—	20	—	—
Supplies	—	2	—	—
Utilities	—	2	—	—
Other	1,095	27	1	2
Total Operating Expenses	<u>39,884</u>	<u>341</u>	<u>1</u>	<u>2</u>
Operating Income (Loss)	<u>(37,205)</u>	<u>714</u>	<u>0</u>	<u>(2)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income (Expense)	1,085	1,896	17	12,764
Federal Contracts and Grants	9,400	—	—	—
Tax Revenues	—	525	—	—
Interest Expense	—	—	—	—
Total Nonoperating Revenues (Expenses)	<u>10,485</u>	<u>2,421</u>	<u>17</u>	<u>12,764</u>
Income (Loss) before Transfers	(26,720)	3,135	17	12,762
Transfers In	75,493	25,000	—	182,550
Transfers Out	(193)	—	(1)	(2,250)
Change in Net Position	<u>48,580</u>	<u>28,135</u>	<u>16</u>	<u>193,062</u>
Net Position – Beginning	205,322	60,616	4,013	176,357
Adjustment to Beginning Net Position	(659)	—	(64)	—
Net Position – Beginning as Adjusted	<u>204,663</u>	<u>60,616</u>	<u>3,949</u>	<u>176,357</u>
Net Position – Ending	<u>\$ 253,243</u>	<u>\$ 88,751</u>	<u>\$ 3,965</u>	<u>\$ 369,419</u>

Continues

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

For the Fiscal Year Ended June 30, 2024

<i>Continued</i>	Utah Correctional Industries	State Trust Lands Administration	Utah Dairy Commission	Medical Cannabis Fund
OPERATING REVENUES				
Sales and Charges for Services/Premiums	\$ 15,375	\$ 29,181	\$ —	\$ —
Fees and Assessments	—	54	2,317	9,769
Interest on Notes/Mortgages	—	—	—	—
Miscellaneous	—	—	—	—
Total Operating Revenues	<u>15,375</u>	<u>29,235</u>	<u>2,317</u>	<u>9,769</u>
OPERATING EXPENSES				
Administration	5,688	12,246	85	4,080
Purchases, Materials, and Services for Resale	7,844	—	94	—
Grants	—	—	—	—
Rentals and Leases	109	107	—	19
Maintenance	292	365	—	84
Depreciation/Amortization	287	520	41	63
Benefit Claims	—	—	—	—
Miscellaneous Other:				
Data Processing	260	463	—	2,507
Supplies	992	396	—	38
Utilities	50	103	—	27
Other	389	10,911	2,166	1,963
Total Operating Expenses	<u>15,911</u>	<u>25,111</u>	<u>2,386</u>	<u>8,781</u>
Operating Income (Loss)	<u>(536)</u>	<u>4,124</u>	<u>(69)</u>	<u>988</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income (Expense)	—	—	50	636
Federal Contracts and Grants	—	—	—	—
Tax Revenues	—	—	—	—
Interest Expense	—	(378)	—	—
Total Nonoperating Revenues (Expenses)	<u>0</u>	<u>(378)</u>	<u>50</u>	<u>636</u>
Income (Loss) before Transfers	<u>(536)</u>	<u>3,746</u>	<u>(19)</u>	<u>1,624</u>
Transfers In	2	—	—	—
Transfers Out	—	(623)	—	(3,750)
Change in Net Position	<u>(534)</u>	<u>3,123</u>	<u>(19)</u>	<u>(2,126)</u>
Net Position – Beginning	6,398	6,160	3,039	13,383
Adjustment to Beginning Net Position	—	—	—	—
Net Position – Beginning as Adjusted	<u>6,398</u>	<u>6,160</u>	<u>3,039</u>	<u>13,383</u>
Net Position – Ending	<u>\$ 5,864</u>	<u>\$ 9,283</u>	<u>\$ 3,020</u>	<u>\$ 11,257</u>

Continues

State of Utah

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

For the Fiscal Year Ended June 30, 2024

<i>Continued</i>	Utah Energy Research Fund	Petroleum Storage Tank Fund	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Sales and Charges for Services/Premiums.....	\$ —	\$ 7,175	\$ 51,732
Fees and Assessments.....	—	211	12,406
Interest on Notes/Mortgages.....	—	—	3,559
Miscellaneous.....	—	—	120
Total Operating Revenues.....	0	7,386	67,817
OPERATING EXPENSES			
Administration.....	—	—	22,389
Purchases, Materials, and Services for Resale.....	—	—	7,938
Grants.....	—	—	38,789
Rentals and Leases.....	—	—	235
Maintenance.....	—	—	741
Depreciation/Amortization.....	—	—	911
Benefit Claims.....	—	4,259	4,259
Miscellaneous Other:			
Data Processing.....	—	—	3,250
Supplies.....	—	—	1,428
Utilities.....	—	—	182
Other.....	—	—	16,554
Total Operating Expenses.....	0	4,259	96,676
Operating Income (Loss).....	0	3,127	(28,859)
NONOPERATING REVENUES (EXPENSES)			
Investment Income (Expense).....	4	1,930	18,382
Federal Contracts and Grants.....	—	—	9,400
Tax Revenues.....	—	—	525
Interest Expense.....	—	—	(378)
Total Nonoperating Revenues (Expenses).....	4	1,930	27,929
Income (Loss) before Transfers.....	4	5,057	(930)
Transfers In.....	1,000	—	284,045
Transfers Out.....	—	(2,781)	(9,598)
Change in Net Position.....	1,004	2,276	273,517
Net Position – Beginning.....	—	5,588	480,876
Adjustment to Beginning Net Position.....	—	—	(723)
Net Position – Beginning as Adjusted.....	0	5,588	480,153
Net Position – Ending.....	\$ 1,004	\$ 7,864	\$ 753,670

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds**
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

	Housing Loan Programs	Agriculture Loan Fund	Energy Efficiency Fund	Local Government Loan Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers/Loan Interest/Fees/Premiums	\$ 2,156	\$ 829	\$ 1	\$ 2,644
Receipts from Loan Maturities	6,042	3,982	—	—
Receipts from State Customers	—	—	—	—
Payments to Suppliers/Claims/Grants	(35,372)	(6)	—	—
Disbursements for Loans Receivable	(22,499)	(17,927)	—	—
Payments for Employee Services and Benefits	—	(269)	—	—
Payments to State Suppliers	—	(42)	(1)	(2)
Net Cash Provided (Used) by Operating Activities	<u>(49,673)</u>	<u>(13,433)</u>	<u>0</u>	<u>2,642</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Federal Contracts, Grants and Other Revenues	6,290	—	—	—
Restricted Sales Tax	—	525	—	—
Transfers In from Other Funds	75,493	25,000	—	182,550
Transfers Out to Other Funds	(193)	—	(1)	(2,250)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>81,590</u>	<u>25,525</u>	<u>(1)</u>	<u>180,300</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	—	—	—	—
Interest Paid on Bonds, Notes, and Capital Leases	—	—	—	—
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts of Interest and Dividends	1,085	1,896	14	10,596
Receipts from Loan Maturities	—	—	221	13,617
Receipts of Interest from Loans	—	—	7	2,264
Payments to Purchase Investments	—	—	—	—
Disbursements for Loans Receivable	—	—	—	(29,007)
Net Cash Provided (Used) by Investing Activities	<u>1,085</u>	<u>1,896</u>	<u>242</u>	<u>(2,530)</u>
Net Cash Provided (Used) – All Activities	<u>33,002</u>	<u>13,988</u>	<u>241</u>	<u>180,412</u>
Cash and Cash Equivalents – Beginning	31,199	28,179	3,352	93,645
Cash and Cash Equivalents – Ending	<u>\$ 64,201</u>	<u>\$ 42,167</u>	<u>\$ 3,593</u>	<u>\$ 274,057</u>

Continues

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

<i>Continued</i>	Utah Correctional Industries	State Trust Lands Administration	Utah Dairy Commission	Medical Cannabis Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers/Loan Interest/Fees/Premiums	\$ 4,052	\$ 54	\$ 2,324	\$ 9,783
Receipts from Loan Maturities	—	—	—	—
Receipts from State Customers	11,522	29,361	—	—
Payments to Suppliers/Claims/Grants	(9,734)	(12,455)	(2,247)	(836)
Disbursements for Loans Receivable	—	—	—	—
Payments for Employee Services and Benefits	(4,693)	(13,011)	(85)	(4,047)
Payments to State Suppliers	(360)	(669)	—	(3,521)
Net Cash Provided (Used) by Operating Activities	<u>787</u>	<u>3,280</u>	<u>(8)</u>	<u>1,379</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Federal Contracts, Grants and Other Revenues	—	—	—	—
Restricted Sales Tax	—	—	—	—
Transfers In from Other Funds	2	—	—	—
Transfers Out to Other Funds	—	(623)	—	(3,750)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>2</u>	<u>(623)</u>	<u>0</u>	<u>(3,750)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(6)	(518)	—	(71)
Interest Paid on Bonds, Notes, and Capital Leases	—	(378)	—	—
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(6)</u>	<u>(896)</u>	<u>0</u>	<u>(71)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts of Interest and Dividends	—	—	30	636
Receipts from Loan Maturities	—	—	—	—
Receipts of Interest from Loans	—	—	—	—
Payments to Purchase Investments	—	—	(13)	—
Disbursements for Loans Receivable	—	—	—	—
Net Cash Provided (Used) by Investing Activities	<u>0</u>	<u>0</u>	<u>17</u>	<u>636</u>
Net Cash Provided (Used) – All Activities	<u>783</u>	<u>1,761</u>	<u>9</u>	<u>(1,806)</u>
Cash and Cash Equivalents – Beginning	1,095	9,071	999	12,493
Cash and Cash Equivalents – Ending	<u>\$ 1,878</u>	<u>\$ 10,832</u>	<u>\$ 1,008</u>	<u>\$ 10,687</u>

Continues

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds**
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

<i>Continued</i>	Utah Energy Research Fund	Petroleum Storage Tank Fund	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers/Loan Interest/Fees/Premiums	\$ —	\$ 7,507	\$ 29,350
Receipts from Loan Maturities	—	—	10,024
Receipts from State Customers	—	—	40,883
Payments to Suppliers/Claims/Grants	—	(2,696)	(63,346)
Disbursements for Loans Receivable	—	—	(40,426)
Payments for Employee Services and Benefits	—	—	(22,105)
Payments to State Suppliers	—	—	(4,595)
Net Cash Provided (Used) by Operating Activities	0	4,811	(50,215)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal Contracts, Grants and Other Revenues	—	—	6,290
Restricted Sales Tax	—	—	525
Transfers In from Other Funds	1,000	—	284,045
Transfers Out to Other Funds	—	(2,781)	(9,598)
Net Cash Provided (Used) by Noncapital Financing Activities	1,000	(2,781)	281,262
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	—	—	(595)
Interest Paid on Bonds, Notes, and Capital Leases	—	—	(378)
Net Cash Provided (Used) by Capital and Related Financing Activities	0	0	(973)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts of Interest and Dividends	4	1,929	16,190
Receipts from Loan Maturities	—	355	14,193
Receipts of Interest from Loans	—	1	2,272
Payments to Purchase Investments	—	—	(13)
Disbursements for Loans Receivable	—	(307)	(29,314)
Net Cash Provided (Used) by Investing Activities	4	1,978	3,328
Net Cash Provided (Used) – All Activities	1,004	4,008	233,402
Cash and Cash Equivalents – Beginning	—	33,916	213,949
Cash and Cash Equivalents – Ending	\$ 1,004	\$ 37,924	\$ 447,351

Continues

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds**
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

<i>Continued</i>	<u>Housing Loan Program</u>	<u>Agriculture Loan Fund</u>	<u>Energy Efficiency Fund</u>	<u>Local Government Loan Fund</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (37,205)	\$ 714	\$ —	\$ (2)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation/Amortization Expense	—	—	—	—
Pension and OPEB Expense Accruals	—	9	—	—
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:				
Accounts Receivable/Due From Other Funds	209	—	—	—
Notes/Accrued Interest Receivables	(17,019)	(14,581)	—	—
Inventories	—	—	—	—
Prepaid Items	3,127	—	—	—
Accrued Liabilities/Due to Other Funds	1,216	425	—	2,644
Unearned Revenue/Deposits	(1)	—	—	—
Policy Claims Liabilities	—	—	—	—
Net Cash Provided (Used) by Operating Activities	<u>\$ (49,673)</u>	<u>\$ (13,433)</u>	<u>\$ 0</u>	<u>\$ 2,642</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Increase (Decrease) in Fair Value of Investments	\$ —	\$ —	\$ —	\$ 259
Increase (Decrease) in Loans Receivable Due to Cleanup Efforts	—	—	(64)	—
Total Noncash Investing, Capital, and Financing Activities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (64)</u>	<u>\$ 259</u>

Continues

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds**
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

<i>Continued</i>	Utah Correctional Industries	State Trust Lands Administration	Utah Dairy Commission	Medical Cannabis Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (536)	\$ 4,124	\$ (69)	\$ 988
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation/Amortization Expense	287	520	41	63
Pension and OPEB Expense Accruals	925	(828)	—	(63)
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:				
Accounts Receivable/Due From Other Funds	(115)	(608)	8	14
Notes/Accrued Interest Receivables	—	—	—	—
Inventories	(298)	—	—	—
Prepaid Items	—	63	—	148
Accrued Liabilities/Due to Other Funds	524	(779)	12	229
Unearned Revenue/Deposits	—	788	—	—
Policy Claims Liabilities	—	—	—	—
Net Cash Provided (Used) by Operating Activities	<u>\$ 787</u>	<u>\$ 3,280</u>	<u>\$ (8)</u>	<u>\$ 1,379</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Increase (Decrease) in Fair Value of Investments	\$ —	\$ —	\$ —	\$ —
Increase (Decrease) in Loans Receivable Due to Cleanup Efforts	—	—	—	—
Total Noncash Investing, Capital, and Financing Activities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

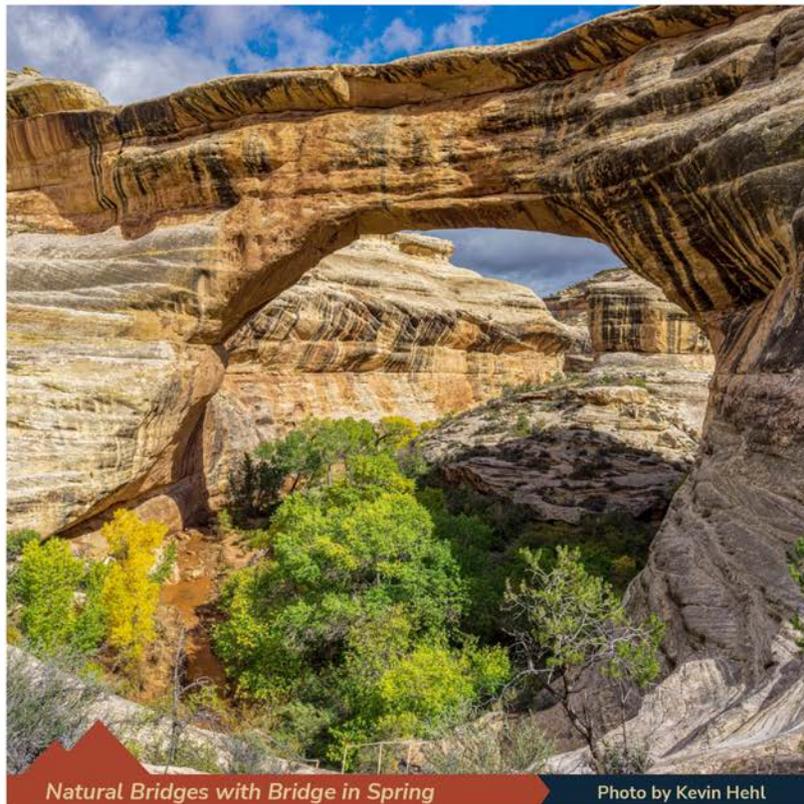
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**Combining Statement of Cash Flows
Nonmajor Enterprise Funds**
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

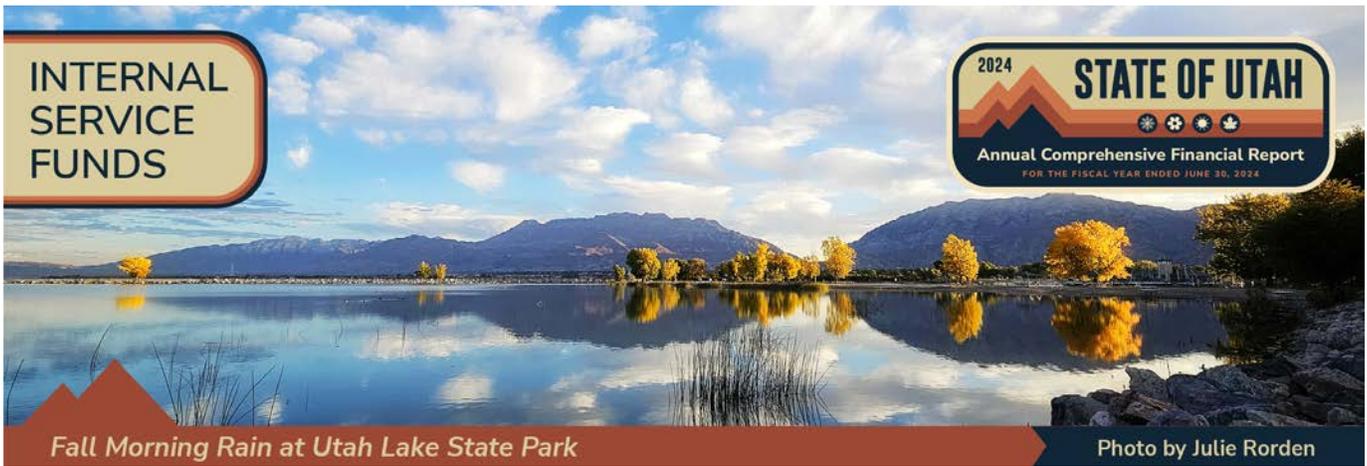
<i>Continued</i>	Utah Energy Research Fund	Petroleum Storage Tank Fund	Total Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ —	\$ 3,127	\$ (28,859)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation/Amortization Expense	—	—	911
Pension and OPEB Expense Accruals	—	—	43
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:			
Accounts Receivable/Due From Other Funds	—	(18)	(510)
Notes/Accrued Interest Receivables	—	—	(31,600)
Inventories	—	—	(298)
Prepaid Items	—	—	3,338
Accrued Liabilities/Due to Other Funds	—	465	4,736
Unearned Revenue/Deposits	—	139	926
Policy Claims Liabilities	—	1,098	1,098
Net Cash Provided (Used) by Operating Activities	<u>\$ 0</u>	<u>\$ 4,811</u>	<u>\$ (50,215)</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Increase (Decrease) in Fair Value of Investments	\$ —	\$ —	\$ 259
Increase (Decrease) in Loans Receivable Due to Cleanup Efforts	—	—	(64)
Total Noncash Investing, Capital, and Financing Activities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 195</u>

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Natural Bridges with Bridge in Spring

Photo by Kevin Hehl



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, travel services, printing and mailing services, and surplus property services to state agencies.

Fleet Operations

This fund provides motor pool and fuel network to state agencies. This fund also provides transaction entry services for the Department of Government Operations.

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 Utah Office of the Attorney General.

**Combining Statement of Net Position
Internal Service Funds**
(expressed in thousands)

June 30, 2024

	Technology Services	General Services	Fleet Operations	Risk Management	Property Management	Human Resource Management	Attorney General Legal Services	Total Internal Service Funds
ASSETS								
Current Assets:								
Pooled Cash and Investments	\$ —	\$ 10,081	\$ 111	\$ 111,181	\$ 2,247	\$ 3,707	\$ 3,077	\$ 130,404
Receivables:								
Accounts, net	98	3,271	4,969	29	25	4	1,155	9,551
Due From Other Funds	34,459	2,690	3,552	634	647	506	8,586	51,074
Due From Component Units	22	47	23	8	327	1	57	485
Prepaid Items	2,023	158	85	249	—	233	6	2,754
Inventories	311	804	2,768	—	—	—	—	3,883
Total Current Assets	36,913	17,051	11,508	112,101	3,246	4,451	12,881	198,151
Noncurrent Assets:								
Restricted Cash and Cash Equivalents	—	—	—	508	—	—	—	508
Prepaid Items	14,343	—	—	—	132	—	—	14,475
Net Other Postemployment Benefit Asset	2,067	124	59	92	258	267	1,156	4,023
Capital Assets:								
Buildings and Improvements	3,419	1,379	193	—	—	—	—	4,991
Machinery and Equipment	16,290	9,137	195,888	—	769	49	—	222,133
Software	4,960	2,922	653	704	120	2,789	—	12,148
Less Accumulated Depreciation / Amortization	(19,884)	(10,664)	(97,217)	(380)	(802)	(2,621)	—	(131,568)
Total Capital Assets	4,785	2,774	99,517	324	87	217	0	107,704
Total Noncurrent Assets	21,195	2,898	99,576	924	477	484	1,156	126,710
Total Assets	58,108	19,949	111,084	113,025	3,723	4,935	14,037	324,861
DEFERRED OUTFLOWS OF RESOURCES								
Deferred Outflows Relating to Pensions	22,566	991	601	1,087	2,892	3,119	12,426	43,682
Deferred Outflows Relating to Other Postemployment Benefit	785	47	22	35	98	101	439	1,527
Total Deferred Outflows of Resources	23,351	1,038	623	1,122	2,990	3,220	12,865	45,209
LIABILITIES								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	18,390	4,857	5,284	1,320	2,928	1,367	3,887	38,033
Due To Other Funds	2,244	11	15	11	170	6	832	3,289
Interfund Loans Payable	1,887	—	18,196	—	36	—	—	20,119
Unearned Revenue	—	134	3,171	—	—	—	—	3,305
Policy Claims Liabilities	—	—	—	24,389	—	—	—	24,389
Lease Liability	—	—	405	—	—	—	—	405
Subscription Software Liability	—	300	—	—	—	120	—	420
Total Current Liabilities	22,521	5,302	27,071	25,720	3,134	1,493	4,719	89,960
Noncurrent Liabilities:								
Interfund Loans Payable	8,966	440	19,804	—	1,232	—	—	30,442
Policy Claims Liabilities	—	—	—	49,998	—	—	—	49,998
Lease Liability	—	—	272	—	—	—	—	272
Subscription Software Liability	—	316	—	—	—	97	—	413
Net Pension Liability	32,746	1,279	849	1,599	3,716	4,714	18,445	63,348
Total Noncurrent Liabilities	41,712	2,035	20,925	51,597	4,948	4,811	18,445	144,473
Total Liabilities	64,233	7,337	47,996	77,317	8,082	6,304	23,164	234,433
DEFERRED INFLOWS OF RESOURCES								
Deferred Inflows Relating to Pensions	118	6	3	6	19	15	61	228
Deferred Inflows Relating to Other Postemployment Benefit	595	36	17	26	74	77	333	1,158
Total Deferred Inflows of Resources	713	42	20	32	93	92	394	1,386
NET POSITION								
Net Investment in Capital Assets	4,785	2,158	98,840	324	87	—	—	106,194
Restricted for:								
Insurance Programs	—	—	—	18,504	—	—	—	18,504
Other Postemployment Benefits	2,067	124	59	92	258	267	1,156	4,023
Unrestricted (Deficit)	9,661	11,326	(35,208)	17,878	(1,807)	1,492	2,188	5,530
Total Net Position	\$ 16,513	\$ 13,608	\$ 63,691	\$ 36,798	\$ (1,462)	\$ 1,759	\$ 3,344	\$ 134,251

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

For the Fiscal Year Ended June 30, 2024

	Technology Services	General Services	Fleet Operations	Risk Management	Property Management	Human Resource Management	Attorney General Legal Services	Total Internal Service Funds
OPERATING REVENUES								
Charges for Services/Premiums	\$ 158,977	\$ 23,067	\$ 92,165	\$ 86,236	\$ 40,211	\$ 18,360	\$ 64,522	\$ 483,538
Miscellaneous	—	90	277	—	—	—	—	367
Total Operating Revenues	<u>158,977</u>	<u>23,157</u>	<u>92,442</u>	<u>86,236</u>	<u>40,211</u>	<u>18,360</u>	<u>64,522</u>	<u>483,905</u>
OPERATING EXPENSES								
Administration	109,732	7,278	3,161	4,522	14,453	13,518	59,627	212,291
Materials and Services for Resale	5,573	12,435	57,372	59,159	—	—	—	134,539
Rentals and Leases	102	34	498	13	247	—	13	907
Maintenance	1,050	312	8,371	7	15,033	118	6	24,897
Depreciation/Amortization	2,341	1,151	16,832	152	34	163	—	20,673
Benefit Claims	—	—	—	24,604	—	—	—	24,604
Miscellaneous Other:								
Data Processing	31,090	1,001	1,086	320	772	1,910	1,405	37,584
Supplies	361	131	426	165	490	32	23	1,628
Utilities	6,674	40	95	24	10,264	90	217	17,404
Other	2,810	1,410	847	1,410	2,532	544	2,629	12,182
Total Operating Expenses	<u>159,733</u>	<u>23,792</u>	<u>88,688</u>	<u>90,376</u>	<u>43,825</u>	<u>16,375</u>	<u>63,920</u>	<u>486,709</u>
Operating Income (Loss)	<u>(756)</u>	<u>(635)</u>	<u>3,754</u>	<u>(4,140)</u>	<u>(3,614)</u>	<u>1,985</u>	<u>602</u>	<u>(2,804)</u>
NONOPERATING REVENUES (EXPENSES)								
Investment Earnings	—	—	—	5,959	111	—	—	6,070
Disposal of Capital Assets	(787)	(3)	(1,592)	—	—	—	—	(2,382)
Interest Expense	—	(17)	(21)	—	—	(7)	—	(45)
Refunds Paid to Federal Government	—	(145)	—	(439)	—	—	—	(584)
Other Revenues (Expenses)	—	63	—	(556)	—	—	—	(493)
Total Nonoperating Revenues (Expenses)	<u>(787)</u>	<u>(102)</u>	<u>(1,613)</u>	<u>4,964</u>	<u>111</u>	<u>(7)</u>	<u>0</u>	<u>2,566</u>
Income (Loss) before Capital Contributions and Transfers	<u>(1,543)</u>	<u>(737)</u>	<u>2,141</u>	<u>824</u>	<u>(3,503)</u>	<u>1,978</u>	<u>602</u>	<u>(238)</u>
Transfers In	—	—	3,575	11,000	—	—	—	14,575
Transfers Out	—	(1,608)	—	—	—	—	—	(1,608)
Change in Net Position	<u>(1,543)</u>	<u>(2,345)</u>	<u>5,716</u>	<u>11,824</u>	<u>(3,503)</u>	<u>1,978</u>	<u>602</u>	<u>12,729</u>
Net Position – Beginning	<u>18,056</u>	<u>15,953</u>	<u>57,975</u>	<u>24,974</u>	<u>2,041</u>	<u>(219)</u>	<u>2,742</u>	<u>121,522</u>
Net Position – Ending	<u>\$ 16,513</u>	<u>\$ 13,608</u>	<u>\$ 63,691</u>	<u>\$ 36,798</u>	<u>\$ (1,462)</u>	<u>\$ 1,759</u>	<u>\$ 3,344</u>	<u>\$ 134,251</u>

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**Combining Statement of Cash Flows
Internal Service Funds**
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

	Technology Services	General Services	Fleet Operations	Risk Management	Property Management	Human Resource Management	Attorney General Legal Services	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from Customers/Fees/ Premiums	\$ 442	\$ 13,976	\$ 42,914	\$ 11,224	\$ 15	\$ 1	\$ 3	\$ 68,575
Receipts from State Departments and Component Unit Customers	323,672	57,977	52,496	50,139	41,331	18,807	63,234	607,656
Payments to Suppliers/Claims/Grants	(211,903)	(61,889)	(67,918)	(40,415)	(27,283)	(209)	(1,081)	(410,698)
Payments for Employee Services and Benefits	(112,862)	(6,764)	(3,245)	(4,860)	(15,080)	(14,041)	(60,292)	(217,144)
Payments to State Suppliers and Grants	(2,017)	(1,587)	(1,606)	(18,309)	(2,231)	(2,324)	(2,563)	(30,637)
Net Cash Provided (Used) by Operating Activities	<u>(2,668)</u>	<u>1,713</u>	<u>22,641</u>	<u>(2,221)</u>	<u>(3,248)</u>	<u>2,234</u>	<u>(699)</u>	<u>17,752</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Borrowings Under Interfund Loans	2,272	303	—	—	1,268	—	—	3,843
Payments of Bonds, Notes, Deposits, and Refunds	—	—	—	—	(23)	—	—	(23)
Transfers In from Other Funds	—	—	—	11,000	—	—	—	11,000
Transfers Out to Other Funds	—	(1,608)	—	—	—	—	—	(1,608)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>2,272</u>	<u>(1,305)</u>	<u>0</u>	<u>11,000</u>	<u>1,245</u>	<u>0</u>	<u>0</u>	<u>13,212</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Borrowings Under Interfund Loans	2,098	—	36,416	—	—	—	—	38,514
Repayments Under Interfund Loans	—	—	(25,151)	—	(15)	—	—	(25,166)
Proceeds from Disposition of Capital Assets	172	—	84	—	—	—	—	256
Acquisition and Construction of Capital Assets	(1,874)	(1,282)	(37,567)	—	—	(104)	—	(40,827)
Interest Paid on Bonds, Notes, and Capital Leases	—	(17)	(21)	—	—	(7)	—	(45)
Transfers In from Other Funds	—	—	3,575	—	—	—	—	3,575
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>396</u>	<u>(1,299)</u>	<u>(22,664)</u>	<u>0</u>	<u>(15)</u>	<u>(111)</u>	<u>0</u>	<u>(23,693)</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts of Interest and Dividends from Investments	—	—	—	5,959	111	—	—	6,070
Net Cash Provided (Used) by Investing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,959</u>	<u>111</u>	<u>0</u>	<u>0</u>	<u>6,070</u>
Net Cash Provided (Used) – All Activities	<u>0</u>	<u>(891)</u>	<u>(23)</u>	<u>14,738</u>	<u>(1,907)</u>	<u>2,123</u>	<u>(699)</u>	<u>13,341</u>
Cash and Cash Equivalents – Beginning	—	10,972	134	96,951	4,154	1,584	3,776	117,571
Cash and Cash Equivalents – Ending	<u>\$ 0</u>	<u>\$ 10,081</u>	<u>\$ 111</u>	<u>\$ 111,689</u>	<u>\$ 2,247</u>	<u>\$ 3,707</u>	<u>\$ 3,077</u>	<u>\$ 130,912</u>

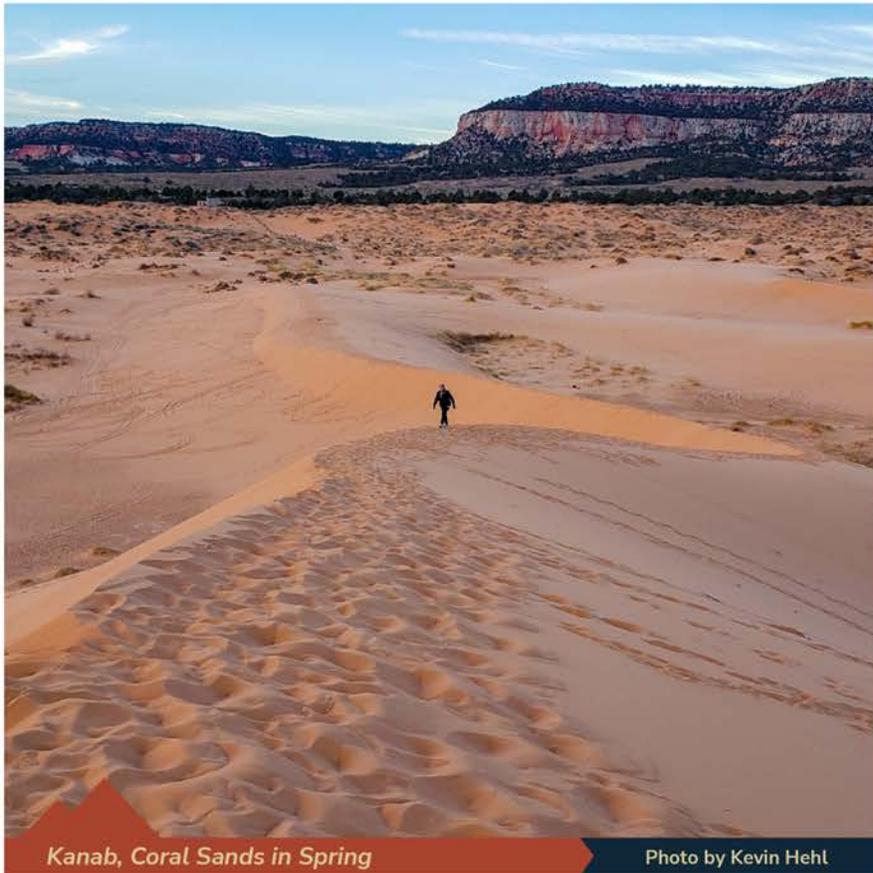
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Combining Statement of Cash Flows
Internal Service Funds
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

<i>Continued</i>	Technology Services	General Services	Fleet Operations	Risk Management	Property Management	Human Resource Management	Attorney General Legal Services	Total Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Operating Income (Loss)	\$ (756)	\$ (635)	\$ 3,754	\$ (4,140)	\$ (3,614)	\$ 1,985	\$ 602	\$ (2,804)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Depreciation/Amortization Expense	2,341	1,151	16,832	152	34	163	—	20,673
Pension and OPEB Expense Accruals	(3,558)	420	(100)	(338)	(664)	(850)	(1,037)	(6,127)
Miscellaneous Gains, Losses, and Other Items	—	(82)	—	(995)	—	—	—	(1,077)
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:								
Accounts Receivable/Due From Other Funds	(1,505)	382	(203)	683	1,135	448	(1,285)	(345)
Inventories	64	18	159	—	—	—	—	241
Prepaid Items/Other Assets	(1,026)	20	(77)	27,338	54	15	(3)	26,321
Accrued Liabilities/Due to Other Funds	1,772	305	(895)	(2,672)	(193)	473	1,024	(186)
Unearned Revenue/Deposits	—	134	3,171	(25,000)	—	—	—	(21,695)
Policy Claims Liabilities	—	—	—	2,751	—	—	—	2,751
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,668)</u>	<u>\$ 1,713</u>	<u>\$ 22,641</u>	<u>\$ (2,221)</u>	<u>\$ (3,248)</u>	<u>\$ 2,234</u>	<u>\$ (699)</u>	<u>\$ 17,752</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES								
Increase (Decrease) in Fair Value of Investments	\$ —	\$ —	\$ —	\$ 121	\$ —	\$ —	\$ —	\$ 121
Total Noncash Investing, Capital, and Financing Activities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 121</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 121</u>

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Kanab, Coral Sands in Spring

Photo by Kevin Hehl



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.

Utah Educational Savings Plan Trust (dba my529)

This fund was created as a means to encourage investment in a public trust to pay for qualified higher education expenses, K-12 tuition expenses, student loan repayments, and registered apprenticeship expenses.

Higher Education Student Success Trust

During fiscal year 2024, this fund was reclassified as a nonmajor special revenue fund. Activity here illustrates this reclassification.

Local Public Safety and Firefighter Surviving Spouse Trust

This fund is used to provide health benefits to the surviving spouse and dependents of Public Safety and Firefighter service employees who suffer a line-of-duty death.

CUSTODIAL FUNDS

External Investment Pool

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

Unclaimed Property

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 Income Tax Fund and can only be used to help fund public education.

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.

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, 2024

	Pension Trust					Governors and Legislative Pension Plan
	Non- Contributory System	Contributory System	Public Safety System	Firefighters System	Judges System	
ASSETS						
Cash and Cash Equivalents	\$ 1,016,603	\$ 35,660	\$ 149,297	\$ 52,747	\$ 8,152	\$ 365
Pooled Cash and Investments	—	—	—	—	—	—
Receivables:						
Member Contributions	—	46	9	676	—	—
Employer Contributions	40,147	123	5,221	229	428	—
Court Fees and Fire Insurance Premiums	—	—	—	101	159	—
Investments	235,300	8,293	34,717	12,267	1,896	85
Total Receivables	<u>275,447</u>	<u>8,462</u>	<u>39,947</u>	<u>13,273</u>	<u>2,483</u>	<u>85</u>
Restricted Cash and Cash Equivalents	—	—	—	—	—	—
Investments at fair value:						
Debt Securities	5,365,339	189,098	791,632	279,711	43,224	1,932
Equity Investments	11,856,185	417,862	1,749,327	618,099	95,516	4,269
Absolute Return	5,707,872	201,169	842,172	297,569	45,984	2,055
Private Equity	4,321,674	152,313	637,642	225,302	34,816	1,556
Real Assets	6,729,840	237,188	992,957	350,847	54,217	2,423
Invested Securities Lending Collateral	986,908	34,783	145,615	51,450	7,951	355
Other Directional Strategies.....	—	—	—	—	—	—
Relative Value Strategies	—	—	—	—	—	—
Global Fixed Income	—	—	—	—	—	—
Total Investments	<u>34,967,818</u>	<u>1,232,413</u>	<u>5,159,345</u>	<u>1,822,978</u>	<u>281,708</u>	<u>12,590</u>
Capital Assets:						
Land	1,371	48	203	71	11	—
Buildings and Improvements	18,133	639	2,675	945	146	6
Machinery and Equipment	5,086	179	750	265	41	3
Intangible Assets	24,890	876	3,672	1,299	200	8
Less Accumulated Depreciation	<u>(28,862)</u>	<u>(1,016)</u>	<u>(4,258)</u>	<u>(1,505)</u>	<u>(232)</u>	<u>(10)</u>
Total Capital Assets	<u>20,618</u>	<u>726</u>	<u>3,042</u>	<u>1,075</u>	<u>166</u>	<u>7</u>
Total Assets	<u>36,280,486</u>	<u>1,277,261</u>	<u>5,351,631</u>	<u>1,890,073</u>	<u>292,509</u>	<u>13,047</u>
LIABILITIES						
Accounts Payable	306,104	10,614	44,432	16,076	2,426	108
Securities Lending Liability	986,908	34,783	145,615	51,450	7,951	355
Disbursements in Excess of Cash Balance	45,931	1,619	6,776	2,394	370	17
Leave/Postemployment Benefits	14,715	519	2,170	768	119	5
Insurance Reserves	4,853	171	716	253	39	2
Real Estate Liabilities	76,966	2,713	11,355	4,012	620	28
Total Liabilities	<u>1,435,477</u>	<u>50,419</u>	<u>211,064</u>	<u>74,953</u>	<u>11,525</u>	<u>515</u>
NET POSITION						
Restricted for:						
Pension Benefits	34,845,009	1,226,842	5,140,567	1,815,120	280,984	12,532
Other Postemployment Benefits	—	—	—	—	—	—
Other Employee Benefits	—	—	—	—	—	—
Defined Contribution	—	—	—	—	—	—
Total Net Position	<u>\$ 34,845,009</u>	<u>\$ 1,226,842</u>	<u>\$ 5,140,567</u>	<u>\$ 1,815,120</u>	<u>\$ 280,984</u>	<u>\$ 12,532</u>

Continues

**Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefits Trust Funds**
(expressed in thousands)

June 30, 2024

	Pension Trust		Defined Contributions Plans		
	Tier 2 Public Employees	Tier 2 Public Safety and Firefighters	401(k) Plan	457(b) Plan	IRA Plans
<i>Continued</i>					
ASSETS					
Cash and Cash Equivalents	\$ 47,772	\$ 8,827	\$ 28,966	\$ 828	\$ 728
Pooled Cash and Investments	—	—	—	—	—
Receivables:					
Member Contributions	—	387	—	—	—
Employer Contributions	30,232	4,068	—	—	—
Court Fees and Fire Insurance Premiums	—	—	—	—	—
Investments Settlements	11,110	2,052	84,682	9,787	—
Total Receivables	41,342	6,507	84,682	9,787	0
Restricted Cash and Cash Equivalents	—	—	—	—	—
Investments at fair value:					
Debt Securities	253,325	46,800	2,203,731	226,767	196,113
Equity Investments	559,790	103,418	5,204,373	606,272	405,342
Absolute Return	269,497	49,788	—	—	—
Private Equity	204,048	37,697	—	—	—
Real Assets	317,749	58,703	236,457	23,457	19,399
Invested Securities Lending Collateral	46,597	8,609	—	—	—
Other Directional Strategies	—	—	—	—	—
Relative Value Strategies	—	—	—	—	—
Global Fixed Income	—	—	—	—	—
Total Investments	1,651,006	305,015	7,644,561	856,496	620,854
Capital Assets:					
Land	64	12	—	—	—
Buildings and Improvements	856	159	—	—	—
Machinery and Equipment	240	44	—	—	—
Intangible Assets	1,175	217	—	—	—
Less Accumulated Depreciation	(1,362)	(252)	—	—	—
Total Capital Assets	973	180	0	0	0
Total Assets	1,741,093	320,529	7,758,209	867,111	621,582
LIABILITIES					
Accounts Payable	14,218	2,627	27,198	475	290
Securities Lending Liability	46,597	8,609	—	—	—
Disbursements in Excess of Cash Balance	2,169	401	616	327	157
Leave/Postemployment Benefits	695	129	—	—	—
Insurance Reserves	229	42	—	—	—
Real Estate Liabilities	3,634	671	—	—	—
Total Liabilities	67,542	12,479	27,814	802	447
NET POSITION					
Restricted for:					
Pension Benefits	1,673,551	308,050	—	—	—
Other Postemployment Benefits	—	—	—	—	—
Other Employee Benefits	—	—	—	—	—
Defined Contribution	—	—	7,730,395	866,309	621,135
Total Net Position	\$ 1,673,551	\$ 308,050	\$ 7,730,395	\$ 866,309	\$ 621,135

Continues

**Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefits Trust Funds**
(expressed in thousands)

June 30, 2024

	Post-Retirement Benefits Trust		Other Employee Benefits Trust		Total Pension and Other Employee Benefits Trust Funds
	State Employee	Elected Official	Other Employee Benefits	Annual Leave	
<i>Continued</i>					
ASSETS					
Cash and Cash Equivalents	\$ —	\$ —	\$ —	\$ —	\$ 1,349,945
Pooled Cash and Investments	2,722	6,444	4,790	29,339	43,295
Receivables:					
Member Contributions	—	—	—	—	1,118
Employer Contributions	461	—	1,123	807	82,839
Court Fees and Fire Insurance Premiums	—	—	—	—	260
Investments Settlements	—	—	—	—	400,189
Total Receivables	461	0	1,123	807	484,406
Restricted Cash and Cash Equivalents	2,400	300	900	—	3,600
Investments:					
Debt Securities	164,132	9,843	58,777	—	9,830,424
Equity Investments	—	—	—	—	21,620,453
Absolute Return	—	—	—	—	7,416,106
Private Equity	—	—	—	—	5,615,048
Real Assets	5,742	327	—	—	9,029,306
Invested Securities Lending Collateral	—	—	—	—	1,282,268
Other Directional Strategies	36,197	3,253	12,341	—	51,791
Relative Value Strategies	29,237	2,591	9,767	—	41,595
Global Fixed Income	2,730	251	989	—	3,970
Total Investments	238,038	16,265	81,874	0	54,890,961
Capital Assets:					
Land	—	—	—	—	1,780
Buildings and Improvements	—	—	—	—	23,559
Machinery and Equipment	—	—	—	—	6,608
Intangible Assets	—	—	—	—	32,337
Less Accumulated Depreciation	—	—	—	—	(37,497)
Total Capital Assets	0	0	0	0	26,787
Total Assets	243,621	23,009	88,687	30,146	56,798,994
LIABILITIES					
Accounts Payable	52	—	—	—	424,620
Securities Lending Liability	—	—	—	—	1,282,268
Disbursements in Excess of Cash Balance	—	—	—	—	60,777
Leave/Postemployment Benefits	2,310	—	191	542	22,163
Insurance Reserves	—	—	—	—	6,305
Real Estate Liabilities	—	—	—	—	99,999
Total Liabilities	2,362	0	191	542	1,896,132
NET POSITION					
Restricted for:					
Pension Benefits	—	—	—	—	45,302,655
Other Postemployment Benefits	241,259	23,009	—	—	264,268
Other Employee Benefits	—	—	88,496	29,604	118,100
Defined Contribution	—	—	—	—	9,217,839
Total Net Position	\$ 241,259	\$ 23,009	\$ 88,496	\$ 29,604	\$ 54,902,862

**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, 2024

	Pension Trust					Governors and Legislative Pension Plan
	Non- Contributory System	Contributory System	Public Safety System	Firefighters System	Judges System	
ADDITIONS						
Contributions:						
Member	\$ 11,884	\$ 1,130	\$ 568	\$ 19,696	\$ —	\$ —
Employer	1,046,505	3,299	183,723	6,074	10,372	360
Court Fees and Fire Insurance Premiums	—	—	—	23,328	1,605	—
Total Contributions	<u>1,058,389</u>	<u>4,429</u>	<u>184,291</u>	<u>49,098</u>	<u>11,977</u>	<u>360</u>
Investment Income:						
Net Increase (Decrease) in Fair Value of Investments	2,296,077	83,275	337,461	119,189	18,507	848
Interest, Dividends, and Other Investment Income	761,964	27,635	111,988	39,553	6,142	281
Total Income (Loss) from Investment Activity	3,058,041	110,910	449,449	158,742	24,649	1,129
Less Investment Expenses	(92,132)	(3,341)	(13,540)	(4,782)	(743)	(34)
Net Income (Loss) from Investment Activity	<u>2,965,909</u>	<u>107,569</u>	<u>435,909</u>	<u>153,960</u>	<u>23,906</u>	<u>1,095</u>
Income from Security Lending Activity	4,517	164	664	235	36	2
Less Security Lending Expenses	(476)	(17)	(70)	(25)	(4)	—
Net Income from Security Lending Activity	<u>4,041</u>	<u>147</u>	<u>594</u>	<u>210</u>	<u>32</u>	<u>2</u>
Net Investment Income (Loss)	<u>2,969,950</u>	<u>107,716</u>	<u>436,503</u>	<u>154,170</u>	<u>23,938</u>	<u>1,097</u>
Transfers from Affiliated Systems	62,045	—	5,041	2,611	1,474	15
Transfer from Primary Government	—	—	—	—	—	—
Total Additions	<u>4,090,384</u>	<u>112,145</u>	<u>625,835</u>	<u>205,879</u>	<u>37,389</u>	<u>1,472</u>
DEDUCTIONS						
Retirement Benefits	1,464,530	79,268	207,669	60,144	15,052	875
Cost of Living Benefits	301,592	16,937	44,928	15,094	3,568	183
Supplemental Retirement Benefits	—	11	119	103	—	—
Refunds/Plan Distributions	3,030	1,952	128	195	—	—
Administrative Expenses	10,736	374	1,599	466	92	4
Transfers to Affiliated Systems	68,050	3,136	—	—	—	—
Total Deductions	<u>1,847,938</u>	<u>101,678</u>	<u>254,443</u>	<u>76,002</u>	<u>18,712</u>	<u>1,062</u>
Change in Net Position Restricted for:						
Pension Benefits	2,242,446	10,467	371,392	129,877	18,677	410
Other Postemployment Benefits	—	—	—	—	—	—
Other Employee Benefits	—	—	—	—	—	—
Defined Contribution	—	—	—	—	—	—
Net Position – Beginning	<u>32,602,563</u>	<u>1,216,375</u>	<u>4,769,175</u>	<u>1,685,243</u>	<u>262,307</u>	<u>12,122</u>
Net Position – Ending	<u>\$ 34,845,009</u>	<u>\$ 1,226,842</u>	<u>\$5,140,567</u>	<u>\$ 1,815,120</u>	<u>\$ 280,984</u>	<u>\$ 12,532</u>

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, 2024

	Pension Trust		Defined Contribution Plans		
	Tier 2 Public Employees	Tier 2 Public Safety and Firefighters	401(k) Plan	457(b) Plan	IRA Plans
<i>Continued</i>					
ADDITIONS					
Contributions:					
Member	\$ 130	\$ 9,589	\$ 456,010	\$ 53,770	\$ 75,326
Employer	246,408	52,392	—	—	—
Court Fees and Fire Insurance Premiums	—	—	—	—	—
Total Contributions	<u>246,538</u>	<u>61,981</u>	<u>456,010</u>	<u>53,770</u>	<u>75,326</u>
Investment Income:					
Net Increase (Decrease) in Fair Value of Investments	98,978	17,752	1,133,224	129,851	87,366
Interest, Dividends, and Other Investment Income	32,982	5,902	4,447	532	—
Total Income (Loss) from Investment Activity ..	131,960	23,654	1,137,671	130,383	87,366
Less Investment Expenses	(3,988)	(714)	(2,818)	(311)	(245)
Net Income (Loss) from Investment Activity ..	<u>127,972</u>	<u>22,940</u>	<u>1,134,853</u>	<u>130,072</u>	<u>87,121</u>
Income from Security Lending Activity	196	35	—	—	—
Less Security Lending Expenses	(21)	(4)	—	—	—
Net Income from Security Lending Activity	<u>175</u>	<u>31</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Investment Income (Loss)	<u>128,147</u>	<u>22,971</u>	<u>1,134,853</u>	<u>130,072</u>	<u>87,121</u>
Transfers from Affiliated Systems	—	—	—	—	—
Transfer from Primary Government	—	—	—	—	—
Total Additions	<u>374,685</u>	<u>84,952</u>	<u>1,590,863</u>	<u>183,842</u>	<u>162,447</u>
DEDUCTIONS					
Retirement Benefits	3,940	189	—	—	—
Cost of Living Benefits	65	2	—	—	—
Supplemental Retirement Benefits	—	—	—	—	—
Retiree Healthcare Benefits	—	—	—	—	—
Refunds/Plan Distributions	9	33	405,532	48,239	30,593
Administrative Expenses	451	79	9,215	601	413
Transfers to Affiliated Systems	—	—	—	—	—
Total Deductions	<u>4,465</u>	<u>303</u>	<u>414,747</u>	<u>48,840</u>	<u>31,006</u>
Change in Net Position Restricted for:					
Pension Benefits	370,220	84,649	—	—	—
Other Postemployment Benefits	—	—	—	—	—
Other Employee Benefits	—	—	—	—	—
Defined Contribution	—	—	1,176,116	135,002	131,441
Net Position – Beginning	<u>1,303,331</u>	<u>223,401</u>	<u>6,554,279</u>	<u>731,307</u>	<u>489,694</u>
Net Position – Ending	<u>\$ 1,673,551</u>	<u>\$ 308,050</u>	<u>\$ 7,730,395</u>	<u>\$ 866,309</u>	<u>\$ 621,135</u>

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, 2024

	Post-Retirement Benefits Trust		Other Employee Benefits Trust		Total Pensions and Other Employee Benefit Trust Funds
	State Employee	Elected Official	Other Employee Benefits	Annual Leave	
<i>Continued</i>					
ADDITIONS					
Contributions:					
Member	\$ —	\$ —	\$ —	\$ —	\$ 628,103
Employer	6,375	1,249	16,602	12,286	1,585,645
Court Fees and Fire Insurance Premiums	—	—	—	—	24,933
Total Contributions	6,375	1,249	16,602	12,286	2,238,681
Investment Income:					
Net Increase (Decrease) in Fair Value of Investments	(37,405)	(3,505)	4,189	—	4,285,807
Interest, Dividends, and Other Investment Income ..	46,754	4,635	(249)	1,485	1,044,051
Total Income (Loss) from Investment Activity	9,349	1,130	3,940	1,485	5,329,858
Less Investment Expenses	—	—	—	—	(122,648)
Net Income (Loss) from Investment Activity	9,349	1,130	3,940	1,485	5,207,210
Income from Security Lending Activity	—	—	—	—	5,849
Less Security Lending Expenses	—	—	—	—	(617)
Net Income from Security Lending Activity	0	0	0	0	5,232
Net Investment Income (Loss)	9,349	1,130	3,940	1,485	5,212,442
Transfers from Affiliated Systems	—	—	—	—	71,186
Transfer from Primary Government	—	—	—	2,000	2,000
Total Additions	15,724	2,379	20,542	15,771	7,524,309
DEDUCTIONS					
Retirement Benefits	—	—	—	—	1,831,667
Cost of Living Benefits	—	—	—	—	382,369
Supplemental Retirement Benefits	—	—	—	—	233
Retiree Healthcare Benefits	29,789	895	—	—	30,684
Refunds/Plan Distributions	—	—	8,117	9,556	507,384
Administrative Expenses	135	25	85	—	24,275
Transfers to Affiliated Systems	—	—	—	—	71,186
Total Deductions	29,924	920	8,202	9,556	2,847,798
Change in Net Position Restricted for:					
Pension Benefits	—	—	—	—	3,228,138
Other Postemployment Benefits	(14,200)	1,459	—	—	(12,741)
Other Employee Benefits	—	—	12,340	6,215	18,555
Defined Contribution	—	—	—	—	1,442,559
Net Position – Beginning	255,459	21,550	76,156	23,389	50,226,351
Net Position – Ending	\$ 241,259	\$ 23,009	\$ 88,496	\$ 29,604	\$ 54,902,862

**Combining Statement of Fiduciary Net Position
Private Purpose Trust Fund**
(expressed in thousands)

June 30, 2024

	Utah Navajo Trust	Utah Educational Savings Plan Trust	Higher Education Student Success Trust	Local Public Safety and Firefighter Surviving Spouse Trust	Total Private Purpose Trust Funds
ASSETS					
Cash and Cash Equivalents	\$ —	\$ 3,831	\$ —	\$ —	\$ 3,831
Pooled Cash and Investments	21,575	9,121	—	4,229	34,925
Receivables:					
Accounts	—	—	—	261	261
Accrued Interest	—	67,101	—	—	67,101
Leases	255	—	—	—	255
Loans	36	—	—	—	36
Due From Other Funds	38	—	—	—	38
Prepaid Items	—	85	—	—	85
Restricted Cash and Cash Equivalents	3,550	—	—	—	3,550
Investments:					
Debt Securities	3,860	6,370,271	—	—	6,374,131
Equity Investments	6,136	17,661,808	—	—	17,667,944
Private Equity	2,727	—	—	—	2,727
Other Directional Strategies	16,234	—	—	—	16,234
Relative Value Strategies	9,814	—	—	—	9,814
Portfolio Hedges	494	—	—	—	494
Global Fixed Income	3,655	—	—	—	3,655
Public Equity	21,605	—	—	—	21,605
Total Investments	<u>64,525</u>	<u>24,032,079</u>	<u>0</u>	<u>0</u>	<u>24,096,604</u>
Other Assets	96	—	—	—	96
Net Pension Asset	—	360	—	—	360
Net Other Post Employment Benefit Asset	21	—	—	—	21
Capital Assets:					
Land	712	—	—	—	712
Infrastructure	236	—	—	—	236
Buildings and Improvements	10,715	902	—	—	11,617
Machinery and Equipment	609	1,023	—	—	1,632
Intangible Assets	11	2,161	—	—	2,172
Less Accumulated Depreciation	<u>(6,730)</u>	<u>(2,166)</u>	<u>—</u>	<u>—</u>	<u>(8,896)</u>
Total Capital Assets	<u>5,553</u>	<u>1,920</u>	<u>0</u>	<u>0</u>	<u>7,473</u>
Total Assets	<u>95,649</u>	<u>24,114,497</u>	<u>0</u>	<u>4,490</u>	<u>24,214,636</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows Relating to Pensions	219	423	—	—	642
Deferred Outflows Relating to Other Postemployment Benefit	8	—	—	—	8
Total Deferred Outflows of Resources	<u>227</u>	<u>423</u>	<u>0</u>	<u>0</u>	<u>650</u>

Continues

**Combining Statement of Fiduciary Net Position
Private Purpose Trust Fund**
(expressed in thousands)

June 30, 2024

	Utah Navajo Trust	Utah Educational Savings Plan Trust	Higher Education Student Success Trust	Local Public Safety and Firefighter Surviving Spouse Trust	Total Private Purpose Trust Funds
<i>Continued</i>					
LIABILITIES					
Accounts Payable	131	2,045	—	73	2,249
Subscription Software Liability	—	318	—	—	318
Due To Other Funds	231	—	—	—	231
Net Pension Liability	254	—	—	—	254
Total Liabilities	616	2,363	0	73	3,052
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources Relating to Leases	255	—	—	—	255
Deferred Inflows Relating to Pensions	2	6	—	—	8
Deferred Inflows Relating to Other Postemployment Benefits	6	—	—	—	6
Total Deferred Inflows of Resources	263	6	0	0	269
NET POSITION					
Restricted for:					
Pension Benefits	—	777	—	—	777
Other Postemployment Benefits	21	—	—	—	21
Individuals, Organizations, and Other Governments	94,976	24,111,774	—	4,417	24,211,167
Total Net Position	\$ 94,997	\$ 24,112,551	\$ 0	\$ 4,417	\$ 24,211,965



Wellsville Winter Burner

Photo by Gavin Vanderbeek

**Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds**
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

	Utah Navajo Trust	Utah Educational Savings Plan Trust	Higher Education Student Success Trust	Local Public Safety and Firefighter Surviving Spouse Trust	Total Private Purpose Trust Funds
ADDITIONS					
Contributions:					
Member	\$ —	\$ 1,751,343	\$ —	\$ 673	\$ 1,752,016
Total Contributions	<u>0</u>	<u>1,751,343</u>	<u>0</u>	<u>673</u>	<u>1,752,016</u>
Investment Income:					
Net Increase (Decrease) in Fair Value of Investments	3,130	2,302,727	—	—	2,305,857
Interest, Dividends, and Other Investment Income	4,356	589,288	—	205	593,849
Total Income From Investment Activity	<u>7,486</u>	<u>2,892,015</u>	<u>0</u>	<u>205</u>	<u>2,899,706</u>
Other Additions:					
Royalties and Rents	3,581	—	—	—	3,581
Fees, Assessments, and Revenues	639	—	—	—	639
Miscellaneous	1	—	—	—	1
Total Other	<u>4,221</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,221</u>
Total Additions	<u>11,707</u>	<u>4,643,358</u>	<u>0</u>	<u>878</u>	<u>4,655,943</u>
DEDUCTIONS					
Trust Operating Expenses	1,936	—	—	—	1,936
Distributions and Benefit Payments	405	1,333,036	—	273	1,333,714
Administrative and General Expenses	2,320	16,428	—	—	18,748
Total Deductions	<u>4,661</u>	<u>1,349,464</u>	<u>0</u>	<u>273</u>	<u>1,354,398</u>
Change in Net Position Restricted for:					
Individuals, Organizations, and Other Governments	7,046	3,293,894	—	605	3,301,545
Net Position – Beginning	87,951	20,818,657	282,570	3,812	21,192,990
Adjustment to Beginning Net Position	—	—	(282,570)	—	(282,570)
Net Position – Beginning as Adjusted	<u>87,951</u>	<u>20,818,657</u>	<u>—</u>	<u>3,812</u>	<u>20,910,420</u>
Net Position – Ending	<u>\$ 94,997</u>	<u>\$ 24,112,551</u>	<u>\$ 0</u>	<u>\$ 4,417</u>	<u>\$ 24,211,965</u>

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**Combining Statement of Fiduciary Net Position
Custodial Funds**
(expressed in thousands)

June 30, 2024

	<u>External Investment Pool</u>	<u>Unclaimed Property</u>	<u>County and Local Collections</u>	<u>State Courts</u>	<u>Miscellaneous</u>	<u>Total Custodial Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 1,259,102	\$ —	\$ —	\$ 362	\$ 3,486	\$ 1,262,950
Pooled Cash and Investments	—	233,528	202,066	1,026	14,774	451,394
Receivables:						
Accounts	6,690	—	39	14	23,504	30,247
Accrued Interest	96,681	—	—	—	—	96,681
Due From Other Funds	—	23	—	70	865	958
Prepaid Items	—	113	3	—	—	116
Restricted Cash and Cash Equivalents	—	—	—	—	440	440
Restricted Pooled Cash and Investments	—	—	—	—	747	747
Investments:						
Debt Securities	15,258,654	—	—	—	—	15,258,654
Total Investments	<u>15,258,654</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,258,654</u>
Other Assets	—	19,971	—	71,867	—	91,838
Capital Assets:						
Intangible Assets	—	269	—	—	—	269
Less Accumulated Depreciation	—	(42)	—	—	—	(42)
Total Capital Assets	<u>0</u>	<u>227</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>227</u>
Total Assets	<u>16,621,127</u>	<u>253,862</u>	<u>202,108</u>	<u>73,339</u>	<u>43,816</u>	<u>17,194,252</u>
LIABILITIES						
Accounts Payable	348,888	82	5,871	563	2,067	357,471
Deposits	—	—	—	—	747	747
Due To Other Governments	—	—	196,237	—	1,363	197,600
Unearned Revenue	—	—	—	—	237	237
Subscription Software Liability	—	227	—	—	—	227
Total Liabilities	<u>348,888</u>	<u>309</u>	<u>202,108</u>	<u>563</u>	<u>4,414</u>	<u>556,282</u>
NET POSITION						
Restricted for:						
Pool Participants	16,272,239	—	—	—	—	16,272,239
Individuals, Organizations, and Other Governments	—	253,553	—	72,776	39,402	365,731
Total Net Position	<u>\$ 16,272,239</u>	<u>\$ 253,553</u>	<u>\$ 0</u>	<u>\$ 72,776</u>	<u>\$ 39,402</u>	<u>\$ 16,637,970</u>
Participant Account Balance:						
Net Position Valuation Factor	<u>1.00150349</u>					

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State of Utah

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

For the Fiscal Year Ended June 30, 2024

	External Investment Pool	Unclaimed Property	County and Local Collections	State Courts	Miscellaneous	Total Custodial Funds
ADDITIONS						
Contributions:						
Member	\$ —	\$ —	\$ —	\$ —	\$ 25,728	\$ 25,728
Total Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,728</u>	<u>25,728</u>
Pool Participant Deposits	17,476,407	—	—	—	—	17,476,407
Investment Income:						
Net Increase (Decrease) in Fair Value of Investments	23,254	351	130	—	—	23,735
Interest, Dividends, and Other Investment Income	905,752	14,031	51	—	414	920,248
Total Income From Investment Activity	<u>929,006</u>	<u>14,382</u>	<u>181</u>	<u>0</u>	<u>414</u>	<u>943,983</u>
Less Investment Expenses	<u>(1,175)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,175)</u>
Net Income from Investment Activity	<u>927,831</u>	<u>14,382</u>	<u>181</u>	<u>0</u>	<u>414</u>	<u>942,808</u>
Other Additions:						
Escheats	—	67,818	—	—	—	67,818
Fees, Assessments, and Revenues	—	—	—	70,514	11,235	81,749
Collections for Individuals and Other Organizations	—	—	—	—	304,004	304,004
Tax and Fee Collections for Other Governments	—	—	2,811,252	—	12,731	2,823,983
Federal Grants	—	—	143,768	—	7,288	151,056
Total Other	<u>0</u>	<u>67,818</u>	<u>2,955,020</u>	<u>70,514</u>	<u>335,258</u>	<u>3,428,610</u>
Total Additions	<u>18,404,238</u>	<u>82,200</u>	<u>2,955,201</u>	<u>70,514</u>	<u>361,400</u>	<u>21,873,553</u>
DEDUCTIONS						
Member Distributions	—	—	—	—	25,448	25,448
Earnings Distributions	904,577	—	—	—	—	904,577
Pool Participant Withdrawals	16,873,674	—	—	—	—	16,873,674
Trust Operating Expenses	—	—	—	—	368	368
Distributions and Benefit Payments	—	37,089	—	—	2	37,091
Administrative and General Expenses	—	3,862	—	—	—	3,862
Distributions to Individuals and Other Organizations	—	—	—	73,783	313,214	386,997
Payment of Taxes and Fees to Other Governments	—	—	2,811,436	—	12,731	2,824,167
Pass Through of Federal Grants	—	—	143,765	—	7,288	151,053
Total Deductions	<u>17,778,251</u>	<u>40,951</u>	<u>2,955,201</u>	<u>73,783</u>	<u>359,051</u>	<u>21,207,237</u>
Change in Net Position Restricted for:						
Pool Participants	625,987	—	—	—	—	625,987
Individuals, Organizations, and Other Governments	—	41,249	—	(3,269)	2,349	40,329
Net Position – Beginning	<u>15,646,252</u>	<u>212,304</u>	<u>—</u>	<u>76,045</u>	<u>37,053</u>	<u>15,971,654</u>
Net Position – Ending	<u>\$16,272,239</u>	<u>\$ 253,553</u>	<u>\$ 0</u>	<u>\$ 72,776</u>	<u>\$ 39,402</u>	<u>\$ 16,637,970</u>

NONMAJOR COMPONENT UNITS



Bryce Canyon Fall Sunset

Photo by Eldon Griffin

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.

State Fair Park Authority

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 State Land Authority

This Authority is an independent, nonprofit corporation whose purpose is to facilitate and oversee the development of nearly 700 acres at the Draper site where the Utah State Prison once stood. 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.

Utah Lake Authority

The statewide public purpose of the lake authority is to work in concert with applicable federal, state, and local government entities, property owners, owners of water rights, private parties, and stakeholders to encourage, facilitate, and implement the management of Utah Lake.

Utah Water Ways Partnership

This Partnership was established as a nonprofit, statewide partnership to coordinate efforts aimed at optimizing water use and encouraging Utah residents to adopt practices that conserve and protect the state's water resources. The Partnership is primarily funded through state appropriations.

Utah System of Higher Education

The System includes degree-granting institutions, technical colleges and the Utah Board of Higher Education. The nonmajor institutions of higher education are:

Weber State University | Southern Utah University | Salt Lake Community College | Utah Valley University | Utah Tech University | Snow College | Technical Colleges

The Utah Board of Higher Education is the governing board of the institutions of higher education. During fiscal year 2024, this entity was reclassified as a department of the State. Activity here illustrates this reclassification.

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

June 30, 2024

	Utah Communications Authority	Utah Schools for the Deaf and the Blind	Military Installation Development Authority	Heber Valley Historic Railroad Authority	State Fair Park Authority
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 5,180	\$ 5,620	\$ 12,501	\$ 1,856	\$ 10,233
Restricted Cash and Cash Equivalents	—	—	—	—	—
Investments	78,272	—	—	—	—
Receivables:					
Accounts, net	6,001	916	919	5	197
Notes/Leases/Loans/Mortgages/Pledges, net	399	—	—	—	—
Accrued Interest	—	—	—	—	—
Due From Primary Government	—	370	643	—	—
Prepaid Items	431	160	—	—	97
Inventories	—	—	—	8	—
Other Assets	—	—	—	—	—
Total Current Assets	<u>90,283</u>	<u>7,066</u>	<u>14,063</u>	<u>1,869</u>	<u>10,527</u>
Noncurrent Assets:					
Restricted Cash and Cash Equivalents	—	—	49,439	—	—
Investments	—	—	—	—	—
Restricted Investments	—	—	232,261	—	—
Accounts Receivables, net	—	—	169,300	—	—
Notes/Leases/Loans/Mortgages/Pledges Receivables, net	1,349	—	—	—	—
Net Pension Asset	—	—	—	—	—
Net Other Postemployment Benefit Asset	—	602	—	—	—
Other Assets	—	—	—	—	—
Capital Assets (net of Accumulated Depreciation)	77,601	36,670	25,889	10,586	3,812
Total Noncurrent Assets	<u>78,950</u>	<u>37,272</u>	<u>476,889</u>	<u>10,586</u>	<u>3,812</u>
Total Assets	<u>169,233</u>	<u>44,338</u>	<u>490,952</u>	<u>12,455</u>	<u>14,339</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amount on Refundings of Bonded Debt	—	—	—	—	—
Deferred Outflows Relating to Pensions	1,009	8,214	166	301	347
Deferred Outflows Relating to Other Postemployment Benefit	—	130	—	—	—
Total Deferred Outflows of Resources	<u>1,009</u>	<u>8,344</u>	<u>166</u>	<u>301</u>	<u>347</u>

Continues

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

June 30, 2024

<i>Continued</i>	Utah Communications Authority	Utah Schools for the Deaf and the Blind	Military Installation Development Authority	Heber Valley Historic Railroad Authority	State Fair Park Authority
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	3,445	2,894	24,899	77	119
Deposits	—	—	—	—	—
Due To Primary Government	—	—	—	—	287
Unearned Revenue	5	—	44,375	—	126
Current Portion of Long-term Liabilities	944	99	1,479	245	16
Total Current Liabilities	4,394	2,993	70,753	322	548
Noncurrent Liabilities:					
Accounts Payable and Accrued Liabilities	—	—	10,000	—	—
Unearned Revenue	—	—	—	—	—
Net Pension Liability	1,405	11,173	90	289	360
Long-term Liabilities	7,432	45	522,823	2,876	—
Total Noncurrent Liabilities	8,837	11,218	532,913	3,165	360
Total Liabilities	13,231	14,211	603,666	3,487	908
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Relating to Beneficial Interests	—	—	476	—	—
Deferred Amount on Refundings of Bonded Debt	—	—	—	—	—
Deferred Inflows Relating to Pensions	57	49	1	6	11
Deferred Inflows Relating to Other Postemployment Benefit	—	99	—	—	—
Deferred Inflows Relating to Leases	1,706	—	—	—	—
Total Deferred Inflows of Resources	1,763	148	477	6	11
NET POSITION					
Net Investment in Capital Assets	69,653	36,669	8,573	8,512	3,797
Restricted for:					
Nonexpendable:					
Higher Education	—	—	—	—	—
Expendable:					
Higher Education	—	—	—	—	—
Other Postemployment Benefits	—	602	—	—	—
Pension Benefits	—	—	—	—	—
Other	56,503	—	91,900	—	776
Unrestricted (Deficit)	29,092	1,052	(213,498)	751	9,194
Total Net Position	\$ 155,248	\$ 38,323	\$ (113,025)	\$ 9,263	\$ 13,767

Continues

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

June 30, 2024

<i>Continued</i>	<u>Utah Lake Authority</u>	<u>Point of the Mountain Development Authority</u>	<u>Utah Inland Port Authority</u>	<u>Utah Water Ways Partnership</u>	<u>Utah Board of Higher Education</u>	<u>Weber State University</u>	<u>Southern Utah University</u>
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 726	\$ 11,235	\$ 47,512	\$ 1,157	\$ —	\$ 43,077	\$ 12,221
Restricted Cash and Cash Equivalents	—	—	—	—	—	—	—
Investments	—	—	11,733	—	—	20,018	21,286
Receivables:							
Accounts, net	—	—	200	1,501	—	5,582	8,147
Notes/Leases/Loans/Mortgages/Pledges, net	—	—	—	—	—	2,545	574
Accrued Interest	—	—	645	—	—	1,575	—
Due From Primary Government	—	—	—	—	—	—	—
Prepaid Items	—	—	—	38	—	2,902	5,584
Inventories	—	—	—	—	—	3,981	913
Other Assets	—	—	—	—	—	357	—
Total Current Assets	<u>726</u>	<u>11,235</u>	<u>60,090</u>	<u>2,696</u>	<u>0</u>	<u>80,037</u>	<u>48,725</u>
Noncurrent Assets:							
Restricted Cash and Cash Equivalents	—	—	132,318	—	—	42,356	341
Investments	—	—	—	—	—	367,750	114,276
Restricted Investments	—	—	—	—	—	—	—
Accounts Receivables, net	—	—	—	—	—	3,443	—
Notes/Leases/Loans/Mortgages/Pledges Receivables, net	—	—	—	—	—	1,922	1,062
Net Pension Asset	—	—	—	—	—	5,779	—
Net Other Postemployment Benefit Asset	—	—	—	—	—	—	—
Other Assets	—	—	—	15	—	8,668	285
Capital Assets (net of Accumulated Depreciation)	—	—	67,831	124	—	471,276	233,652
Total Noncurrent Assets	<u>0</u>	<u>0</u>	<u>200,149</u>	<u>139</u>	<u>0</u>	<u>901,194</u>	<u>349,616</u>
Total Assets	<u>726</u>	<u>11,235</u>	<u>260,239</u>	<u>2,835</u>	<u>0</u>	<u>981,231</u>	<u>398,341</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Amount on Refundings of Bonded Debt	—	—	—	—	—	526	—
Deferred Outflows Relating to Pensions	—	41	624	—	—	6,140	6,755
Deferred Outflows Relating to Other Postemployment Benefit	—	—	—	—	—	—	—
Total Deferred Outflows of Resources	<u>0</u>	<u>41</u>	<u>624</u>	<u>0</u>	<u>0</u>	<u>6,666</u>	<u>6,755</u>

Continue

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

June 30, 2024

<i>Continued</i>	<u>Utah Lake Authority</u>	<u>Point of the Mountain Development Authority</u>	<u>Utah Inland Port Authority</u>	<u>Utah Water Ways Partnership</u>	<u>Utah Board of Higher Education</u>	<u>Weber State University</u>	<u>Southern Utah University</u>
LIABILITIES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	—	249	665	91	—	4,363	6,852
Deposits	—	—	—	—	—	—	789
Due To Primary Government	—	—	140	—	—	1,101	140
Unearned Revenue	—	—	—	—	—	12,480	16,979
Current Portion of Long-term Liabilities	—	—	1,245	—	—	10,158	7,619
Total Current Liabilities	<u>0</u>	<u>249</u>	<u>2,050</u>	<u>91</u>	<u>0</u>	<u>28,102</u>	<u>32,379</u>
Noncurrent Liabilities:							
Accounts Payable and Accrued Liabilities	—	—	1,404	—	—	—	—
Unearned Revenue	—	—	—	—	—	—	—
Net Pension Liability	—	71	1,055	—	—	368	9,258
Long-term Liabilities	—	—	217,626	—	—	44,231	36,964
Total Noncurrent Liabilities	<u>0</u>	<u>71</u>	<u>220,085</u>	<u>0</u>	<u>0</u>	<u>44,599</u>	<u>46,222</u>
Total Liabilities	<u>0</u>	<u>320</u>	<u>222,135</u>	<u>91</u>	<u>0</u>	<u>72,701</u>	<u>78,601</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows Relating to Beneficial Interests	—	—	—	—	—	8,668	477
Deferred Amount on Refundings of Bonded Debt	—	—	—	—	—	—	—
Deferred Inflows Relating to Pensions	—	—	2	—	—	16	107
Deferred Inflows Relating to Other Postemployment Benefit	—	—	—	—	—	—	—
Deferred Inflows Relating to Leases	—	—	—	—	—	—	37
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>8,684</u>	<u>621</u>
NET POSITION							
Net Investment in Capital Assets	—	—	(3,584)	124	—	428,988	194,990
Restricted for:							
Nonexpendable:							
Higher Education	—	—	—	—	—	162,336	35,054
Expendable:							
Higher Education	—	—	—	—	—	127,659	23,839
Other Postemployment Benefits	—	—	—	—	—	—	—
Pension Benefits	—	—	—	—	—	5,779	—
Other	—	—	—	—	—	—	—
Unrestricted (Deficit)	726	10,956	42,310	2,620	—	181,750	71,991
Total Net Position	<u>\$ 726</u>	<u>\$ 10,956</u>	<u>\$ 38,726</u>	<u>\$ 2,744</u>	<u>\$ 0</u>	<u>\$ 906,512</u>	<u>\$ 325,874</u>

Continues

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

June 30, 2024

<i>Continued</i>	Salt Lake Community College	Utah Valley University	Utah Tech University	Snow College	Technical Colleges	Total Nonmajor Component Units
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 17,603	\$ 84,060	\$ 41,530	\$ 32,355	\$ 55,114	\$ 381,980
Restricted Cash and Cash Equivalents	—	10,147	—	—	55	10,202
Investments	68,118	57,482	3,313	887	3,737	264,846
Receivables:						
Accounts, net	10,220	23,458	8,838	5,602	4,028	75,614
Notes/Leases/Loans/Mortgages/Pledges, net	1,278	1,539	—	86	288	6,709
Accrued Interest	—	—	—	—	—	2,220
Due From Primary Government	1,900	—	—	646	3,051	6,610
Prepaid Items	1,675	2,630	641	1,187	515	15,860
Inventories	3,700	1,667	653	272	2,450	13,644
Other Assets	58	—	—	—	—	415
Total Current Assets	<u>104,552</u>	<u>180,983</u>	<u>54,975</u>	<u>41,035</u>	<u>69,238</u>	<u>778,100</u>
Noncurrent Assets:						
Restricted Cash and Cash Equivalents	2,467	60,676	6,166	1,877	2,714	298,354
Investments	115,397	165,673	38,515	3,996	836	806,443
Restricted Investments	—	—	—	18,945	1,378	252,584
Accounts Receivables, net	—	20,710	3,117	—	—	196,570
Notes/Leases/Loans/Mortgages/Pledges Receivables, net	19,849	5,051	—	886	246	30,365
Net Pension Asset	5,961	8,443	1,976	1,753	2,408	26,320
Net Other Postemployment Benefit Asset	—	—	—	—	—	602
Other Assets	—	1,500	—	—	—	10,468
Capital Assets (net of Accumulated Depreciation)	355,619	609,489	418,834	111,506	365,029	2,787,918
Total Noncurrent Assets	<u>499,293</u>	<u>871,542</u>	<u>468,608</u>	<u>138,963</u>	<u>372,611</u>	<u>4,409,624</u>
Total Assets	<u>603,845</u>	<u>1,052,525</u>	<u>523,583</u>	<u>179,998</u>	<u>441,849</u>	<u>5,187,724</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Amount on Refundings of Bonded Debt	—	—	—	—	—	526
Deferred Outflows Relating to Pensions	6,317	8,603	2,448	1,829	9,627	52,421
Deferred Outflows Relating to Other Postemployment Benefit	—	—	—	—	—	130
Total Deferred Outflows of Resources	<u>6,317</u>	<u>8,603</u>	<u>2,448</u>	<u>1,829</u>	<u>9,627</u>	<u>53,077</u>

Continues

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

June 30, 2024

<i>Continued</i>	<u>Salt Lake Community College</u>	<u>Utah Valley University</u>	<u>Utah Tech University</u>	<u>Snow College</u>	<u>Technical Colleges</u>	<u>Total Nonmajor Component Units</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities.....	12,956	22,145	2,753	1,611	6,690	89,809
Deposits.....	89	122	612	527	4	2,143
Due To Primary Government.....	—	5,037	3,185	—	375	10,265
Unearned Revenue.....	11,556	12,730	5,079	543	3,655	107,528
Current Portion of Long-term Liabilities.....	13,707	15,071	9,158	2,176	3,976	65,893
Total Current Liabilities.....	<u>38,308</u>	<u>55,105</u>	<u>20,787</u>	<u>4,857</u>	<u>14,700</u>	<u>275,638</u>
Noncurrent Liabilities:						
Accounts Payable and Accrued Liabilities.....	—	156	—	—	3	11,563
Unearned Revenue.....	—	1,853	—	—	73	1,926
Net Pension Liability.....	379	536	452	118	10,108	35,662
Long-term Liabilities.....	16,379	58,838	161,857	12,143	12,539	1,093,753
Total Noncurrent Liabilities.....	<u>16,758</u>	<u>61,383</u>	<u>162,309</u>	<u>12,261</u>	<u>22,723</u>	<u>1,142,904</u>
Total Liabilities.....	<u>55,066</u>	<u>116,488</u>	<u>183,096</u>	<u>17,118</u>	<u>37,423</u>	<u>1,418,542</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows Relating to Beneficial Interests.....	—	1,462	218	1,713	—	13,014
Deferred Amount on Refundings of Bonded Debt.....	—	234	—	—	—	234
Deferred Inflows Relating to Pensions.....	20	66	452	26	138	951
Deferred Inflows Relating to Other Postemployment Benefit.....	—	—	—	—	—	99
Deferred Inflows Relating to Leases.....	19,892	4,334	—	—	534	26,503
Total Deferred Inflows of Resources.....	<u>19,912</u>	<u>6,096</u>	<u>670</u>	<u>1,739</u>	<u>672</u>	<u>40,801</u>
NET POSITION						
Net Investment in Capital Assets.....	340,474	548,858	257,556	98,417	354,051	2,347,078
Restricted for:						
Nonexpendable:						
Higher Education.....	12,444	89,062	25,321	13,856	1,329	339,402
Expendable:						
Higher Education.....	31,208	98,693	19,114	5,573	8,442	314,528
Other Postemployment Benefits.....	—	—	—	—	—	602
Pension Benefits.....	5,961	8,443	1,976	1,753	2,408	26,320
Other.....	—	—	—	1,957	1,088	152,224
Unrestricted (Deficit).....	145,097	193,488	38,298	41,414	46,063	601,304
Total Net Position.....	<u>\$ 535,184</u>	<u>\$ 938,544</u>	<u>\$ 342,265</u>	<u>\$ 162,970</u>	<u>\$ 413,381</u>	<u>\$ 3,781,458</u>

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**Combining Statement of Activities
Nonmajor Component Units**
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

	Utah Communications Authority	Utah Schools for the Deaf and the Blind	Military Installation Development Authority	Heber Valley Historic Railroad Authority	State Fair Park Authority
Expenses	\$ 30,474	\$ 57,938	\$ 153,344	\$ 3,772	\$ 7,839
Program Revenues:					
Charges for Services:					
Tuition and Fees	—	—	—	—	—
Scholarship Allowances	—	—	—	—	—
Sales, Services, and Other Revenues	577	11,436	6,731	4,182	8,996
Operating Grants and Contributions	28,530	1,377	16,032	1,191	—
Capital Grants and Contributions	—	—	34,751	—	—
Total Program Revenues	29,107	12,813	57,514	5,373	8,996
Net (Expenses) Revenues	(1,367)	(45,125)	(95,830)	1,601	1,157
General Revenues:					
State Appropriations	32,000	41,454	—	—	—
Gain (Loss) on Sale of Capital Assets	90	—	—	23	—
Miscellaneous	2,875	—	3,406	19	784
Permanent Endowments Contributions	—	—	—	—	—
Total General Revenues, Contributions and Other	34,965	41,454	3,406	42	784
Change in Net Position	33,598	(3,671)	(92,424)	1,643	1,941
Net Position – Beginning	121,650	41,994	(20,601)	7,620	11,826
Adjustment to Beginning Net Position	—	—	—	—	—
Net Position – Beginning as Adjusted	121,650	41,994	(20,601)	7,620	11,826
Net Position – Ending	\$ 155,248	\$ 38,323	\$ (113,025)	\$ 9,263	\$ 13,767

Continues

Combining Statement of Activities
Nonmajor Component Units
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

<i>Continued</i>	Utah Lake Authority	Point of the Mountain Development Authority	Utah Inland Port Authority	Utah Water Ways Partnership	Utah Board of Higher Education	Weber State University	Southern Utah University
Expenses	\$ 1,935	\$ 1,736	\$ 28,564	\$ 687	\$ —	\$ 316,445	\$ 254,730
Program Revenues:							
Charges for Services:							
Tuition and Fees	—	—	—	—	—	136,417	135,396
Scholarship Allowances	—	—	—	—	—	(42,459)	(45,234)
Sales, Services, and Other Revenues	—	—	—	—	—	28,336	25,530
Operating Grants and Contributions	1,457	192	9,415	3,400	—	96,128	61,341
Capital Grants and Contributions	—	—	3,183	—	—	14,154	7,718
Total Program Revenues	<u>1,457</u>	<u>192</u>	<u>12,598</u>	<u>3,400</u>	<u>0</u>	<u>232,576</u>	<u>184,751</u>
Net (Expenses) Revenues	<u>(478)</u>	<u>(1,544)</u>	<u>(15,966)</u>	<u>2,713</u>	<u>0</u>	<u>(83,869)</u>	<u>(69,979)</u>
General Revenues:							
State Appropriations	—	1,750	—	—	—	150,568	74,465
Gain (Loss) on Sale of Capital Assets	—	—	—	—	—	—	—
Miscellaneous	—	—	27,502	31	—	—	—
Permanent Endowments Contributions	—	—	—	—	—	2,113	1,120
Total General Revenues, Contributions and Other	<u>0</u>	<u>1,750</u>	<u>27,502</u>	<u>31</u>	<u>0</u>	<u>152,681</u>	<u>75,585</u>
Change in Net Position	<u>(478)</u>	<u>206</u>	<u>11,536</u>	<u>2,744</u>	<u>0</u>	<u>68,812</u>	<u>5,606</u>
Net Position – Beginning	1,204	10,750	27,190	—	369,552	837,700	281,452
Adjustment to Beginning Net Position	—	—	—	—	(369,552)	—	38,816
Net Position – Beginning as Adjusted	<u>1,204</u>	<u>10,750</u>	<u>27,190</u>	<u>0</u>	<u>0</u>	<u>837,700</u>	<u>320,268</u>
Net Position – Ending	<u>\$ 726</u>	<u>\$ 10,956</u>	<u>\$ 38,726</u>	<u>\$ 2,744</u>	<u>\$ 0</u>	<u>\$ 906,512</u>	<u>\$ 325,874</u>

Continues

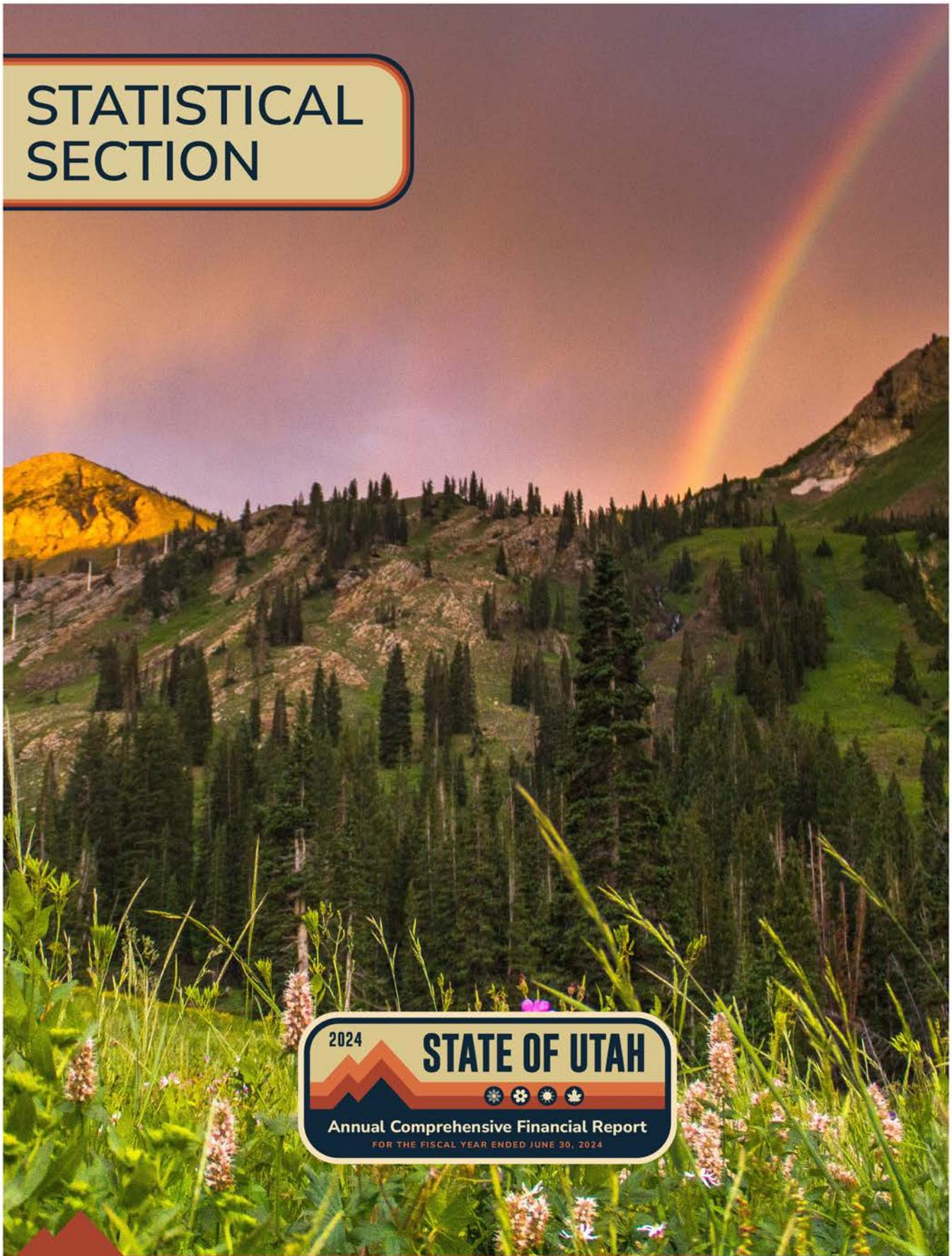
**Combining Statement of Activities
Nonmajor Component Units**
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

<i>Continued</i>	Salt Lake Community College	Utah Valley University	Utah Tech University	Snow College	Technical Colleges	Total Nonmajor Component Units
Expenses	\$ 273,831	\$ 509,082	\$ 171,804	\$ 72,606	\$ 213,448	\$ 2,098,235
Program Revenues:						
Charges for Services:						
Tuition and Fees	79,940	217,920	82,493	18,221	21,146	691,533
Scholarship Allowances	(27,611)	(58,386)	(32,223)	(5,804)	(6,561)	(218,278)
Sales, Services, and Other Revenues	7,058	26,759	17,346	7,140	11,333	155,424
Operating Grants and Contributions	79,895	139,914	39,472	5,964	37,865	522,173
Capital Grants and Contributions	42,712	17,271	8,581	19,845	45,608	193,823
Total Program Revenues	181,994	343,478	115,669	45,366	109,391	1,344,675
Net (Expenses) Revenues	(91,837)	(165,604)	(56,135)	(27,240)	(104,057)	(753,560)
General Revenues:						
State Appropriations	142,433	189,430	64,584	46,999	154,843	898,526
Gain (Loss) on Sale of Capital Assets	—	—	—	—	201	314
Miscellaneous	—	—	—	—	11	34,628
Permanent Endowments Contributions	2,152	6,394	245	199	25	12,248
Total General Revenues, Contributions and Other	144,585	195,824	64,829	47,198	155,080	945,716
Change in Net Position	52,748	30,220	8,694	19,958	51,023	192,156
Net Position – Beginning	482,436	908,324	333,571	143,012	347,350	3,905,030
Adjustment to Beginning Net Position	—	—	—	—	15,008	(315,728)
Net Position – Beginning as Adjusted	482,436	908,324	333,571	143,012	362,358	3,589,302
Net Position – Ending	<u>\$ 535,184</u>	<u>\$ 938,544</u>	<u>\$ 342,265</u>	<u>\$ 162,970</u>	<u>\$ 413,381</u>	<u>\$ 3,781,458</u>

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STATISTICAL SECTION



2024

STATE OF UTAH

Annual Comprehensive Financial Report
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Late Summer Sunrise in the Albion Basin

Photo by Nanette Sorensen

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State of Utah

STATISTICAL SECTION

Fiscal Year Ended June 30, 2024

This section of the State of Utah’s Annual Comprehensive 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.

	Page
Schedule A-1 Net Position by Component	240
Schedule A-2 Changes in Net Position	242
Schedule A-3 Fund Balances – Governmental Funds	246
Schedule A-4 Changes in Fund Balances – Governmental Funds	248

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.

Schedule B-1 Revenue Base	250
Schedule B-2 Revenue Payers by Industry – Taxable Sales, Services and Use Tax Purchases	252
Schedule B-3 Revenue Payers – Personal Income Tax	252
Schedule B-4 Personal Income Tax Rates	253

Debt Capacity Information

These schedules present information to help the reader understand and assess the State’s levels of outstanding debt and the State’s ability to issue additional debt in the future.

Schedule C-1 Ratios of Outstanding Debt by Type	254
Schedule C-2 Long-term Debt and Other Long-Term Liabilities	256
Schedule C-3 Legal Debt Margin	258
Schedule C-4 Statutory Debt Limit	258
Schedule C-5 Pledged Revenue Bond Coverage	260

Demographic and Economic Information

These schedules contain demographic and economic indicators to help the reader understand the environment within which the State’s financial activities take place.

Schedule D-1 Demographic and Economic Indicators	262
Schedule D-2 Principal Employers	263
Schedule D-3 Composition of Labor Force	264
Schedule D-4 Public Education Student Enrollment (K-12)	266
Schedule D-5 Public Higher Education Enrollment	266

Operating Information

These schedules offer operating data to help the reader understand how the information in the State’s financial report relates to the services it provides and the activities it performs.

Schedule E-1 Full-Time Equivalent State Employees by Function	268
Schedule E-2 Operating Indicators by Function	270
Schedule E-3 Capital Asset Statistics by Function	272

Other Information

These graphs and schedules offer a historical view of expenditures in constant dollars.

Schedule F-1 Expenditures – Historical and Constant Dollars	274
Schedule F-2 Per Capita Expenditures – Historical and Constant Dollars	275

Sources: Unless otherwise noted, the information in the following schedules is derived from the State of Utah’s Annual Comprehensive Financial Report.

Schedule A-1
Net Position by Component*
 Last Ten Fiscal Years
(expressed in thousands)

	Fiscal Year				
	2024	2023 ⁵	2022	2021	2020
Governmental Activities					
Net Investment in Capital Assets	\$ 23,532,243	\$ 22,314,274	\$ 20,829,680	\$ 18,939,682	\$ 18,041,509
Restricted ¹	8,540,802	8,746,440	8,687,475	7,020,889	5,579,823
Unrestricted ²	9,867,887	8,468,680	6,020,128	2,946,200	1,550,994
Total Governmental Activities Net Position	<u>41,940,932</u>	<u>39,529,394</u>	<u>35,537,283</u>	<u>28,906,771</u>	<u>25,172,326</u>
Business-type Activities					
Net Investment in Capital Assets	62,228	51,914	54,715	44,002	41,047
Restricted ³	2,086,655	1,983,695	2,083,669	1,904,934	2,092,141
Unrestricted ⁴	2,380,778	1,823,545	1,412,814	1,465,626	1,334,431
Total Business-type Activities Net Position	<u>4,529,661</u>	<u>3,859,154</u>	<u>3,551,198</u>	<u>3,414,562</u>	<u>3,467,619</u>
Primary Government					
Net Investment in Capital Assets	23,594,471	22,366,188	20,884,395	18,983,684	18,082,556
Restricted	10,627,457	10,730,135	10,771,144	8,925,823	7,671,964
Unrestricted	12,248,665	10,292,225	7,432,942	4,411,826	2,885,425
Total Primary Government Net Position	<u>\$ 46,470,593</u>	<u>\$ 43,388,548</u>	<u>\$ 39,088,481</u>	<u>\$ 32,321,333</u>	<u>\$ 28,639,945</u>

Continues

*This schedule is presented using the accrual basis of accounting.

¹ In fiscal year 2015 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 to 2022, 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. In fiscal year 2023, restricted net position increased primarily due to investment gains from trust lands. In fiscal year 2024, the restricted net position declined primarily due to a reduction in the amount designated for appropriations.

² 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. In fiscal year 2021 to 2023, unrestricted net position in governmental activities increased primarily due to an increase in the amount unspent and carried forward in the General Fund. In fiscal year 2024, unrestricted net position in governmental activities increased primarily due to growth in sales and use tax revenue, investment income, and unspent appropriations at yearend in the Transportation Investment Fund.

³ From fiscal year 2015 to 2019, restricted net position has continued to steadily increase due to unemployment revenues exceeding related claims. In fiscal year 2020 and 2021, restricted net position decreased due to reduced contributions to unemployment compensation and with a large increase in benefit claims as a result of economic conditions previously triggered by the COVID-19 pandemic, as well as reductions in the Student Assistance Programs. In fiscal year 2022, restricted net position increased due to unemployment revenues exceeding related claims. In fiscal year 2023, restricted net position decreased primarily due to water loans programs’ debt service restriction ending with the payoff of a related bond. In fiscal year 2024, restricted net position increased due to unemployment revenues exceeding related claims.

⁴ In fiscal years 2017 to 2021, business-type activities’ unrestricted net position increased primarily due to the State providing additional capital to the loan funds from dedicated sales tax revenues. Fiscal year 2021 also experienced an increase due to a revenue bond defeasement by the Student Loan Programs. In fiscal year 2022, business-type activities’ unrestricted net position decreased due to loan sales and transfers of portfolio liquidation processed to the Utah Board of Higher Education (nonmajor discretely presented component unit). In fiscal year 2023, business-type activities’ unrestricted net position increased due to water loans debt service restriction ending and a reclassification of restricted balances to unrestricted. In fiscal year 2024, the unrestricted net position of business-type activities increased, driven by several factors: a rise in the Local Government Loan Fund from appropriations for the Inland Port and Point of the Mountain Infrastructure Funds, growth in Water Loan Programs due to new appropriations and revenues exceeding expenses, and an increase in Alcoholic Beverage Services resulting from appropriations for new store construction.

⁵ Figures for June 30, 2023 have been restated to include fiscal year 2024 adjustments to beginning net position related to accounting error corrections in accordance with the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*.

Schedule A-1
Net Position by Component* - continued
 Last Ten Fiscal Years
(expressed in thousands)

	Fiscal Year				
	2019	2018	2017	2016	2015
Governmental Activities					
Net Investment in Capital Assets	\$ 17,147,477	\$ 16,827,887	\$ 16,370,572	\$ 15,478,397	\$ 14,789,631
Restricted ¹	4,953,627	4,693,165	4,251,152	3,864,294	3,877,468
Unrestricted ²	1,847,710	1,249,827	819,880	1,011,204	888,526
Total Governmental Activities Net Position	<u>23,948,814</u>	<u>22,770,879</u>	<u>21,441,604</u>	<u>20,353,895</u>	<u>19,555,625</u>
Business-type Activities					
Net Investment in Capital Assets	32,972	29,237	19,440	20,384	16,740
Restricted ³	2,286,785	2,221,712	2,110,776	2,065,552	1,975,859
Unrestricted ⁴	1,319,130	1,287,673	1,228,915	1,169,162	1,157,416
Total Business-type Activities Net Position	<u>3,638,887</u>	<u>3,538,622</u>	<u>3,359,131</u>	<u>3,255,098</u>	<u>3,150,015</u>
Primary Government					
Net Investment in Capital Assets	17,180,449	16,857,124	16,390,012	15,498,781	14,806,371
Restricted	7,240,412	6,914,877	6,361,928	5,929,846	5,853,327
Unrestricted	3,166,840	2,537,500	2,048,795	2,180,366	2,045,942
Total Primary Government Net Position	<u>\$ 27,587,701</u>	<u>\$ 26,309,501</u>	<u>\$ 24,800,735</u>	<u>\$ 23,608,993</u>	<u>\$ 22,705,640</u>

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Schedule A-2
Changes in Net Position*
 Last Ten Fiscal Years
 (expressed in thousands)

	Fiscal Year				
	2024	2023 ¹⁴	2022	2021	2020
GOVERNMENTAL ACTIVITIES					
Expenses					
General Government	\$ 1,360,294	\$ 1,341,897	\$ 1,192,448	\$ 1,284,195	\$ 682,799
Health and Human Services ¹³	6,722,540	6,132,422	—	—	—
Human Services and Juvenile Justice Services ¹³	—	—	1,049,810	995,914	987,683
Corrections	467,488	429,819	325,273	313,584	339,380
Public Safety	521,151	493,163	428,758	361,004	314,582
Courts	206,578	195,907	146,490	153,986	172,154
Environmental Quality ¹³	77,260	80,236	—	—	—
Health and Environmental Quality ^{1,13}	—	—	4,701,394	4,007,254	3,410,176
Higher Education	2,097,529	1,796,650	1,575,526	1,561,004	1,312,020
Employment and Family Services	1,243,690	1,568,934	1,356,482	1,063,022	781,075
Natural Resources	510,952	381,099	293,246	264,901	279,871
Cultural and Community Engagement ²	89,760	75,018	57,187	67,086	42,670
Business, Labor, and Agriculture	203,409	161,471	127,807	147,102	133,129
Public Education ³	6,106,108	5,566,960	5,236,842	4,827,043	4,422,984
Transportation ⁴	1,652,445	1,136,207	1,277,249	1,368,487	1,583,608
Interest and Other Charges on Long-Term Debt	43,027	52,921	60,623	74,879	78,745
Total Expenses	<u>21,302,231</u>	<u>19,412,704</u>	<u>17,829,135</u>	<u>16,489,461</u>	<u>14,540,876</u>
Program Revenues					
Charges for Services:					
General Government	796,899	683,923	644,309	550,574	204,787
Health and Human Services ¹³	785,765	539,104	—	—	—
Human Services and Juvenile Justice Services ¹³	—	—	13,335	17,188	21,000
Corrections	4,211	3,197	3,642	3,573	2,229
Public Safety	91,561	89,948	93,403	60,804	81,252
Courts	63,023	59,750	58,271	52,195	49,817
Environmental Quality ¹³	16,185	16,718	—	—	—
Health and Environmental Quality ^{5,13}	—	—	671,530	479,732	487,658
Higher Education	84	—	—	—	—
Employment and Family Services	7,883	9,780	7,114	18,957	7,838
Natural Resources	124,074	139,625	149,939	136,753	134,642
Cultural and Community Engagement ²	3,987	3,499	2,720	1,667	3,024
Business, Labor, and Agriculture	138,489	132,675	129,518	132,149	129,467
Public Education	80,473	109,227	92,491	55,036	61,914
Transportation	342,324	278,806	279,829	277,205	259,022
Operating Grants and Contributions ⁶	7,720,490	7,904,918	6,925,662	6,993,130	4,595,460
Capital Grants and Contributions	141,509	118,509	104,400	154,058	180,207
Total Program Revenues	<u>10,316,957</u>	<u>10,089,679</u>	<u>9,176,163</u>	<u>8,933,021</u>	<u>6,218,317</u>
Net Program (Expense) - Governmental Activities	<u>(10,985,274)</u>	<u>(9,323,025)</u>	<u>(8,652,972)</u>	<u>(7,556,440)</u>	<u>(8,322,559)</u>
General Revenues and Other Changes in Net Position					
Taxes:					
Sales Tax and Use Tax ⁷	4,532,375	4,421,304	4,203,297	3,567,337	3,070,713
Individual Income Tax Imposed for Education ⁷	6,052,374	6,045,283	7,078,771	5,652,907	4,779,868
Corporate Tax Imposed for Education ⁷	902,313	895,504	960,673	688,583	406,423
Motor and Special Fuel Taxes Imposed for Transportation	639,874	608,188	576,705	561,443	498,400
Other Taxes	564,826	578,763	535,494	439,990	425,507
American Rescue Plan Act	—	—	332,774	—	—
Investment Income (Loss)	371,894	288,384	(32,549)	26,247	44,541
Gain on Sale of Capital Assets	75,492	56,374	126,797	79,625	58,651
Miscellaneous	246,139	144,946	142,865	137,346	110,835
Special Items ¹¹	—	—	136,192	—	—
Transfers—Internal Activities	(358,027)	2,748	47,460	151,676	151,133
Prior Period Adjustments and Restatements	331,010	273,642	1,175,005	—	—
Total General Revenues and Other Changes in Net Position	<u>13,358,270</u>	<u>13,315,136</u>	<u>15,283,484</u>	<u>11,305,154</u>	<u>9,546,071</u>
Change in Net Position — Governmental Activities — Increase (Decrease)	<u>2,372,996</u>	<u>3,992,111</u>	<u>6,630,512</u>	<u>3,748,714</u>	<u>1,223,512</u>

Continues

Schedule A-2
Changes in Net Position* - continued
 Last Ten Fiscal Years
 (expressed in thousands)

	Fiscal Year				
	2019	2018	2017	2016	2015
GOVERNMENTAL ACTIVITIES					
Expenses					
General Government	\$ 576,183	\$ 503,430	\$ 476,428	\$ 457,564	\$ 442,340
Health and Human Services ¹³	—	—	—	—	—
Human Services and Juvenile Justice Services ¹³	932,553	854,614	818,058	765,027	718,731
Corrections	340,123	314,701	297,587	282,538	273,695
Public Safety	363,510	307,121	266,032	245,598	231,250
Courts	165,833	162,049	150,066	142,913	129,951
Environmental Quality ¹³	—	—	—	—	—
Health and Environmental Quality ^{1,13}	2,979,063	2,807,215	2,719,553	2,600,928	2,503,794
Higher Education	1,339,338	1,318,207	1,104,855	1,137,364	1,004,382
Employment and Family Services	769,277	753,205	760,777	710,018	724,477
Natural Resources	264,093	238,545	225,176	198,190	194,026
Cultural and Community Engagement ²	31,928	30,279	28,874	27,048	23,207
Business, Labor, and Agriculture	122,449	116,964	106,523	112,809	100,566
Public Education ³	4,141,443	3,981,186	3,748,684	3,554,337	3,338,653
Transportation ⁴	1,288,760	970,442	888,854	825,923	797,392
Interest and Other Charges on Long-Term Debt	83,657	85,141	84,820	93,598	98,442
Total Expenses	<u>13,398,210</u>	<u>12,443,099</u>	<u>11,676,287</u>	<u>11,153,855</u>	<u>10,580,906</u>
Program Revenues					
Charges for Services:					
General Government	208,338	216,929	182,026	166,386	181,907
Health and Human Services ¹³	—	—	—	—	—
Human Services and Juvenile Justice Services ¹³	10,843	11,399	12,674	10,725	11,744
Corrections	1,960	3,199	4,824	3,836	5,106
Public Safety	78,901	73,939	59,581	61,395	60,528
Courts	54,481	52,563	51,645	51,868	54,615
Environmental Quality ¹³	—	—	—	—	—
Health and Environmental Quality ^{5,13}	391,072	337,171	315,962	325,024	313,376
Higher Education	500	—	—	—	—
Employment and Family Services	9,153	9,639	8,911	8,082	7,440
Natural Resources	107,817	105,790	101,933	90,561	88,304
Cultural and Community Engagement ²	3,325	3,041	3,961	3,443	2,524
Business, Labor, and Agriculture	119,166	104,113	94,305	94,924	89,722
Public Education	75,944	79,337	191,968	89,269	75,123
Transportation	222,588	214,221	206,963	207,554	243,301
Operating Grants and Contributions ⁶	4,162,578	4,057,460	3,994,614	3,632,735	3,717,276
Capital Grants and Contributions	155,265	164,278	132,708	87,942	114,490
Total Program Revenues	<u>5,601,931</u>	<u>5,433,079</u>	<u>5,362,075</u>	<u>4,833,744</u>	<u>4,965,456</u>
Net Program (Expense) - Governmental Activities	<u>(7,796,279)</u>	<u>(7,010,020)</u>	<u>(6,314,212)</u>	<u>(6,320,111)</u>	<u>(5,615,450)</u>
General Revenues and Other Changes in Net Position					
Taxes:					
Sales Tax and Use Tax ⁷	2,804,457	2,648,552	2,402,809	2,300,368	2,206,633
Individual Income Tax Imposed for Education ⁷	4,346,855	4,072,919	3,646,721	3,435,425	3,280,568
Corporate Tax Imposed for Education ⁷	529,279	422,980	327,266	354,979	369,747
Motor and Special Fuel Taxes Imposed for Transportation	521,012	500,080	483,922	425,366	370,974
Other Taxes	398,486	398,940	355,075	354,800	386,228
American Rescue Plan Act	—	—	—	—	—
Investment Income	60,503	34,424	22,058	9,365	7,804
Gain on Sale of Capital Assets	65,471	40,871	54,012	27,048	28,131
Miscellaneous	104,415	139,753	106,723	82,882	94,616
Special Items ¹¹	—	—	—	—	16,288
Transfers—Internal Activities	143,736	96,245	135,338	128,148	109,028
Prior Period Adjustments and Restatements	—	(15,469)	1,207	—	1,940
Total General Revenues and Other Changes in Net Position	<u>8,974,214</u>	<u>8,339,295</u>	<u>7,535,131</u>	<u>7,118,381</u>	<u>6,871,957</u>
Change in Net Position — Governmental Activities — Increase (Decrease)	<u>1,177,935</u>	<u>1,329,275</u>	<u>1,220,919</u>	<u>798,270</u>	<u>1,256,507</u>

Continues

Schedule A-2
Changes in Net Position* - continued
 Last Ten Fiscal Years
 (expressed in thousands)

	Fiscal Year				
	2024	2023 ¹⁴	2022	2021	2020
BUSINESS-TYPE ACTIVITIES					
Expenses					
Student Assistance Programs ¹²	\$ 1,267	\$ 146,354	\$ 359,063	\$ 77,918	\$ 107,416
Unemployment Compensation ⁸	296,011	209,626	140,358	1,115,481	1,152,794
Water Loan Programs	44,664	17,227	13,063	15,463	12,266
Community and Economic Loan Programs	48,457	24,855	36,037	18,556	5,361
Liquor Retail Sales	367,934	364,409	366,989	340,951	327,070
Other Business-type Activities	56,826	47,159	43,438	46,597	43,694
Total Expenses	<u>815,159</u>	<u>809,630</u>	<u>958,948</u>	<u>1,614,966</u>	<u>1,648,601</u>
Program Revenues					
Charges for Services:					
Student Assistance Programs	—	129	59,914	62,288	87,691
Unemployment Compensation	340,168	335,999	280,087	214,488	181,404
Water Loan Programs	784	366	793	1,927	3,322
Community and Economic Loan Programs	6,239	5,924	4,892	2,999	2,759
Liquor Retail Sales	499,666	506,492	501,496	466,012	449,760
Other Business-type Activities	64,082	56,492	61,476	51,494	47,928
Operating Grants and Contributions ^{9, 10}	28,542	103,582	162,799	783,845	755,894
Total Program Revenues	<u>939,481</u>	<u>1,008,984</u>	<u>1,071,457</u>	<u>1,583,053</u>	<u>1,528,758</u>
Net Program Revenue (Expense) — Business-type Activities	<u>124,322</u>	<u>199,354</u>	<u>112,509</u>	<u>(31,913)</u>	<u>(119,843)</u>
General Revenues and Other Changes in Net Position					
Taxes:					
Sales Tax and Use Tax	57,187	56,074	51,905	48,927	36,607
Investment Income ¹⁰	130,451	83,176	12,053	50,781	62,620
Gain on Sale of Capital Assets	100	60	—	—	—
Miscellaneous	420	298	5,088	—	482
Transfers—Internal Activities	358,027	(41,508)	(47,460)	(151,676)	(151,133)
Capital Contributions	—	—	—	—	—
Prior Period Adjustments and Restatements	(4,123)	(6,998)	2,541	—	—
Total General Revenues and Other Changes in Net Position	<u>542,062</u>	<u>91,102</u>	<u>24,127</u>	<u>(51,968)</u>	<u>(51,424)</u>
Change in Net Position — Business-type Activities – Increase (Decrease)	<u>666,384</u>	<u>290,456</u>	<u>136,636</u>	<u>(83,881)</u>	<u>(171,267)</u>
Total Primary Government Change in Net Position	<u>\$ 3,039,380</u>	<u>\$ 4,282,567</u>	<u>\$ 6,767,148</u>	<u>\$ 3,664,833</u>	<u>\$ 1,052,245</u>
Change in Net Position	\$ 2,712,493				<i>Continues</i>
Adjustment to Beginning Net Position	\$ 326,887				

*This schedule is presented using the accrual basis of accounting.

¹ Health and Environmental Quality expenditures have increased over the last ten fiscal years due to rising Medicaid program costs and COVID-19 Pandemic costs beginning at the end fiscal year 2020.

² In fiscal year 2022, legislative action renamed the Department of Heritage and Arts to the Department of Cultural and Community Engagement.

³ Public Education expenses continue to rise due to increased expenditures in the Minimum School Program.

⁴ In fiscal year 2022, Transportation expenses decreased slightly due to a decrease in the amount spent for capital outlay.

⁵ In fiscal years 2020 to 2022, Health and Environmental Quality revenues have increased from 2019 due to an increase in Medicaid drug rebates and new litigation proceeds and an increase in federal funding to cover rising program costs.

⁶ In fiscal years 2021 to 2023, Operating Grants and Contributions increased due to an increase in federal funded economic relief due to the COVID-19 pandemic.

⁷ In fiscal years 2015 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. In fiscal year 2021, corporate tax revenue increased due to State income taxes being postponed for 3 months in fiscal year 2020, affecting the timing of cash deposits. In fiscal year 2022, general taxes increased due to economic growth. In fiscal year 2023, general taxes decreased due to decline in net final payments normalizing after unprecedented growth in fiscal year 2022. In fiscal year 2024, general tax revenues increased due to higher revenues from a strengthening economy.

Schedule A-2
Changes in Net Position* - continued
 Last Ten Fiscal Years
(expressed in thousands)

	Fiscal Year				
	2019	2018	2017	2016	2015
BUSINESS-TYPE ACTIVITIES					
Expenses					
Student Assistance Programs	\$ 114,087	\$ 120,169	\$ 136,037	\$ 154,247	\$ 111,437
Unemployment Compensation ⁸	152,359	156,121	175,354	182,516	177,105
Water Loan Programs	13,744	12,613	15,998	14,913	18,276
Community and Economic Loan Programs	2,402	4,991	9,074	5,253	2,967
Liquor Retail Sales	311,261	292,936	277,965	260,755	242,933
Other Business-type Activities	45,344	45,065	45,612	37,849	36,720
Total Expenses	<u>639,197</u>	<u>631,895</u>	<u>660,040</u>	<u>655,533</u>	<u>589,438</u>
Program Revenues					
Charges for Services:					
Student Assistance Programs	97,239	101,350	108,057	123,218	88,188
Unemployment Compensation	169,468	187,754	210,907	240,709	295,851
Water Loan Programs	729	234	746	902	406
Community and Economic Loan Programs	3,159	3,137	3,393	3,208	5,562
Liquor Retail Sales	430,829	407,694	384,009	364,482	338,039
Other Business-type Activities	45,891	43,991	47,994	34,968	38,892
Operating Grants and Contributions ^{9, 10}	33,575	44,392	39,053	46,118	48,482
Total Program Revenues	<u>780,890</u>	<u>788,552</u>	<u>794,159</u>	<u>813,605</u>	<u>815,420</u>
Net Program Revenue (Expense) — Business-type Activities	<u>141,693</u>	<u>156,657</u>	<u>134,119</u>	<u>158,072</u>	<u>225,982</u>
General Revenues and Other Changes in Net Position					
Taxes:					
Sales Tax and Use Tax	34,278	59,864	57,528	29,841	28,384
Investment Income ¹⁰	68,162	56,561	49,349	45,318	41,421
Gain on Sale of Capital Assets	(132)	—	529	—	—
Miscellaneous	—	2,654	—	—	—
Transfers—Internal Activities	(143,736)	(96,245)	(135,338)	(128,148)	(109,028)
Capital Contributions	—	—	37	—	—
Prior Period Adjustments and Restatements	—	—	—	—	(367)
Total General Revenues and Other Changes in Net Position	<u>(41,428)</u>	<u>22,834</u>	<u>(27,895)</u>	<u>(52,989)</u>	<u>(39,590)</u>
Change in Net Position — Business-type Activities – Increase (Decrease)	<u>100,265</u>	<u>179,491</u>	<u>106,224</u>	<u>105,083</u>	<u>186,392</u>
Total Primary Government Change in Net Position	<u>\$ 1,278,200</u>	<u>\$ 1,508,766</u>	<u>\$ 1,327,143</u>	<u>\$ 903,353</u>	<u>\$ 1,442,899</u>

⁸ In fiscal year 2015, Unemployment Compensation expenses decreased reflecting Utah’s improving economy and employment. In fiscal years 2020 and 2021, significantly more claims paid as a result of COVID-19 pandemic, and the additional benefit provided by the federal government. In fiscal year 2022, Unemployment Compensation expenses decreased due to Utah’s recovering economy and improved employment condition. In fiscal year 2023 and 2024, Unemployment Compensation expenses increased due to an increase in higher paid claims.

⁹ In fiscal years 2020 and 2021, significant increases to Operating Grants and Contributions are due to increased federal grants as a result of the COVID-19 pandemic, and the increased demand for unemployment compensation benefits. In fiscal years 2022 and 2023, Operating Grants and Contributions decreased primarily due to the conclusion of COVID-19 unemployment pandemic relief programs. In fiscal year 2024, Operating Grants and Contributions decreased primarily due to the liquidation of the Student Assistance Program in fiscal year 2023.

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.

¹¹ In fiscal year 2015, the Comprehensive Health Insurance Pool (nonmajor discretely presented component unit) was dissolved and the remaining cash balance was transferred to the State’s general fund. In fiscal year 2022, special item revenue represented the State’s portion of the National Opioid Settlement.

¹² In fiscal year 2023, Student Assistance Program expenses decreased due to liquidation.

¹³ In fiscal year 2023, Legislative action reorganized the Department of Health, previously reported under the Health and Environmental Quality function line, and the Department of Human Services consolidating them into one department and renaming them as the Department of Health and Human Services.

¹⁴ Figures for June 30, 2023 have been restated to include fiscal year 2024 adjustments to beginning net position related to accounting error corrections in accordance with the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*.

Schedule A-3
Fund Balances — Governmental Funds*
 Last Ten Fiscal Years
 (expressed in thousands)

	Fiscal Year				
	2024	2023 ⁹	2022	2021	2020
General Fund					
Nonspendable:					
Long-term Portion of Interfund Loans Receivable	\$ 30,442	\$ 18,150	\$ 5,703	\$ 6,272	\$ 9,388
Prepaid Items ¹	17,925	163,936	38,683	209,933	183,074
Inventories ¹	23,067	43,581	48,212	43,823	27,564
Restricted ²	286,445	327,737	117,384	85,032	69,366
Committed ³	2,381,591	1,835,230	1,692,944	1,181,796	855,925
Assigned ⁴	663,230	1,451,406	1,359,364	607,794	294,255
Unassigned	—	49,884	130,243	109,774	14,456
Total General Fund	<u>3,402,700</u>	<u>3,889,924</u>	<u>3,392,533</u>	<u>2,244,424</u>	<u>1,454,028</u>
All Other Governmental Funds					
Nonspendable:					
Prepaid Items	3,316	1,000	824	569	528
Inventories	19,974	14,540	14,796	13,058	13,093
Permanent Fund Principal ⁵	2,391,455	2,195,279	2,074,233	1,932,765	1,841,255
Restricted ⁶	5,471,841	5,724,601	5,363,334	4,624,040	4,045,256
Committed ⁷	5,289,791	3,711,841	2,340,705	1,255,703	874,589
Assigned ⁸	1,439,861	1,294,390	720,884	301,469	205,129
Total All Other Governmental Funds	<u>14,616,238</u>	<u>12,941,651</u>	<u>10,514,776</u>	<u>8,127,604</u>	<u>6,979,850</u>
Total Fund Balances — Governmental Funds	<u>\$18,018,938</u>	<u>\$16,831,575</u>	<u>\$13,907,309</u>	<u>\$10,372,028</u>	<u>\$ 8,433,878</u>

Continues

*This schedule is presented using the modified accrual basis of accounting.

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 2024, the nonspendable fund balance primarily decreased due to prepaid items.

² In fiscal years 2021 to 2023, restricted fund balance within the General Fund increased as a result of an increase in revenues set aside for specific purposes due to constraints that are imposed externally or by law. In fiscal year 2024, restricted fund balance within the General Fund decreased due to reclassification of the Utah Fund of funds to a special revenue fund.

³ In fiscal years 2021 to 2024, the committed fund balance within the General Fund increased due to an increase in monies set aside for specific purposes.

⁴ In fiscal years 2021 to 2023, the assigned fund balance increased due to increase in future year general fund appropriations. In fiscal year 2024, the assigned fund balance decreased due to a reduction in future year General Fund appropriations.

⁵ In fiscal years 2015 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 Income Tax 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 Income Tax Fund restricted balance contributed the balance of the increase due to unspent restricted resources as a result of growth in individual income tax. In fiscal year 2021, the growth in Income Tax Fund restricted balance was due to an increase in individual income tax. In fiscal year 2022, the increase in the Income Tax Fund was due to growth in income taxes, netting with decreases in fund balance of Trust Lands and Nonmajor Funds. In fiscal year 2023, the restricted fund balance increased due to unspent balances of restricted resources within the Transportation Fund as the result of an increase in the motor and special fuels tax and investment income earnings within the other governmental funds. In fiscal year 2024, the restricted fund balance decreased primarily due to a reduction in the Income Tax Fund, driven by a decrease in the amount designated for appropriations.

Schedule A-3
Fund Balances — Governmental Funds* - continued
 Last Ten Fiscal Years
 (expressed in thousands)

	Fiscal Year				
	2019	2018	2017	2016	2015
General Fund					
Nonspendable:					
Long-term Portion of Interfund Loans Receivable	\$ 12,063	\$ 14,950	\$ 18,927	\$ 26,747	\$ 26,996
Prepaid Items ¹	7,625	2,463	14,475	106,745	96,939
Inventories ¹	421	721	687	434	662
Restricted ²	43,241	38,978	33,516	38,124	34,278
Committed ³	835,171	675,228	559,791	546,782	496,758
Assigned ⁴	339,999	314,910	194,174	132,126	255,841
Unassigned	—	7,966	9,585	7,196	—
Total General Fund	<u>1,238,520</u>	<u>1,055,216</u>	<u>831,155</u>	<u>858,154</u>	<u>911,474</u>
All Other Governmental Funds					
Nonspendable:					
Prepaid Items	437	874	—	—	—
Inventories	12,769	12,959	13,905	13,990	13,605
Permanent Fund Principal ⁵	1,785,184	1,707,449	2,504,560	2,267,538	2,244,902
Restricted ⁶	2,733,925	2,731,594	1,308,585	1,189,881	1,188,672
Committed ⁷	999,561	876,576	686,583	758,530	843,483
Assigned ⁸	546,447	235,974	305,065	347,321	163,194
Total All Other Governmental Funds	<u>6,078,323</u>	<u>5,565,426</u>	<u>4,818,698</u>	<u>4,577,260</u>	<u>4,453,856</u>
Total Fund Balances — Governmental Funds	<u>\$ 7,316,843</u>	<u>\$ 6,620,642</u>	<u>\$ 5,649,853</u>	<u>\$ 5,435,414</u>	<u>\$ 5,365,330</u>

⁷ 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 expenditures that utilized dedicated sales and use tax revenue. In fiscal year 2021, the increase is attributed to growth in sales and use tax revenue for transportation due to improved economic conditions and improved investment performance in the state endowment fund. In fiscal year 2022, the increase is attributed to growth in sales and use tax revenue for all transportation due to improved economic conditions, and unspent appropriations. In fiscal year 2023, the increase is attributed to growth in sales and use tax revenue for all funds besides the Income Tax Fund. In fiscal year 2024, the increase in the committed fund balance is primarily attributed to growth in the Transportation Investment Fund, driven by higher sales and use tax revenue, increased investment income, and unspent appropriations at yearend.

⁸ The assigned fund balance within other governmental funds varies from year to year due to changes in funding provided for capital projects.

⁹ Figures for June 30, 2023 have been restated to include fiscal year 2024 adjustments to beginning net position related to accounting error corrections in accordance with the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*.

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Schedule A-4
Changes in Fund Balances — Governmental Funds*
 Last Ten Fiscal Years
(dollars expressed in thousands)

	Fiscal Year				
	2024	2023 ¹⁸	2022	2021	2020
Revenues					
Sales and Use Tax ¹	\$ 4,527,203	\$ 4,417,783	\$ 4,201,118	\$ 3,569,706	\$ 3,068,002
Individual Income Tax ¹	6,243,189	6,510,385	6,814,382	5,451,297	4,758,082
Corporate Tax ¹	902,927	894,682	960,035	687,791	405,632
Motor and Special Fuel Taxes ²	639,781	608,170	577,407	560,763	498,402
Other Taxes ³	565,244	578,815	535,139	439,311	425,482
Federal Contracts and Grants ⁴	6,859,413	7,291,203	7,366,055	6,223,486	4,648,234
Charges for Services/Royalties	1,621,890	1,379,743	1,231,608	1,112,837	859,452
Licenses, Permits, and Fees	299,816	262,371	246,782	237,702	225,258
Federal Mineral Lease ⁵	84,283	137,559	75,616	49,039	58,606
Intergovernmental	—	—	—	—	8,057
Investment Income ⁶	1,111,683	662,850	(177,324)	756,946	(13,567)
Miscellaneous and Other ⁷	814,225	708,116	762,630	646,815	560,138
Total Revenues	23,669,654	23,451,677	22,593,448	19,735,693	15,501,778
Expenditures					
General Government ⁸	1,244,524	1,205,448	1,109,712	1,204,986	608,657
Health and Human Services ⁹	6,700,697	6,158,813	—	—	—
Human Services and Juvenile Justice Services ⁹	—	—	1,107,034	1,023,128	984,607
Corrections	441,627	430,889	377,325	341,174	337,885
Public Safety	527,380	516,054	458,918	363,518	341,668
Courts	220,607	198,450	176,715	162,466	165,465
Environmental Quality ⁹	81,980	83,608	—	—	—
Health and Environmental Quality ⁹	—	—	4,771,546	4,048,719	3,427,211
Higher Education—State Administration ¹⁰	148,389	133,320	114,235	182,070	125,335
Higher Education—Colleges and Universities	1,823,061	1,522,765	1,324,098	1,271,944	1,109,447
Employment and Family Services	1,251,901	1,567,466	1,385,699	1,067,848	778,046
Natural Resources ¹¹	530,598	398,983	297,321	274,500	272,994
Cultural and Community Engagement ¹²	79,754	75,249	59,510	67,719	41,864
Business, Labor, and Agriculture	208,713	164,679	136,921	149,968	132,022
Public Education ¹³	6,118,349	5,577,981	5,249,375	4,829,615	4,409,279
Transportation ¹⁴	1,420,977	1,238,165	1,131,668	1,206,786	1,166,194
Capital Outlay ¹⁵	1,377,974	925,911	1,117,262	1,394,526	1,286,659
Debt Service – Principal Retirement	349,817	368,972	363,067	320,546	281,801
Debt Service – Interest and Other Charges	69,969	85,064	101,560	119,504	190,114
Total Expenditures	22,596,317	20,651,817	19,281,966	18,029,017	15,659,248
Revenues Over (Under) Expenditures	1,073,337	2,799,860	3,311,482	1,706,676	(157,470)
Other Financing Sources (Uses)					
General Obligation Bonds Issued ¹⁶	—	—	—	—	895,745
Revenue Bonds Issued	—	—	—	—	—
Refunding Bonds Issued	—	—	—	—	—
Premium on Bonds Issued	—	—	—	—	173,585
Payment to Refunded Bond Escrow Agent	—	—	—	—	—
Leases/Contracts Issued	38,853	10,488	3,366	—	—
Sale of Capital Assets	76,615	67,245	134,358	78,690	58,756
Transfers In	5,943,254	5,640,288	4,898,297	3,408,383	1,899,963
Transfers Out	(6,314,248)	(5,656,691)	(4,859,871)	(3,259,113)	(1,753,543)
Special Item					
Comprehensive Health Insurance Pool Transfer ¹⁷	—	—	—	—	—
Prior Period Adjustments and Restatements	—	—	—	—	—
Total Other Financing Sources (Uses)	(255,526)	61,330	176,150	227,960	1,274,506
Net Change in Fund Balances	\$ 817,811	\$ 2,861,190	\$ 3,487,632	\$ 1,934,636	\$ 1,117,036
Debt Service as a Percentage of Noncapital Expenditures	1.95 %	2.31 %	2.55 %	2.63 %	3.22 %

*This schedule is presented using the modified accrual basis of accounting.

¹ In fiscal years 2015 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. In fiscal year 2021 and 2022, sales and use tax revenue is up due in part to increased consumer spending in response to the economic growth and recovery from the COVID-19 pandemic. In fiscal year 2023 and 2024, sales and use tax revenue saw a slight increase from the prior year due to consumer spending.

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. In fiscal year 2020, motor and special fuels tax increased due to a decrease in consumption and effects of the COVID-19 Pandemic. In fiscal years 2021 and 2022, motor and special fuels tax increased due increase in fuel rates and taxable gallons sold. In fiscal year 2023 and 2024, motor and special fuels tax increased due to an increase in fuel tax collections.

³ In fiscal year 2024, other taxes slightly decreased primarily due to overall decreases in mine occupation 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 Income Tax 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. In fiscal year 2021 and 2022, the increase was a result of an increase in federal funding for Medicaid programs and the CARES Act. The state also received federal funding from the American Rescue Plan Act of 2021 and from the Federal Emergency Management Agency. In fiscal year 2023 and 2024, there was a slight decrease in federal revenues as some pandemic era programs ended.

⁵ In fiscal year 2024, federal mineral lease revenue decreased due to decrease in production and price fluctuations.

Schedule A-4
Changes in Fund Balances — Governmental Funds* - continued
 Last Ten Fiscal Years
 (dollars expressed in thousands)

	Fiscal Year				
	2019	2018	2017	2016	2015
Revenues					
Sales and Use Tax ¹	\$ 2,805,618	\$ 2,646,996	\$ 2,403,347	\$ 2,302,886	\$ 2,204,389
Individual Income Tax ¹	4,336,437	4,033,320	3,646,112	3,393,087	3,211,476
Corporate Tax ¹	534,977	423,019	325,701	354,615	366,543
Motor and Special Fuel Taxes ²	521,199	500,049	484,677	425,343	371,412
Other Taxes ³	398,684	399,286	354,863	355,229	386,066
Federal Contracts and Grants ⁴	3,973,026	3,893,654	3,828,715	3,573,699	3,478,563
Charges for Services/Royalties	780,790	740,282	667,665	630,300	682,288
Licenses, Permits, and Fees	219,972	211,045	203,830	199,748	194,648
Federal Mineral Lease ⁵	77,607	76,693	73,787	69,245	138,635
Intergovernmental	16,029	11,801	19,273	11,264	12,620
Investment Income ⁶	218,077	198,082	266,775	34,168	133,092
Miscellaneous and Other ⁷	433,733	448,431	394,167	388,295	384,968
Total Revenues	14,316,149	13,582,658	12,668,912	11,737,879	11,564,700
Expenditures					
General Government ⁸	492,800	460,569	409,626	412,204	386,059
Health and Human Services ⁹	—	—	—	—	—
Human Services and Juvenile Justice Services ⁹	919,227	858,099	804,283	766,186	723,663
Corrections	328,586	317,425	305,438	290,217	272,053
Public Safety	340,210	294,693	253,976	263,417	266,586
Courts	165,369	170,233	152,262	146,510	137,901
Environmental Quality ⁹	—	—	—	—	—
Health and Environmental Quality ⁹	2,997,039	2,823,947	2,733,374	2,622,797	2,517,513
Higher Education—State Administration ¹⁰	96,323	78,773	73,641	79,567	56,935
Higher Education—Colleges and Universities	1,102,310	1,018,286	981,938	915,432	875,610
Employment and Family Services	755,613	749,620	754,530	708,184	730,972
Natural Resources ¹¹	251,545	231,665	225,387	196,188	190,378
Cultural and Community Engagement ¹²	31,981	30,965	29,335	27,826	24,041
Business, Labor, and Agriculture	119,491	119,158	107,800	111,186	101,331
Public Education ¹³	4,140,263	3,983,098	3,732,813	3,556,897	3,340,290
Transportation ¹⁴	996,728	1,024,576	975,662	835,111	903,700
Capital Outlay ¹⁵	847,541	778,543	668,768	523,937	499,705
Debt Service – Principal Retirement	260,949	288,051	342,622	348,576	319,739
Debt Service – Interest and Other Charges	103,417	103,866	105,023	118,805	135,994
Total Expenditures	13,949,392	13,331,567	12,656,478	11,923,040	11,482,470
Revenues Over (Under) Expenditures	366,757	251,091	12,434	(185,161)	82,230
Other Financing Sources (Uses)					
General Obligation Bonds Issued ¹⁶	127,715	485,225	—	—	—
Revenue Bonds Issued	—	2,920	—	93,625	—
Refunding Bonds Issued	—	144,610	—	—	221,765
Premium on Bonds Issued	23,308	71,360	—	4,405	47,562
Payment to Refunded Bond Escrow Agent	(27,770)	(118,495)	—	—	(267,870)
Leases/Contracts Issued	—	13,705	—	5,100	—
Sale of Capital Assets	65,331	40,277	53,025	30,688	29,274
Transfers In	2,581,581	1,880,116	1,792,074	1,998,019	1,659,616
Transfers Out	(2,440,721)	(1,784,551)	(1,657,967)	(1,876,592)	(1,549,960)
Special Item					
Comprehensive Health Insurance Pool Transfer ¹⁷	—	—	—	—	16,288
Prior Period Adjustments and Restatements	—	(15,469)	1,207	—	1,940
Total Other Financing Sources (Uses)	329,444	719,698	188,339	255,245	158,615
Net Change in Fund Balances	\$ 696,201	\$ 970,789	\$ 200,773	\$ 70,084	\$ 240,845
Debt Service as a Percentage of Noncapital Expenditures	2.74 %	3.18 %	3.78 %	4.17 %	4.22 %

⁶ 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.

⁷ In fiscal year 2024, miscellaneous and other revenues primarily increased due to an increase in unclaimed property transfer.

⁸ In fiscal year 2024, general government expenditures increased slightly due to new grant activity.

⁹ In fiscal year 2023, Legislative action reorganized the Department of Health, previously reported under the Health and Environmental Quality function line, and the Department of Human Services consolidating them into one department and renaming them as the Department of Health and Human Services.

¹⁰ Higher education—state administration fiscal year 2024 expenditures increased due to an increase in appropriation allotment payments.

¹¹ Expenditures increased for natural resources due to an increase construction and maintenance expenses for Parks, Wildlife, and Forestry.

¹² In fiscal year 2022, Legislative action renamed the Department of Heritage and Arts to the Department of Cultural and Community Engagement.

¹³ Public education expenditures continue to increase for both enrollment growth and benefit-related costs for educators.

¹⁴ Expenditures for transportation vary from year to year due to the timing of highway construction projects.

¹⁵ 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.

¹⁶ Expenditures for debt service decreased due to decreasing long term debts, as explained in [Note 10](#).

¹⁷ In fiscal year 2015, the Comprehensive Health Insurance Pool (nonmajor discretely presented component unit) was dissolved and the remaining cash balance was transferred to the State's General Fund.

¹⁸ Figures for June 30, 2023 have been restated to include fiscal year 2024 adjustments to beginning net position related to accounting error corrections in accordance with the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*

State of Utah

Schedule B-1
Revenue Base
Last Ten Calendar Years
(dollars expressed in thousands)

	Calendar Year				
	2023	2022	2021	2020	2019
Taxable Sales, Services, and Use Tax Purchases¹					
Agriculture, Forestry, and Fishing	\$ 45,144	\$ 42,228	\$ 40,881	\$ 36,411	\$ 22,535
Mining	662,731	555,783	350,208	231,015	320,753
Construction	1,848,665	1,807,296	1,513,228	1,281,216	1,147,119
Manufacturing	4,718,278	4,884,759	4,152,264	3,389,590	2,942,959
Transportation	369,018	269,838	180,482	147,661	150,515
Communications and Utilities	7,257,505	6,489,594	5,365,479	4,862,836	4,797,280
Wholesale Trade	9,299,428	9,374,894	7,990,132	6,331,798	5,774,636
Retail	55,797,931	56,166,728	51,976,015	44,323,114	38,154,835
Finance, Insurance, and Real Estate	2,941,894	2,784,889	2,495,014	2,107,424	2,171,717
Services	18,357,165	17,237,574	14,884,632	11,155,388	12,239,990
Public Administration	362,251	321,571	306,885	278,380	272,759
Prior Period Payments and Refunds	997,364	958,392	850,000	585,873	928,042
Total Taxable Sales, Services and Use Tax Purchases	<u>\$ 102,657,374</u>	<u>\$ 100,893,546</u>	<u>\$ 90,105,220</u>	<u>\$ 74,730,706</u>	<u>\$ 68,923,140</u>
State Sales Tax Rate	4.85 %	4.85 %	4.85 %	4.85 %	4.85 %
Personal Income by Industry					
Federal Civilian	\$ 4,839,522	\$ 4,491,607	\$ 4,310,633	\$ 4,154,092	\$ 3,913,587
Federal Military	1,075,738	1,004,536	980,001	929,445	882,696
State and Local Government	18,021,325	15,795,733	14,944,234	13,868,093	13,270,480
Forestry, Fishing, and Related Activities	116,432	104,842	110,151	111,891	99,777
Mining	2,088,307	1,628,944	1,446,946	952,304	983,443
Utilities	2,789,455	2,733,432	1,684,115	1,248,804	1,204,996
Construction	14,655,894	13,609,584	12,018,858	10,902,966	9,801,500
Manufacturing	14,499,126	13,456,511	12,657,653	11,272,173	10,837,710
Wholesale Trade	6,955,103	6,331,727	6,047,750	5,522,614	5,216,033
Retail Trade	10,720,367	10,978,508	10,085,319	9,058,716	8,387,261
Transportation and Warehousing	6,345,408	5,663,723	5,323,967	5,146,101	4,943,933
Information	6,022,836	5,785,245	5,386,442	4,502,472	4,118,870
Financial, Insurance, Real Estate, Rental, and Leasing	13,237,383	12,852,373	12,806,081	12,661,680	11,409,294
Services	57,008,958	52,598,173	47,007,607	42,381,551	40,946,697
Farm Earnings	525,711	752,986	432,762	691,575	423,694
Other ²	60,430,063	53,223,888	51,748,008	46,251,871	40,895,078
Total Personal Income	<u>\$ 219,331,628</u>	<u>\$ 201,011,812</u>	<u>\$ 186,990,527</u>	<u>\$ 169,656,348</u>	<u>\$ 157,335,049</u>
Highest Income Tax Rate	4.65 %	4.85 %	4.95 %	4.95 %	4.95 %

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.

Schedule B-1
Revenue Base - continued
 Last Ten Calendar Years
 (dollars expressed in thousands)

	Calendar Year				
	2018	2017	2016	2015	2014
Taxable Sales, Services, and Use Tax Purchases¹					
Agriculture, Forestry, and Fishing	\$ 20,664	\$ 19,438	\$ 16,790	\$ 15,400	\$ 16,721
Mining	562,722	555,332	473,021	606,129	842,837
Construction	1,048,607	930,707	793,332	719,199	718,877
Manufacturing	2,692,334	2,500,510	2,334,180	2,394,889	2,439,019
Transportation	165,418	150,783	129,326	119,530	116,776
Communications and Utilities	4,554,313	4,575,019	4,603,701	4,640,315	4,764,084
Wholesale Trade	5,420,375	4,922,340	4,508,459	4,544,672	4,564,362
Retail	34,806,178	33,029,982	30,458,131	28,847,726	27,160,751
Finance, Insurance, and Real Estate	1,835,800	1,715,813	1,562,251	1,518,729	1,441,941
Services	11,229,829	10,636,808	10,058,980	9,383,910	8,696,364
Public Administration	275,969	265,678	256,124	254,337	262,250
Prior Period Payments and Refunds	2,370,315	1,729,282	1,308,139	888,441	685,181
Total Taxable Sales, Services and Use Tax Purchases	<u>\$ 64,982,524</u>	<u>\$ 61,031,692</u>	<u>\$ 56,502,434</u>	<u>\$ 53,933,277</u>	<u>\$ 51,709,163</u>
State Sales Tax Rate	4.70 %	4.70 %	4.70 %	4.70 %	4.70 %
Personal Income by Industry					
Federal Civilian	\$ 3,755,880	\$ 3,640,850	\$ 3,503,288	\$ 3,362,932	\$ 3,226,299
Federal Military	807,528	754,588	745,003	715,450	732,507
State and Local Government	12,670,392	12,023,320	11,377,417	11,214,437	10,932,387
Forestry, Fishing, and Related Activities	93,312	81,560	79,894	73,334	71,162
Mining	917,021	728,766	677,740	919,572	1,055,022
Utilities	962,616	734,147	581,721	559,871	518,729
Construction	8,847,094	8,126,268	7,497,605	6,757,362	6,139,119
Manufacturing	10,251,192	9,839,547	9,335,841	9,074,439	8,607,123
Wholesale Trade	4,998,104	4,772,174	4,433,918	4,457,942	4,019,735
Retail Trade	8,090,145	7,659,363	7,462,318	7,036,881	6,688,936
Transportation and Warehousing	4,515,650	4,219,443	4,055,241	3,664,221	3,319,368
Information	3,763,888	3,508,693	3,308,820	2,939,164	2,729,627
Financial, Insurance, Real Estate, Rental, and Leasing	10,540,492	9,683,027	9,169,397	7,951,465	7,068,780
Services	37,687,654	34,897,156	32,839,863	30,551,475	28,810,801
Farm Earnings	393,503	334,015	338,436	465,109	509,130
Other ²	39,946,150	35,540,769	33,000,523	28,980,981	26,415,095
Total Personal Income	<u>\$ 148,240,621</u>	<u>\$ 136,543,686</u>	<u>\$ 128,407,025</u>	<u>\$ 118,724,635</u>	<u>\$ 110,843,820</u>
Highest Income Tax Rate	4.95 %	5.00 %	5.00 %	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.

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 2014		Calendar Year 2023	
	Taxable Sales and Purchases	Percent of Total	Taxable Sales and Purchases	Percent of Total
Agriculture, Forestry, and Fishing	\$ 16,721	0.03 %	\$ 45,144	0.04 %
Mining	842,837	1.63 %	662,731	0.65 %
Construction	718,877	1.39 %	1,848,665	1.80 %
Manufacturing	2,439,019	4.72 %	4,718,278	4.60 %
Transportation	116,776	0.23 %	369,018	0.36 %
Communications and Utilities	4,764,084	9.21 %	7,257,505	7.07 %
Wholesale Trade	4,564,362	8.83 %	9,299,428	9.06 %
Retail	27,160,751	52.53 %	55,797,931	54.35 %
Finance, Insurance, and Real Estate	1,441,941	2.79 %	2,941,894	2.87 %
Services	8,696,364	16.82 %	18,357,165	17.88 %
Public Administration	262,250	0.51 %	362,251	0.35 %
Prior Period Payments, Refunds	685,181	1.33 %	997,364	0.97 %
Total Taxable Sales, Services, and Use Tax Purchases	<u>\$ 51,709,163</u>	<u>100.00 %</u>	<u>\$ 102,657,374</u>	<u>100.00 %</u>
State Sales Tax Rates	4.70 % except 2.00 % for Communications and Utilities		4.85 % except 2.00 % 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)

Adjusted Gross Income Class	Calendar Year 2013				Calendar Year 2022			
	Number of Filers	Percent of Total	Tax Liability	Percent of Total	Number of Filers	Percent of Total	Tax Liability	Percent of Total
\$10,000 and under	163,181	14.89 %	\$ 1,057	0.04 %	142,050	10.10 %	\$ 235	0.00 %
\$10,001–20,000	157,938	14.41 %	20,677	0.84 %	145,506	10.34 %	5,001	0.10 %
\$20,001–30,000	138,825	12.67 %	60,643	2.46 %	131,825	9.37 %	46,835	0.91 %
\$30,001–40,000	110,868	10.12 %	94,890	3.85 %	136,062	9.67 %	107,579	2.09 %
\$40,001–50,000	90,382	8.25 %	121,549	4.93 %	116,935	8.31 %	149,905	2.91 %
\$50,001–75,000	169,401	15.46 %	376,230	15.26 %	218,376	15.52 %	469,635	9.10 %
\$75,001–100,000	111,695	10.19 %	387,523	15.72 %	154,668	10.99 %	514,588	9.97 %
\$100,001–250,000	133,353	12.17 %	838,507	34.02 %	298,044	21.19 %	1,962,753	38.04 %
Over \$250,000	20,011	1.83 %	563,694	22.87 %	63,375	4.50 %	1,902,733	36.88 %
Total	<u>1,095,654</u>	<u>100.00 %</u>	<u>\$ 2,464,770</u>	<u>100.00 %</u>	<u>1,406,841</u>	<u>100.00 %</u>	<u>\$ 5,159,264</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 2022.

Schedule B-4
Personal Income Tax Rates
 Last Ten Calendar Years

	Calendar Year			
	2023	2022	2018 to 2021	2012 to 2017
	Single and Married Filing Separately			
Tax Rate	4.65 %	4.85 %	4.95 %	5.00 %
	Married Filing Joint, Head of Household, and Qualifying Widow(er)			
Tax Rate	4.65 %	4.85 %	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.



Tony Grove Small Waterfall in Spring

Photo by Gavin Vanderbeek

Schedule C-1
Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
(dollars expressed in millions)

	Fiscal Year				
	2024	2023	2022	2021	2020
Governmental Activities					
General Obligation Bonds	\$ 1,554	\$ 1,922	\$ 2,314	\$ 2,706	\$ 3,061
State Building Ownership Authority					
Lease Revenue Bonds	137	150	163	177	191
Leases ⁶	190	175	192	26	28
Software Subscriptions ⁷	12	10	—	—	—
Contracts/Notes Payable	12	3	4	—	—
Total Governmental Activities	<u>1,905</u>	<u>2,260</u>	<u>2,673</u>	<u>2,909</u>	<u>3,280</u>
Business-type Activities					
Student Assistance Revenue Bonds ^{1,4,5}	—	—	—	931	1,069
State Building Ownership Authority					
Lease Revenue Bonds	108	116	126	84	91
Leases ⁶	28	28	17	—	—
Software Subscriptions ⁷	1	—	—	—	—
Water Loan Recapitalization Revenue Bonds	—	—	7	13	20
Contracts/Notes Payable ^{1,4}	—	—	—	—	—
Total Business-type Activities	<u>137</u>	<u>144</u>	<u>150</u>	<u>1,028</u>	<u>1,180</u>
Total Primary Government	<u>\$ 2,042</u>	<u>\$ 2,404</u>	<u>\$ 2,823</u>	<u>\$ 3,937</u>	<u>\$ 4,460</u>
Debt as a Percentage of Personal Income ²	0.91 %	1.12 %	1.44 %	2.20 %	2.61 %
Amount of Debt Per Capita (expressed in dollars) ²	\$ 590	\$ 702	\$ 830	\$ 1,183	\$ 1,320
Net General Obligation Bonded Debt					
General Obligation Bonds	<u>\$ 1,554</u>	<u>\$ 1,922</u>	<u>\$ 2,314</u>	<u>\$ 2,706</u>	<u>\$ 3,061</u>
Net General Obligation Bonded Debt as a Percentage of Taxable Property Value ³	0.28 %	0.38 %	0.59 %	0.76 %	0.80 %
Amount of Net General Obligation Bonded Debt Per Capita (expressed in dollars) ²	\$ 449	\$ 561	\$ 681	\$ 813	\$ 932

Sources: Utah Department of Government Operations, Division of Finance; Utah State Tax Commission – Property Tax; and Utah Governor’s Office of Planning and Budget – Demographics.

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.

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.

⁴ During 2020, the Student Assistance Programs issued a line of credit to retire outstanding revenue bonds and purchase governmental obligation for the purpose of redeeming the Series 2010 EE bonds. In 2020, the Student Assistance Programs issued additional bonds to retire its line of credit issued in 2020.

Schedule C-1
Ratios of Outstanding Debt by Type - continued
 Last Ten Fiscal Years
(dollars expressed in millions)

	Fiscal Year				
	2019	2018	2017	2016	2015
Governmental Activities					
General Obligation Bonds.....	\$ 2,374	\$ 2,498	\$ 2,235	\$ 2,585	\$ 2,950
State Building Ownership Authority					
Lease Revenue Bonds.....	205	244	230	249	170
Leases ⁶	31	33	22	23	20
Software Subscriptions ⁷	—	—	—	—	—
Contracts/Notes Payable.....	—	—	—	—	—
Total Governmental Activities.....	<u>2,610</u>	<u>2,775</u>	<u>2,487</u>	<u>2,857</u>	<u>3,140</u>
Business-type Activities					
Student Assistance Revenue Bonds ^{1,4,5}	1,254	1,495	1,812	1,255	1,511
State Building Ownership Authority					
Lease Revenue Bonds.....	77	83	73	79	80
Leases ⁶	—	—	—	—	—
Software Subscriptions ⁷	—	—	—	—	—
Water Loan Recapitalization Revenue Bonds.....	26	31	37	42	47
Contracts/Notes Payable ^{1,4}	1	1	—	922	1,152
Total Business-type Activities.....	<u>1,358</u>	<u>1,610</u>	<u>1,922</u>	<u>2,298</u>	<u>2,790</u>
Total Primary Government.....	<u>\$ 3,968</u>	<u>\$ 4,385</u>	<u>\$ 4,409</u>	<u>\$ 5,155</u>	<u>\$ 5,930</u>
Debt as a Percentage of Personal Income ²	2.53 %	2.96 %	3.23 %	4.01 %	5.04 %
Amount of Debt Per Capita (expressed in dollars) ²	\$ 1,237	\$ 1,390	\$ 1,421	\$ 1,693	\$ 1,979
Net General Obligation Bonded Debt					
General Obligation Bonds.....	<u>\$ 2,374</u>	<u>\$ 2,498</u>	<u>\$ 2,235</u>	<u>\$ 2,585</u>	<u>\$ 2,950</u>
Net General Obligation Bonded Debt as a Percentage of Taxable Property Value ³	0.92 %	0.92 %	0.89 %	1.10 %	1.33 %
Amount of Net General Obligation Bonded Debt Per Capita (expressed in dollars) ²	\$ 734	\$ 784	\$ 721	\$ 849	\$ 985

⁵ During 2022, all Student Assistance Programs bonds were redeemed upon the sale of the related student loans. Additionally, funds in the amount of \$517 thousand were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the outstanding bond issuance under the State Board of Regents Revenue Refunding Bonds Indenture dated May 1, 2012. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

⁶ Balances increased during fiscal year 2022, due to the implementation of GASB Statement No. 87, *Leases*.

⁷ Balances increased during fiscal year 2023, due to the implementation of GASB Statement No. 96, *Software-Based IT Arrangements*.

Schedule C-2
Long-term Debt and Other Long-term Liabilities
 Last Ten Fiscal Years
(expressed in thousands)

	Fiscal Year				
	2024	2023	2022	2021	2020
Governmental Activities					
General Obligation Bonds	\$ 1,375,010	\$ 1,694,190	\$ 2,049,115	\$ 2,397,925	\$ 2,704,640
General Obligation Bonds – Direct Placement	94,500	112,200	113,600	115,000	116,300
State Building Ownership Authority					
Lease Revenue Bonds	137,300	144,797	151,864	159,261	166,693
SBOA Lease Revenue Bonds – Direct Placement	—	5,440	10,525	15,985	21,105
Net Unamortized Premiums	84,447	115,627	152,374	195,167	243,120
Leases ¹	190,456	174,961	192,038	23,372	25,849
Software Subscriptions ⁹	11,552	10,004	—	—	—
Capital Leases	—	—	—	2,252	2,531
Notes Payable	12,291	3,035	3,794	134	183
Compensated Absences ²	264,150	254,992	231,060	217,280	210,811
Claims Liability	74,387	71,636	66,886	87,317	73,622
Pollution Remediation Obligation	4,412	4,921	5,183	10,639	5,308
Settlement Obligations	554	366	461	768	1,113
Net Pension Liability ⁵	665,414	631,147	927	405,970	719,708
Net Other Post Employment Benefit Obligation ⁶	—	—	—	—	—
Net Other Post Employment Benefit Liability ⁶	—	1,610	2,012	608	18,410
Arbitrage Liability	—	—	—	198	418
Total Governmental Activities	<u>2,914,473</u>	<u>3,224,926</u>	<u>2,979,839</u>	<u>3,631,876</u>	<u>4,309,811</u>
Business-type Activities					
Student Assistance Revenue Bonds ^{3, 7, 8}	—	—	—	940,447	1,081,161
State Building Ownership Authority					
Lease Revenue Bonds	100,290	107,198	114,916	79,109	85,612
Water Loan Recapitalization Revenue Bonds	—	—	6,830	13,345	19,565
Net Unamortized Premiums/(Discounts)	7,708	9,122	10,711	(4,610)	(6,811)
Leases ¹	27,604	28,013	16,510	—	—
Software Subscriptions ⁹	1,070	275	—	—	—
Notes Payable ⁴	—	—	—	—	—
Claims and Uninsured Liabilities	226,754	239,260	246,992	257,864	79,789
Net Pension Liability ⁵	11,881	10,360	—	5,447	11,064
Net Other Post Employment Benefit Liability ⁶	—	—	—	—	350
Total Business-type Activities	<u>375,307</u>	<u>394,228</u>	<u>395,959</u>	<u>1,291,602</u>	<u>1,270,730</u>
Total Primary Government Other Long-term Liabilities	<u>\$ 3,289,780</u>	<u>\$ 3,619,154</u>	<u>\$ 3,375,798</u>	<u>\$ 4,923,478</u>	<u>\$ 5,580,541</u>

Note: Details regarding the liabilities listed above can be found in [Note 10. Long-term Liabilities](#) in the financial statements.

¹ Balances increased during fiscal year 2022, due to the implementation of GASB Statement No. 87, *Leases*.

² During 2019, a new actuary valuation was performed for GASB Statement No. 16, *Accounting for Compensated Absences* and as a result the total liability increased. This valuation is performed biannually.

³ 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.

⁴ In 2015, the Student Assistance Programs issued a line of credit to acquire federally guaranteed student loans.

⁵ During 2015, the State implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* which replaced GASB Statements No. 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 No. 68 requires the reporting of the net Pension liability. GASB Statement No. 27 only required the reporting of a Pension obligation when contributions were less than the actuary's Annual Required Contribution.

⁶ During 2017, the State implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which replaced GASB Statement No. 45. In part, GASB Statement No. 75 requires the reporting of the net Other Postemployment Benefit (OPEB) liability. GASB Statement No. 45 only required the reporting of an OPEB obligation when contributions were less than the actuary's Annual Required Contribution.

Schedule C-2
Long-term Debt and Other Long-term Liabilities - continued
 Last Ten Fiscal Years
(expressed in thousands)

	Fiscal Year				
	2019	2018	2017	2016	2015
Governmental Activities					
General Obligation Bonds	\$ 2,155,675	\$ 2,396,875	\$ 2,173,985	\$ 2,498,895	\$ 2,830,150
General Obligation Bonds – Direct Placement ¹	117,600	—	—	—	—
State Building Ownership Authority					
Lease Revenue Bonds	174,076	237,426	225,163	242,976	166,773
SBOA Lease Revenue Bonds – Direct Placement ¹	25,910	—	—	—	—
Net Unamortized Premiums	106,066	108,115	66,423	92,827	122,321
Leases ¹	28,203	33,132	21,616	23,498	20,287
Software Subscriptions ⁹	—	—	—	—	—
Capital Leases	2,803	—	—	—	—
Notes Payable	227	268	305	339	370
Compensated Absences ²	211,138	184,505	181,557	182,707	185,792
Claims Liability	63,558	57,330	53,645	48,092	46,931
Pollution Remediation Obligation	5,324	5,366	5,891	6,401	5,086
Settlement Obligations	227	273	319	365	4,471
Net Pension Liability ⁵	1,140,766	763,753	1,031,449	992,495	802,543
Net Other Post Employment Benefit Obligation ⁶	—	—	—	3,848	4,126
Net Other Post Employment Benefit Liability ⁶	68,335	99,058	109,618	—	—
Arbitrage Liability	544	—	—	—	—
Total Governmental Activities	<u>4,100,452</u>	<u>3,886,101</u>	<u>3,869,971</u>	<u>4,092,443</u>	<u>4,188,850</u>
Business-type Activities					
Student Assistance Revenue Bonds ^{3, 7, 8}	1,265,880	1,506,965	1,822,807	1,256,026	1,509,543
State Building Ownership Authority					
Lease Revenue Bonds	72,549	77,704	67,438	72,674	73,207
Water Loan Recapitalization Revenue Bonds	25,520	31,225	36,680	41,915	46,940
Net Unamortized Premiums/(Discounts)	(8,000)	(6,418)	(5,437)	5,434	8,696
Leases ¹	—	—	—	—	—
Software Subscriptions ⁹	—	—	—	—	—
Notes Payable ⁴	618	635	—	921,995	1,152,207
Claims and Uninsured Liabilities	3,279	4,365	4,810	5,726	7,587
Net Pension Liability ⁵	19,065	12,038	17,468	17,845	12,853
Net Other Post Employment Benefit Liability ⁶	1,108	1,564	1,731	—	—
Total Business-type Activities	<u>1,380,019</u>	<u>1,628,078</u>	<u>1,945,497</u>	<u>2,321,615</u>	<u>2,811,033</u>
Total Primary Government Other Long-term Liabilities	<u>\$ 5,480,471</u>	<u>\$ 5,514,179</u>	<u>\$ 5,815,468</u>	<u>\$ 6,414,058</u>	<u>\$ 6,999,883</u>

⁷ During 2020, the Student Assistance Programs issued a line of credit to retire outstanding revenue bonds and purchase governmental obligation for the purpose of redeeming the Series 2010 EE bonds. In 2020, the Student Assistance Programs issued additional bonds to retire its line of credit issued in 2020.

⁸ During 2022, all Student Assistance Programs bonds were redeemed upon the sale of the related student loans. Additionally, funds in the amount of \$517 thousand were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the outstanding bond issuance under the State Board of Regents Revenue Refunding Bonds Indenture dated May 1, 2012. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

⁹ Balances increased during fiscal year 2023, due to the implementation of GASB Statement No. 96, *Software-Based IT Arrangements*.

Schedule C-3
Legal Debt Margin
Last Ten Fiscal Years
(dollars expressed in millions)

	Fiscal Year				
	2024	2023	2022	2021	2020
Taxable Property, Taxable Value ¹	\$ 552,610	\$ 504,084	\$ 393,665	\$ 353,750	\$ 329,096
Taxable Property, Fair Market Value ¹	790,466	728,724	559,692	497,914	461,064
Debt Limit (Fair Market Value times 1.50 %)	1.50 %	1.50 %	1.50 %	1.50 %	1.50 %
Debt Limit Amount	11,857	10,931	8,395	7,469	6,916
Net General Obligation Bonded Debt	1,554	1,922	2,314	2,706	3,061
Legal Debt Margin	<u>\$ 10,303</u>	<u>\$ 9,009</u>	<u>\$ 6,081</u>	<u>\$ 4,763</u>	<u>\$ 3,855</u>
Net General Obligation Bonded Debt					
As a Percentage of the Debt Limit Amount	13.11 %	17.58 %	27.57 %	36.23 %	44.26 %

Source: Utah State Tax Commission and the Utah Department of Government Operations, 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 \$153.616 million as of fiscal yearend. These contract liabilities do not affect the State’s compliance with the constitutional debt limit. Historically, the State Auditor, out of an abundance of caution, has considered this other long-term contract liabilities when monitoring the compliance with the constitutional debt limits.

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, 2023, are used for fiscal year 2024.

Schedule C-4
Statutory Debt Limit
Last Ten Fiscal Years
(dollars expressed in millions)

	Fiscal Year				
	2024	2023	2022	2021	2020
Appropriations Limitation Amount	\$ 5,587	\$ 4,845	\$ 4,412	\$ 4,162	\$ 3,990
Limit (Appropriations Limitation Amount times applicable percentage)	45.00 %	45.00 %	45.00 %	45.00 %	45.00 %
Statutory Debt Limit Amount	2,514	2,180	1,985	1,873	1,796
Net General Obligation Bonded Debt	1,554	1,922	2,314	2,706	3,061
Less: Exempt Highway Construction Bonds	(1,266)	(1,565)	(1,890)	(2,214)	(2,534)
Net General Obligation Bonded Debt Subject to Statutory Debt Limit	288	357	425	492	527
Additional General Obligation Debt Incurring Capacity	<u>\$ 2,226</u>	<u>\$ 1,823</u>	<u>\$ 1,561</u>	<u>\$ 1,381</u>	<u>\$ 1,269</u>

Source: Utah Governor’s Office of Planning and Budget and the Utah Department of Government Operations, 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 \$153.616 million as of fiscal yearend. These contract liabilities do not affect the State’s compliance with the constitutional debt limit. Historically, the State Auditor, out of an abundance of caution, has considered this other long-term contract liabilities when monitoring the compliance with the constitutional debt limits.

Schedule C-3
Legal Debt Margin - continued
 Last Ten Fiscal Years
(dollars expressed in millions)

	Fiscal Year				
	2019	2018	2017	2016	2015
Taxable Property, Taxable Value ¹	\$ 298,114	\$271,649.295	\$ 251,598	\$ 235,273	\$ 221,650
Taxable Property, Fair Market Value ¹	415,650	377,260	347,716	323,367	303,725
Debt Limit (Fair Market Value times 1.50 %)	1.50 %	1.50 %	1.50 %	1.50 %	1.50 %
Debt Limit Amount	6,235	5,659	5,216	4,851	4,556
Net General Obligation Bonded Debt	2,374	2,498	2,235	2,585	2,950
Legal Debt Margin	<u>\$ 3,861</u>	<u>\$ 3,161</u>	<u>\$ 2,981</u>	<u>\$ 2,266</u>	<u>\$ 1,606</u>
Net General Obligation Bonded Debt					
As a Percentage of the Debt Limit Amount	38.08 %	44.14 %	42.85 %	53.29 %	64.75 %

Schedule C-4
Statutory Debt Limit - continued
 Last Ten Fiscal Years
(dollars expressed in millions)

	Fiscal Year				
	2019	2018	2017	2016	2015
Appropriations Limitation Amount	\$ 3,911	\$ 3,738	\$ 3,567	\$ 3,469	\$ 3,315
Limit (Appropriations Limitation Amount times applicable percentage)	45.00 %	45.00 %	45.00 %	45.00 %	45.00 %
Statutory Debt Limit Amount	1,760	1,682	1,605	1,561	1,492
Net General Obligation Bonded Debt	2,374	2,498	2,235	2,585	2,950
Less: Exempt Highway Construction Bonds	(2,175)	(2,282)	(2,180)	(2,402)	(2,622)
Net General Obligation Bonded Debt Subject to Statutory Debt Limit	199	216	55	183	328
Additional General Obligation Debt Incurring Capacity	<u>\$ 1,561</u>	<u>\$ 1,466</u>	<u>\$ 1,550</u>	<u>\$ 1,378</u>	<u>\$ 1,164</u>

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						
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
2021	\$ 2,694	\$ —	\$ 2,694	\$ 6,220	\$ 629	0.39
2022	\$ 1,542	\$ —	\$ 1,542	\$ 6,515	\$ 327	0.23
2023	\$ 3,830	\$ —	\$ 3,830	\$ 6,830 ⁹	\$ —	0.56
Student Assistance Programs						
2015	\$ 75,796	\$ 59,463	\$ 16,333	\$ 967,584 ⁴	\$ 6,646	0.02
2016	\$ 110,982 ⁵	\$ 87,889	\$ 23,093	\$ 483,729	\$ 25,338	0.05
2017	\$ 92,421	\$ 65,327	\$ 27,094	\$ 1,227,465 ⁶	\$ 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
2021	\$ 46,868	\$ 36,974	\$ 9,894	\$ 363,165 ⁷	\$ 7,486	0.03
2022	\$ 58,117	\$ 20,146	\$ 37,971	\$ 940,447 ⁸	\$ 17,670	0.04

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 2015, a line of credit was issued for \$1.600 billion in order to acquire federally guaranteed student loans.

⁵ 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.

⁶ During 2017, the Student Assistance Programs retired its line of credit issued in 2015 related to acquiring federally guaranteed student loans.

⁷ During 2020, the Student Assistance Programs issued a line of credit to retire outstanding revenue bonds and purchase governmental obligation bonds for the purpose of redeeming the Series 2010 EE bonds. In 2020, the Student Assistance Programs issued additional bonds to retire its line of credit issued in 2020.

⁸ During 2022, all Student Assistance Programs bonds were redeemed upon the sale of the related student loans. Additionally, funds in the amount of \$517 thousand were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the outstanding bond issuance under the State Board of Regents Revenue Refunding Bonds Indenture dated May 1, 2012. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

⁹ The pledged revenue for the water loan programs ended with the final debt service payment made during fiscal year 2023.



Squaw Peak Road Sunset in Autumn

Photo by Kevin Hehl

Schedule D-1
Demographic and Economic Indicators
 Last Ten Calendar Years

Calendar Year	Population (in thousands)				Unemployment Rate		Utah Net Migration
	Utah		U.S.		Utah	U.S.	
	Number	Change	Number	Change			
2015	2,991	1.56 %	321,500	0.63 %	3.50 %	5.30 %	14,200
2016	3,044	1.77 %	324,000	0.78 %	3.30 %	4.90 %	25,300
2017	3,103	1.94 %	326,000	0.62 %	3.10 %	4.40 %	30,000
2018	3,188	2.74 %	329,000	0.92 %	2.90 %	3.90 %	22,300
2019	3,237	1.54 %	330,000	0.30 %	2.60 %	3.70 %	20,200
2020	3,282	1.39 %	332,000	0.61 %	4.70 %	8.10 %	22,300
2021	3,339	1.74 %	332,000	0.00 %	2.70 %	5.40 %	31,700
2022	3,381	1.26 %	334,000	0.60 %	2.30 %	3.60 %	19,300
2023	3,418	1.09 %	335,000	0.30 %	2.60 %	3.60 %	11,600
2024 (est.)	3,462	1.29 %	337,000	0.60 %	2.90 %	3.80 %	19,500

Calendar Year	Personal Income (in millions)				Per Capita Income (in dollars)			
	Utah		U.S.		Utah		U.S.	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change
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 %	\$ 46,500	5.67 %	\$ 54,261	4.80 %
2019	\$ 157,336	6.14 %	\$18,424,000	3.20 %	\$ 48,605	4.53 %	\$ 55,830	2.89 %
2020	\$ 171,385	8.93 %	\$19,832,000	7.64 %	\$ 52,220	7.44 %	\$ 59,735	6.99 %
2021	\$ 190,468	11.13 %	\$21,408,000	7.95 %	\$ 57,043	9.24 %	\$ 64,482	7.95 %
2022	\$ 201,012	5.54 %	\$21,841,000	2.02 %	\$ 59,453	4.23 %	\$ 65,392	1.41 %
2023	\$ 213,159	6.04 %	\$22,971,000	5.17 %	\$ 62,364	4.90 %	\$ 68,570	4.86 %
2024 (est.)	\$ 224,135	5.15 %	\$24,058,000	4.73 %	\$ 64,741	3.81 %	\$ 71,389	4.11 %

Source: Population – Utah Population Estimates Committee at July 1 each year. The 2024 estimate is from the Utah Revenue Assumption Committee.

Source: Unemployment Rate – Utah Department of Workforce Services. The 2024 estimate is from the Utah Revenue Assumption Committee.

Source: Utah Net Migration – Utah Population Estimates Committee at July 1 each year. The 2024 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 2024 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.

Schedule D-2
Principal Employers
 Most Current Calendar Year and Historical Comparisons

Entity Name	Calendar Year 2014			Calendar Year 2023		
	Number of Employees	Rank	Percent of All Employees	Number of Employees	Rank	Percent of All Employees
Intermountain Health Care (IHC).....	20,000 +	1	2.50 %	20,000 +	1	2.40 %
University of Utah (includes Hospital).....	20,000 +	2	2.10 %	20,000 +	2	2.00 %
State of Utah.....	20,000 +	3	1.60 %	20,000 +	3	1.30 %
Wal-Mart Stores.....	15,000-19,999	5	1.30 %	20,000 +	4	1.30 %
Brigham Young University.....	15,000-19,999	4	1.30 %	15,000-19,999	5	1.00 %
Hill Air Force Base.....	10,000-14,999	6	0.90 %	10,000-14,999	6	0.70 %
Davis County School District.....	7,000-9,999	7	0.60 %	10,000-14,999	7	0.70 %
Utah State University.....	7,000-9,999	9	0.60 %	7,000-9,999	8	0.50 %
Northrop Grumman Corp.....				7,000-9,999	9	0.50 %
Smith's Food and Drug Centers.....	5,000-6,999	10	0.60 %	7,000-9,999	10	0.50 %
Granite School District.....	7,000-9,999	8	0.60 %			
Total Employees of Principal Employers.....	160,051		12.10 %	191,000		10.90 %

Source: Utah Department of Workforce Services.

Notes: Number of employees is based on a calendar year average.



Aspens in the Fall

Photo by Brig Dunsmore

Schedule D-3
Composition of the Labor Force
 Last Ten Calendar Years

	Calendar Year				
	2023	2022	2021	2020	2019
Nonagricultural Jobs					
Government	266,530	256,173	251,682	248,608	253,697
Mining	10,779	9,909	8,822	8,658	9,361
Construction	134,214	131,058	122,346	115,432	109,486
Manufacturing	152,917	151,605	145,654	136,420	136,924
Trade, Transportation, and Utilities	315,621	313,247	306,785	290,381	290,908
Information	42,765	45,127	41,050	38,474	39,572
Financial Activity	98,377	98,051	97,694	93,313	90,007
Professional and Business Services	249,672	247,044	234,350	225,252	223,789
Education and Health Services	235,021	224,931	216,456	208,847	209,998
Leisure and Hospitality	172,206	162,737	148,307	133,416	153,446
Other Services	46,187	45,594	43,690	42,037	42,379
Total Nonagricultural Jobs	<u>1,724,289</u>	<u>1,685,476</u>	<u>1,616,836</u>	<u>1,540,838</u>	<u>1,559,567</u>
Civilian Labor Force	1,790,381	1,743,054	1,681,494	1,640,426	1,618,055
Total Employed	1,743,223	1,702,674	1,636,150	1,562,799	1,576,421
Unemployed	47,158	40,380	45,344	77,627	41,634
Unemployment Rate	2.60 %	2.30 %	2.70 %	4.70 %	2.60 %

Source: Utah Department of Workforce Services and the Utah Revenue Assumption Committee. Prior year information has been updated with the most recent data available.

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Schedule D-3
Composition of the Labor Force - continued
 Last Ten Calendar Years

	Calendar Year				
	2018	2017	2016	2015	2014
Nonagricultural Jobs					
Government	247,904	244,311	239,416	233,658	230,619
Mining	9,470	8,618	8,494	10,372	12,160
Construction	104,341	97,495	91,537	84,676	78,676
Manufacturing	133,006	129,199	125,926	123,695	120,706
Trade, Transportation, and Utilities	286,355	278,526	271,432	263,158	252,574
Information	38,080	38,429	36,860	34,402	33,320
Financial Activity	87,540	84,072	81,710	79,020	74,965
Professional and Business Services	217,642	206,987	202,175	194,127	185,121
Education and Health Services	203,484	198,251	190,935	182,273	174,309
Leisure and Hospitality	148,530	143,029	138,591	133,657	128,086
Other Services	41,189	40,210	39,472	38,689	37,604
Total Nonagricultural Jobs	1,517,541	1,469,127	1,426,548	1,377,727	1,328,140
Civilian Labor Force	1,583,703	1,554,352	1,500,137	1,453,457	1,415,779
Total Employed	1,537,389	1,505,413	1,449,981	1,401,945	1,364,353
Unemployed	46,314	46,314	50,156	51,512	51,426
Unemployment Rate	2.90 %	3.10 %	3.30 %	3.50 %	3.60 %

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Schedule D-4
Public Education Student Enrollment (K-12)
 Last Ten Academic Years

	Academic Year				
	2023-24	2022-23	2021-22	2020-21	2019-20
Elementary	350,529	353,570	354,817	350,621	358,817
Secondary	322,133	321,080	319,534	314,685	308,008
Total All Grades	<u>672,662</u>	<u>674,650</u>	<u>674,351</u>	<u>665,306</u>	<u>666,825</u>

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				
	2024-25	2023-24	2022-23	2021-22	2020-21
University of Utah	36,970	35,310	34,734	34,462	33,080
Utah State University	28,900	28,063	27,943	27,426	27,691
Weber State University	32,701	30,536	29,914	29,774	29,596
Southern Utah University	15,444	15,033	14,330	13,611	12,582
Salt Lake Community College	27,437	26,764	26,348	27,225	27,293
Utah Valley University	46,809	44,653	43,099	41,262	40,936
Utah Tech University ¹	13,167	12,567	12,556	12,266	12,043
Snow College	5,577	5,506	5,997	6,106	5,800
Technical Colleges	22,285	20,455	20,083	19,852	18,284
Total All Institutions	<u>229,290</u>	<u>218,887</u>	<u>215,004</u>	<u>211,984</u>	<u>207,305</u>

Source: Utah Board of Higher Education.

Note: Utah Higher Education Enrollment count is based on fall semester third week headcounts.

¹ In fiscal year 2022, Legislative action renamed Dixie State University to Utah Tech University.

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Schedule D-4
Public Education Student Enrollment (K-12) - continued
 Last Ten Academic Years

	Academic Year				
	2018-19	2017-18	2016-17	2015-16	2014-15
Elementary	358,908	358,190	356,686	353,050	349,382
Secondary	299,893	294,158	287,790	280,846	272,771
Total All Grades	<u>658,801</u>	<u>652,348</u>	<u>644,476</u>	<u>633,896</u>	<u>622,153</u>

Schedule D-5
Public Higher Education Enrollment - continued
 Last Ten Academic Years

	Academic Year				
	2019-20	2018-19	2017-18	2016-17	2015-16
University of Utah	32,852	33,023	32,800	32,061	31,673
Utah State University	27,810	27,932	27,679	28,118	28,622
Weber State University	29,644	28,247	27,949	26,809	25,955
Southern Utah University	11,224	10,196	9,468	8,955	8,881
Salt Lake Community College	29,517	29,156	29,620	29,901	28,814
Utah Valley University	41,728	39,931	37,282	34,978	33,211
Utah Tech University ¹	11,193	9,950	9,673	8,993	8,503
Snow College	5,383	5,514	5,563	5,350	5,111
Technical Colleges	20,130	19,418	16,838	17,293	16,933
Total All Institutions	<u>209,481</u>	<u>203,367</u>	<u>196,872</u>	<u>192,458</u>	<u>187,703</u>

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Schedule E-1
Full-Time Equivalent State Employees by Function
 Last Ten Fiscal Years

	Fiscal Year				
	2024	2023	2022	2021	2020
General Government:					
Government Operations	2,338	2,153	2,101	2,169	2,180
Tax Commission	647	631	627	650	674
All Other	225	211	213	198	196
Health and Human Services ³	5,615	5,262	5,213	5,161	5,098
Corrections	2,540	2,557	2,499	2,520	2,501
Public Safety:					
Department of Public Safety	1,597	1,485	1,424	1,427	1,435
Utah National Guard	248	252	254	266	266
State Courts	1,073	1,035	1,005	998	1,009
Environmental Quality ³	383	361	359	358	361
Employment and Family Services ^{1,2}	2,011	2,035	2,044	2,053	2,026
Natural Resources	1,591	1,488	1,419	1,427	1,384
Cultural and Community Engagement ¹	170	162	151	140	142
Business, Labor, and Agriculture	897	840	804	798	806
Education:					
Public Education Support ²	940	893	837	800	786
Higher Education Support	73	74	163	196	369
Transportation	1,753	1,728	1,685	1,687	1,694
Total Full-time Equivalent State Employees	<u>22,101</u>	<u>21,167</u>	<u>20,798</u>	<u>20,848</u>	<u>20,927</u>

Source: Utah Department of Government Operations, 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. In fiscal year 2022, Legislative action renamed the Department of Heritage and Arts to the Department of Cultural and Community Engagement.

² In fiscal year 2017, Legislative action transferred the Utah State Office of Rehabilitation from Public Education Support to Employment and Family Services.

³ In fiscal year 2023, Legislative action reorganized the Department of Health, previously reported under the Health and Environmental Quality function line, and the Department of Human Services consolidating them into one department and renaming them as the Department of Health and Human Services.

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Schedule E-1
Full-Time Equivalent State Employees by Function - continued
 Last Ten Fiscal Years

	Fiscal Year				
	2019	2018	2017	2016	2015
General Government:					
Government Operations	2,150	2,122	2,095	2,063	2,055
Tax Commission	685	690	690	697	708
All Other	191	184	185	181	176
Health and Human Services ³	4,970	5,023	5,067	4,980	4,888
Corrections	2,513	2,527	2,453	2,392	2,307
Public Safety:					
Department of Public Safety	1,403	1,341	1,333	1,329	1,324
Utah National Guard	261	253	247	226	210
State Courts	1,004	983	986	994	994
Environmental Quality ³	358	361	365	367	373
Employment and Family Services ^{1,2}	2,013	2,043	1,989	1,719	1,758
Natural Resources	1,355	1,361	1,334	1,320	1,315
Cultural and Community Engagement ¹	128	124	126	125	120
Business, Labor, and Agriculture	796	786	773	767	748
Education:					
Public Education Support ²	749	721	816	1,138	1,135
Higher Education Support	422	399	274	236	277
Transportation	1,693	1,638	1,642	1,616	1,569
Total Full-time Equivalent State Employees	20,691	20,556	20,375	20,150	19,957

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Schedule E-2
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year				
	2024	2023	2022	2021	2020
General Government					
Government Operations:					
Construction Projects Managed	1,084	1,193	1,198	1,099	1,058
Tax Commission:					
Percent of Data Managed Electronically	92.00 %	92.00 %	91.00 %	88.00 %	89.00 %
Number of Returns Filed Electronically	1,611,410	1,567,315	1,493,502	1,603,914	1,256,658
Motor Vehicle Registrations (in thousands)	3,642	3,618	3,577	3,352	3,113
Health and Human Services ⁶					
Food Stamp Recipients	261,053	248,071	244,599	254,397	265,352
Percent of Population	7.54 %	7.26 %	7.23 %	7.62 %	8.09 %
Juveniles, Daily Average in Justice System Placement	334	312	300.7	330	380
Rate of Recombinment to Juvenile Custody	21.60 %	22.80 %	21.70 %	19.90 %	25.80 %
Children’s Health Insurance Program Enrollment	11,628	7,114	7,145	15,388	17,235
Medicaid Eligible (unduplicated)	543,027	571,705	514,438	451,244	413,533
Percent of Population	15.69 %	16.73 %	15.22 %	13.51 %	12.60 %
Corrections ¹					
Incarcerated Offenders	N/A	6,183	5,935	5,765	5,986
Supervised Offenders	N/A	15,439	15,034	15,013	16,180
Utah Incarceration Rate (per 100,000 population)	N/A	N/A	176	175	166
US Incarceration Rate (per 100,000 population)	N/A	N/A	355	350	358
State Courts ²					
State Court Filings	277,780	270,533	253,926	260,461	277,250
State Court Dispositions	255,397	242,155	234,012	232,952	243,996
Employment and Family Services					
Individuals Registered for Employment	481,072	444,157	490,587	553,241	382,178
Percent Who Entered Employment	65.90 %	68.40 %	70.10 %	67.30 %	71.00 %
Natural Resources					
Hatchery Fish, Pounds Raised	1,064,702	1,008,841	1,152,293	1,148,452	1,162,722
Hunting and Fishing Licenses Sold ^{1,3}	606,613	620,852	638,152	725,191	605,957
State Park Visitations (in thousands)	12,962	11,011	10,794.96	12,080	8,705
Business, Labor, and Agriculture					
Department of Commerce:					
Licenses and Registrations Issued ⁴	547,481	521,421	494,471	454,816	440,481
Department of Agriculture and Food: ¹					
Dairy Farm Inspections	N/A	389	329	361	465
Pounds of Turkey Inspected and Graded (in thousands)	N/A	N/A	N/A	N/A	18,805
Gas Pumps and Scales Inspected	N/A	40,754	39,883	28,290	43,762
Higher Education					
Number of Certificates and Degrees Awarded	66,925	56,553	53,619	47,974	44,031
Transportation					
Percent of Roads which are Deficient ⁵	N/A	4.49 %	4.50 %	4.90 %	6.74 %
Vehicles Weighed or Inspected (in thousands)	9,532	9,245	8,367	9,728	8,583

Source: Various agencies of the State and the Utah Board of Higher Education.

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				
	2019	2018	2017	2016	2015
General Government					
Government Operations:					
Construction Projects Managed	1,052	1,155	896	910	802
Tax Commission:					
Percent of Data Managed Electronically	86.00 %	84.50 %	83.80 %	83.20 %	81.80 %
Number of Returns Filed Electronically	1,307,267	1,246,011	1,196,647	1,171,287	1,103,323
Motor Vehicle Registrations (in thousands)	2,976	2,950	3,027	2,961	2,846
Health and Human Services ⁶					
Food Stamp Recipients	273,779	298,396	323,768	338,362	348,459
Percent of Population	8.46 %	9.36 %	10.43 %	11.12 %	11.65 %
Juveniles, Daily Average in Justice System Placement	425	467	604	686	812
Rate of Recombinment to Juvenile Custody	16.90 %	14.90 %	9.90 %	8.40 %	7.80 %
Children’s Health Insurance Program Enrollment	18,198	19,338	19,248	17,058	15,775
Medicaid Eligible (unduplicated)	404,861	404,303	414,519	418,356	415,843
Percent of Population	12.51 %	12.68 %	13.36 %	13.74 %	13.90 %
Corrections ¹					
Incarcerated Offenders	6,772	6,522	6,309	6,298	6,723
Supervised Offenders	16,775	17,329	16,855	16,590	13,897
Utah Incarceration Rate (per 100,000 population)	206	208	205	201	215
US Incarceration Rate (per 100,000 population)	419	431	441	450	459
State Courts ²					
State Court Filings	284,152	278,392	283,449	288,797	305,778
State Court Dispositions	255,926	245,764	262,841	260,952	273,731
Employment and Family Services					
Individuals Registered for Employment	121,759	131,386	150,168	185,347	215,861
Percent Who Entered Employment	67.00 %	67.00 %	73.00 %	71.00 %	66.00 %
Natural Resources					
Hatchery Fish, Pounds Raised	1,155,821	1,089,720	1,081,766	1,093,205	1,212,696
Hunting and Fishing Licenses Sold ^{1,3}	590,111	587,443	582,751	558,893	585,666
State Park Visitations (in thousands)	7,424	6,712	5,691	5,176	4,482
Business, Labor, and Agriculture					
Department of Commerce:					
Licenses and Registrations Issued ⁴	417,172	409,301	387,348	378,478	355,124
Department of Agriculture and Food: ¹					
Dairy Farm Inspections	435	515	525	533	560
Pounds of Turkey Inspected and Graded (in thousands)	27,692	108,130	121,106	102,511	79,060
Gas Pumps and Scales Inspected	31,655	33,774	30,116	32,486	32,131
Higher Education					
Number of Certificates and Degrees Awarded	38,622	37,756	36,701	33,822	32,797
Transportation					
Percent of Roads which are Deficient ⁵	8.82 %	8.60 %	9.64 %	N/A	10.68 %
Vehicles Weighed or Inspected (in thousands)	8,542	8,116	7,893	5,969	6,706

⁶ In fiscal year 2023, Legislative action reorganized the Department of Health, previously reported under the Health and Environmental Quality function line, and the Department of Human Services consolidating them into one department and renaming them as the Department of Health and Human Services.

State of Utah

Schedule E-3 Capital Asset Statistics by Function* Last Ten Fiscal Years

	Fiscal Year				
	2024	2023	2022	2021	2020
General Government					
Buildings	332	331	333	333	333
Vehicles	6,733	8,233	8,138	8,045	8,049
Data Processing Equipment and Software	1,193	1,193	1,113	1,059	1,367
Reproduction and Printing Equipment	1,007	969	896	831	841
Health and Human Services					
Data Processing Equipment and Software	146	146	147	145	141
Medical and Lab Equipment	414	344	323	311	308
Corrections					
Data Processing Equipment and Software	224	223	222	220	216
Security and Surveillance Equipment	132	108	110	109	79
Public Safety					
Department of Public Safety:					
Vehicles	39	37	36	35	35
Data Processing Equipment and Software	264	264	256	241	230
Medical and Lab Equipment	357	347	330	296	216
Utah National Guard:					
Buildings	239	239	239	239	239
State Courts					
Data Processing Equipment and Software	89	84	80	78	78
Audio Visual Equipment	136	134	134	132	136
Environmental Quality					
Monitoring and Lab Equipment	695	583	521	522	534
Employment and Family Services					
Data Processing Equipment and Software	426	390	414	407	407
Natural Resources					
Division of Parks and Recreation:					
State Parks	46	46	46	46	44
Buildings	804	798	800	794	793
Vehicles	377	376	371	369	368
Division of Wildlife Resources:					
Wildlife Management Areas	194	193	193	92	92
Fish Hatcheries	13	12	12	12	12
Buildings	209	205	203	203	202
Vehicles	239	238	236	236	234
Business, Labor, and Agriculture					
Data Processing Equipment and Software	127	127	125	121	116
Monitoring and Lab Equipment	199	160	157	153	156
Transportation					
Highway Center Line Miles	6,926	6,919	6,920	5,865	5,859
Buildings	460	463	462	457	456
Vehicles	445	416	399	333	345
Heavy Equipment	2,417	2,589	2,583	2,437	2,395

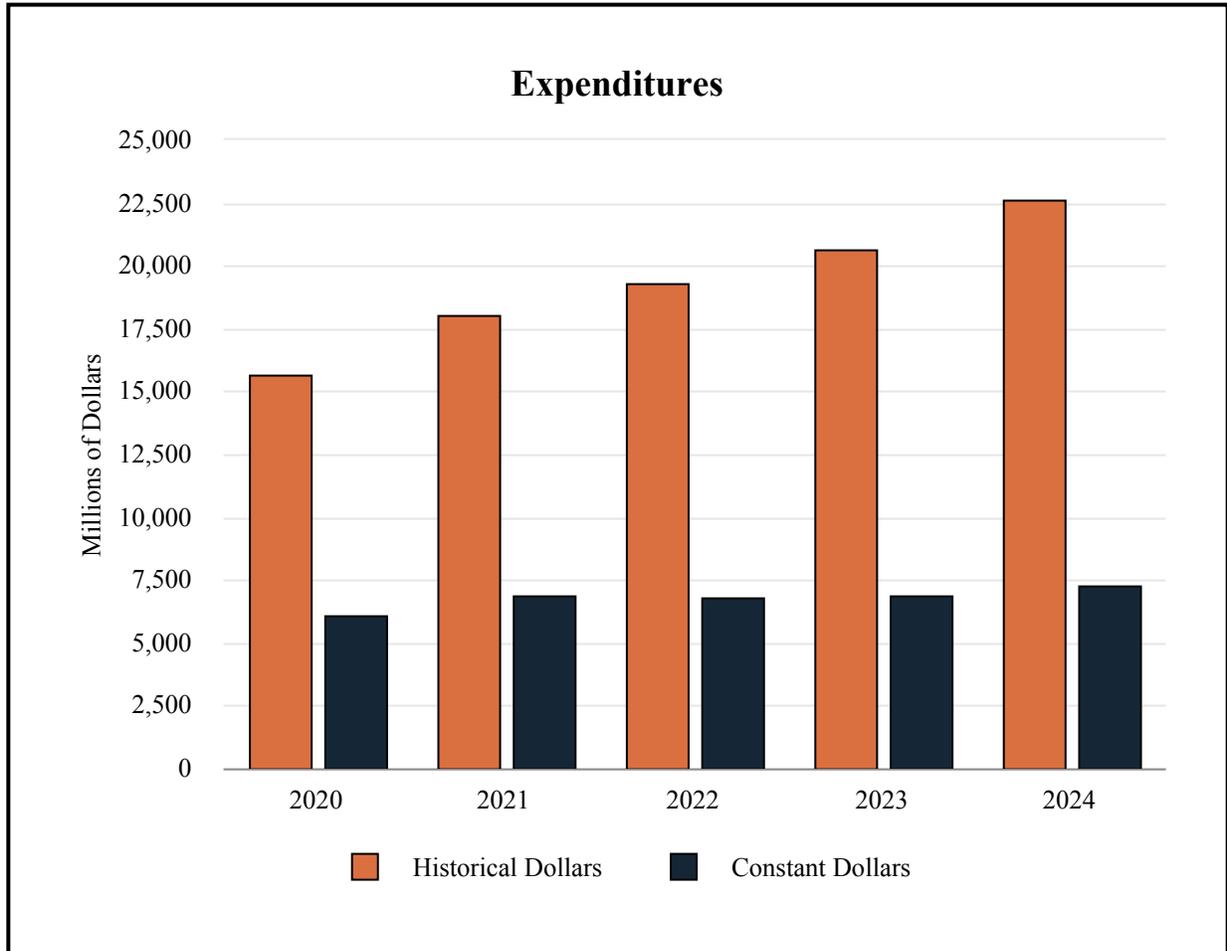
Source: Utah Department of Government Operations, Division of Finance and various agencies of the State.

*Lease assets under GASB Statement No. 87, *Leases*, implemented in 2022, and subscription based-software under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, implemented in 2023, are not included on this table.

Schedule E-3
Capital Asset Statistics by Function - continued
 Last Ten Fiscal Years

	Fiscal Year				
	2019	2018	2017	2016	2015
General Government					
Buildings	332	326	323	319	315
Vehicles	7,969	7,828	7,732	7,886	7,781
Data Processing Equipment and Software	1,315	1,314	1,397	2,428	2,383
Reproduction and Printing Equipment	1,133	1,112	1,138	1,140	1,178
Health and Human Services					
Data Processing Equipment and Software	144	143	137	153	176
Medical and Lab Equipment	299	287	283	295	291
Corrections					
Data Processing Equipment and Software	217	219	220	222	220
Security and Surveillance Equipment	83	70	75	73	69
Public Safety					
Department of Public Safety:					
Vehicles	35	35	35	35	34
Data Processing Equipment and Software	219	208	222	213	204
Medical and Lab Equipment	208	205	236	220	207
Utah National Guard:					
Buildings	237	237	237	235	229
State Courts					
Data Processing Equipment and Software	72	65	60	63	63
Audio Visual Equipment	134	134	146	150	151
Environmental Quality					
Monitoring and Lab Equipment	555	562	510	448	433
Employment and Family Services					
Data Processing Equipment and Software	402	393	387	370	365
Natural Resources					
Division of Parks and Recreation:					
State Parks	44	44	43	43	43
Buildings	789	785	779	778	756
Vehicles	359	356	351	344	340
Division of Wildlife Resources:					
Wildlife Management Areas	92	92	92	92	92
Fish Hatcheries	12	12	11	11	12
Buildings	195	192	191	190	183
Vehicles	229	224	220	214	209
Business, Labor, and Agriculture					
Data Processing Equipment and Software	115	112	110	101	114
Monitoring and Lab Equipment	142	143	138	122	118
Transportation					
Highway Center Line Miles	5,787	5,780	5,880	5,825	5,830
Buildings	456	446	442	440	423
Vehicles	330	1,010	956	931	904
Heavy Equipment	2,412	2,635	2,602	2,599	2,595

Schedule F-1
Expenditures — Historical and Constant Dollars
All Governmental Fund Types
 Last Five Fiscal Years

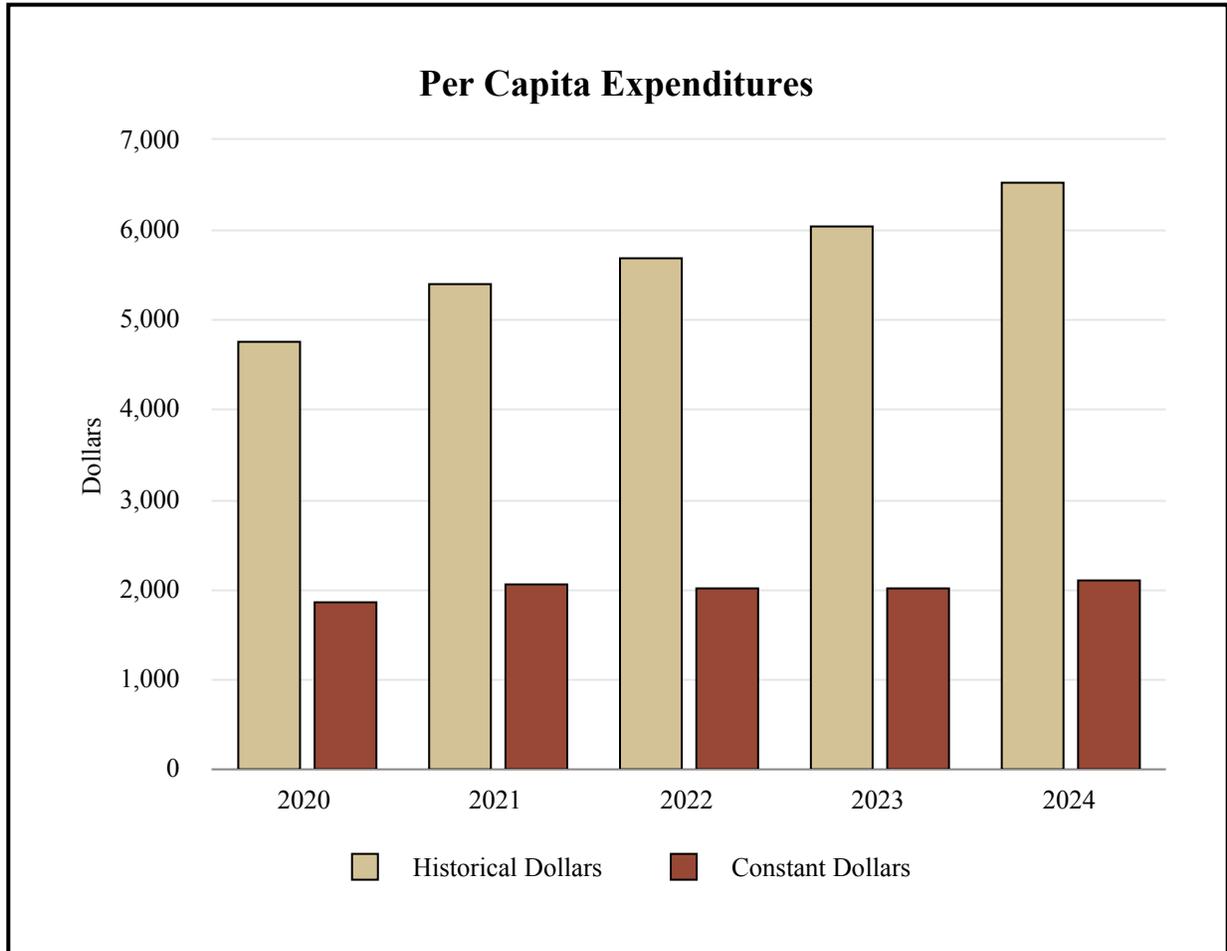


Fiscal Year	Historical Dollars		Constant Dollars	
	(in millions)	Change	(in millions)	Change
2020	\$15,659	12.26 %	\$6,088	10.53 %
2021	\$18,029	15.13 %	\$6,851	12.54 %
2022	\$19,282	6.95 %	\$6,837	(0.21)%
2023	\$20,652	7.10 %	\$6,891	0.79 %
2024	\$22,596	9.42 %	\$7,299	5.92 %

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

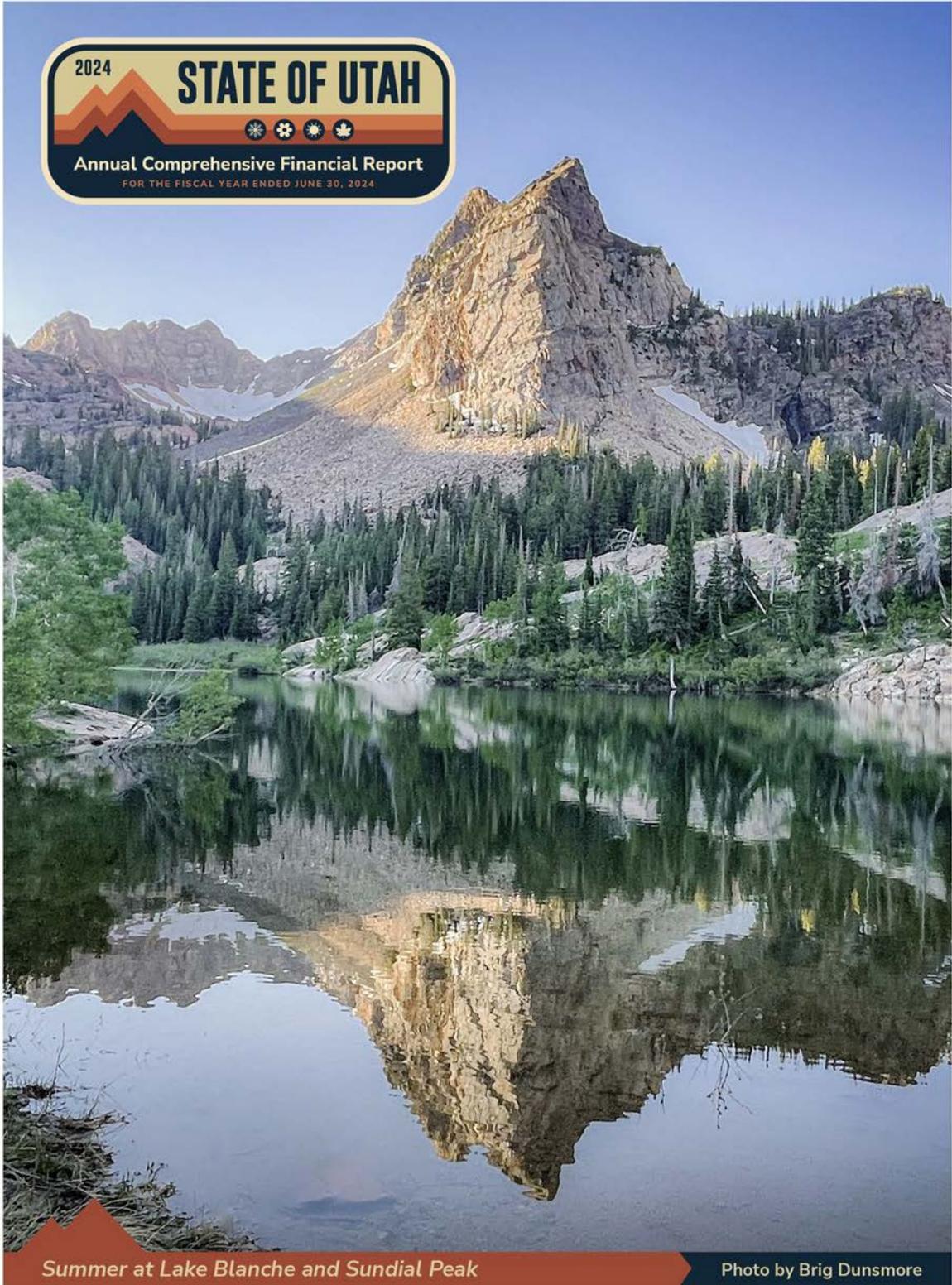


Fiscal Year	Per Capita Expenditures			
	Historical Dollars		Constant Dollars	
		Change		Change
2020	\$4,771	10.72 %	\$1,855	9.01 %
2021	\$5,400	13.17 %	\$2,052	10.62 %
2022	\$5,703	5.62 %	\$2,022	(1.45)%
2023	\$6,042	5.94 %	\$2,016	(0.30)%
2024	\$6,527	8.03 %	\$2,108	4.58 %

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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FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Summer at Lake Blanche and Sundial Peak

Photo by Brig Dunsmore



Utah Department of
**Government
Operations**