

Continuing Disclosure Memorandum

**Summary of Debt Structure and Financial Information
SEC Rule 15c2-12**

For

State of Utah

And The

**State Building Ownership Authority of the
State of Utah**



Filed with
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Dated as of December 31, 2023
Submitted on January 12, 2024
Submission required by January 15, 2024

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CONTACT PERSON

As of the date of this Continuing Disclosure Memorandum, the chief contact person for the State of Utah (the State) and the State Building Ownership Authority of the State of Utah is:

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The Utah Office of State Treasurer (Office of State Treasurer) has provided additional information for investors at <https://treasurer.utah.gov/for-investors/>. *The information available at this internet site is provided by the State in the course of its normal operations and has not necessarily been reviewed for accuracy or completeness. Such information is not a part of this Continuing Disclosure Memorandum.*

When used herein, the terms "Fiscal Year[s]" 20YY, and "Fiscal Year[s] End[ed][ing] June 30, 20YY" refer to the year ended or ending on June 30 of the year indicated and beginning on July 1 of the preceding year and the terms "Calendar Year[s] 20YY" or "Calendar Year[s] End[ed][ing] December 31, 20YY" refer to the year beginning on January 1 and ending on December 31 of the year indicated.

DEBT STRUCTURE OF THE STATE OF UTAH

Legal Borrowing Authority of the State

Constitutional Debt Limit

Article XIV, Section 1 of the State Constitution limits the total general obligation indebtedness of the State to an amount equal to 1.5% of the value of the total taxable property of the State, as shown by the last assessment for State purposes previous to incurring such debt. The application of this constitutional debt limit and the additional debt incurring capacity of the State under the Constitution are estimated to be on December 31, 2023 as follows:

Constitutional Debt Limit <i>(in thousands)</i>	
Fair Market Value of Ad Valorem Taxable Property ¹	\$ 714,152,036
Fees in Lieu of Ad Valorem Taxable Property ²	14,572,157
Total Fair Market Value of Taxable Property ¹	<u>\$ 728,724,193</u>
Constitutional Debt Limit (1.5%)	\$ 10,930,863
Less: Currently Outstanding General Obligation Debt (Net) ³	(1,569,621)
Less: Long-term contract liabilities ⁴	(142,258)
Estimated Additional Constitutional Debt Incurring Capacity of the State ⁵	<u>\$ 9,218,984</u>

- (1) Based on 2022 taxable values. Refer to: [FINANCIAL INFORMATION REGARDING THE STATE OF UTAH—Property Tax Matters—Taxable Value Compared with Fair Market Value of All Taxable Property in the State](#) for more information.
- (2) Based on 2022 "age based" values. For purposes of calculating debt incurring capacity only, the value of all motor vehicles and state-assessed commercial vehicles (which value is determined by dividing the uniform fee revenue by 1.5%) is added to the fair market value of taxable property in the State.
- (3) Includes unamortized original issue bond premium that was treated as principal for purposes of calculating the applicable constitutional debt limits.
- (4) In the opinion of the State Auditor, the State has other long-term liabilities consisting of unused vacation leave for employees of \$142.258 million which financial obligations may be considered as general obligation debt of the State. Although no final legal determination has been made, for purposes of limits calculations, this amount will be applied against the State's Constitutional Debt Limit.
- (5) The State is further limited on its issuance of general obligation indebtedness by statute. See [Statutory General Obligation Debt Limit and Additional Statutory Limitation for Transportation Debt Issuance](#).

Source: Office of State Treasurer; Department of Government Operations, Division of Finance; and Utah State Tax Commission, Property Tax Division 2022 Annual Statistical Report

Statutory General Obligation Debt Limit

Title 63J, Chapter 3, of the Utah Code (State Appropriations and Tax Limitation Act), among other things, limits the maximum general obligation borrowing ability of the State. Under the State Appropriations and Tax Limitation Act, the outstanding general obligation debt of the State at any time may not exceed 45% of the maximum allowable State budget appropriations limit as provided in that act. The State

Appropriations and Tax Limitation Act also limits State government appropriations based upon a formula that reflects changes in population and inflation. See FINANCIAL INFORMATION REGARDING THE STATE OF UTAH—Statutory Spending Limitations.

On occasion, the Legislature has amended the State Appropriations and Tax Limitation Act in order to provide an exemption for certain general obligation highway bonds and bond anticipation notes from the limitations imposed by the State Appropriations and Tax Limitation Act. Of the State’s current outstanding general obligation bonds of \$1,469,510,000, \$1,197,695,000 is exempt from the State Appropriations and Tax Limitation Act. See *Outstanding General Obligation Indebtedness, Authorized General Obligation Bonds and Future General Obligation Bonds Issuance* below.

Using the budget appropriations for the fiscal year 2024, the statutory general obligation debt limit under the State Appropriations and Tax Limitation Act and additional general obligation debt incurring capacity of the State under that act are as of December 31, 2023, as follows:

Statutory General Obligation Debt Limit	
<i>(in thousands)</i>	
Statutory General Obligation Debt Limit ¹	\$ 2,570,324
Less: Statutorily Applicable General Obligation Debt (Net) ²	(293,563)
Less: Long-term contract liabilities ³	<u>(142,258)</u>
Remaining Statutory General Obligation Debt Incurring Capacity	\$ 2,134,503

- (1) 45% of the fiscal year 2024 appropriation limit of \$5,711,832,000.
- (2) Includes unamortized original issue bond premium that was treated as principal for purposes of calculating the applicable constitutional and statutory debt limits.
- (3) In the opinion of the State Auditor, the State has other long-term liabilities consisting of unused vacation leave for employees of \$142.258 million which financial obligations may be considered as general obligation debt of the State. Although no final legal determination has been made, for purposes of debt limit calculations, this amount will be applied against the State’s Statutory Debt Limit.

Source: Office of State Treasurer; Department of Government Operations, Division of Finance; and Governor’s Office of Planning and Budget

During the 2017 General Session, in conjunction with authorizing \$1.0 billion in transportation bonds, the Legislature added an additional threshold to transportation debt issuance: 50% of the Constitutional Debt Limit, with no statutory highway bonds exemption, resulting in a lower debt ceiling, which effectively extends the period of issuance.

Using this statutory limitation for fiscal year 2024, the additional transportation debt incurring capacity of the State as of December 31, 2023, is as follows:

Additional Statutory Limitation for Transportation Debt Issuance	
<i>(in thousands)</i>	
50% of the Constitutional Debt Limit ¹	\$ 5,465,431
Less: Currently Outstanding General Obligation Debt (Net) ²	(1,569,621)
Less: Long-term contract liabilities ³	<u>(142,258)</u>
Remaining Transportation Debt Incurring Capacity	<u>\$ 3,753,552</u>

- (1) 50% of the Constitutional Debt Limit of \$10,930,862,895.
- (2) Includes unamortized original issue bond premium that was treated as principal for purposes of calculating the applicable constitutional and statutory debt limits.
- (3) In the opinion of the State Auditor, the State has other long-term liabilities consisting of unused vacation leave for employees of \$142.258 million which financial obligations may be considered as general obligation debt of the State. Although no final legal determination has been made, for purposes of debt limit calculations, this amount will be applied against the State’s Statutory Debt Limit.

Source: Office of State Treasurer; Department of Government Operations, Division of Finance; and Governor’s Office of Planning and Budget

Authorized General Obligation Bonds and Future General Obligation Bonds Issuance

As of December 31, 2023, the State will have approximately \$318.717 million aggregate principal amount of additional authorized and unissued general obligation bonds, the proceeds of which bonds, when issued, will be used by the Division of Facilities Construction and Management (DFCM) and the Utah Department of Transportation (UDOT) for various projects.

The authorizations consist of \$1,165,228 for highway projects from 2007 General Legislative Session (*the State does not currently intend to issue this remaining 2007 authorization, which may be repealed in future legislative sessions*) and \$412,145 for Salt Lake County highway projects from the 2017 General Legislative Sessions (*the State does not currently intend to issue this remaining 2017 authorization, which may be repealed in future legislative sessions*).

The 2021 General Legislative Session authorized \$314 million plus a 1% allowance for bond costs of issuance for various transportation-

related projects. However, except for two projects totaling \$20 million, the projects specified in the statutory authorizations were appropriated cash funding during the 2022 General Legislative Session through Senate Bill 6 *Infrastructure and General Government Base Budget*. As of the date of this Continuing Disclosure Memorandum, the State does not currently anticipate issuing bonds from these authorizations. It is expected that the legislature will repeal or repurpose these authorizations in future legislative sessions.

The Legislature may authorize the issuance of general obligation building and highway bonds in future fiscal years, but such amounts and issuance dates are not known as of the date of this DISCLOSURE MEMORANDUM.

Historical Constitutional and Statutory Debt Limit of the State

The calculation of the historical constitutional debt limit, the general obligation debt, the additional general obligation debt incurring capacity, and the statutory debt limit for the State for each of the fiscal years 2019 through 2023 is as follows:

	Fiscal Year Ended June 30 (in thousands)				
	2023	2022	2021	2020	2019
Fair Market Value of Ad Valorem Taxable Property ¹	\$714,152,036	\$544,941,047	\$484,739,862	\$447,545,072	\$402,353,022
Fees in lieu of Ad Valorem Tax ²	14,572,157	14,751,411	13,174,279	13,519,278	13,297,245
Fair Market Value for Debt Incurring Capacity	<u>728,724,193</u>	<u>559,692,458</u>	<u>497,914,141</u>	<u>461,064,350</u>	<u>415,650,267</u>
Constitutional:					
Constitutional General Obligation Debt Limit (1.5% of Fair Market Value)	10,930,863	8,395,387	7,468,712	6,915,965	6,234,754
Outstanding General Obligation Debt (Net) ³	<u>(1,921,877)</u>	<u>(2,314,259)</u>	<u>(2,706,205)</u>	<u>(3,060,792)</u>	<u>(2,374,391)</u>
Additional General Obligation Debt Incurring Capacity	<u>9,008,986</u>	<u>6,081,128</u>	<u>4,762,507</u>	<u>3,855,173</u>	<u>3,860,363</u>
Statutory:					
Statutory General Obligation Debt Limit	2,180,250	1,985,400	1,872,900	1,795,500	1,759,950
Outstanding Statutorily Applicable General Obligation Debt (Net) ^{3,4}	<u>(356,856)</u>	<u>(424,621)</u>	<u>(491,832)</u>	<u>(526,659)</u>	<u>(198,982)</u>
Additional General Obligation Debt Incurring Capacity	<u>\$ 1,823,394</u>	<u>\$ 1,560,779</u>	<u>\$ 1,381,068</u>	<u>\$ 1,268,841</u>	<u>\$ 1,560,968</u>

- (1) Information as reported in the State Tax Commission, Property Tax Division, Annual Reports.
- (2) Information as reported in the State Tax Commission, Property Tax Division, Annual Reports. For purposes of calculating debt incurring capacity only, the value of all motor vehicles and state-assessed commercial vehicles (which value is determined by dividing the uniform fee revenue by 1.5%) is added to the fair market value of the taxable property in the State.
- (3) Includes the State’s outstanding general obligation bonds and unamortized original issue bond premium that is treated as principal for purposes of calculating the applicable Constitutional Debt Limit and Statutory Appropriations General Obligation Debt Limit.
- (4) Certain general obligation highway indebtedness is exempt from the State Appropriations and Tax Limitation Act.

Sources: Office of State Treasurer; Utah State Tax Commission, Property Tax Division; and Department of Government Operations, Division of Finance

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Outstanding General Obligation Indebtedness

The State has issued general obligation bonds for general administrative buildings, higher education buildings, highways, water and wastewater facilities, flood control facilities, technology, and refunding purposes. As of December 31, 2023, the State has the following principal amounts of general obligation debt outstanding:

General Obligation Indebtedness				
Series ¹	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2020B ²	Prison/highways	\$ 447,315,000	July 1, 2034	\$ 316,415,000
2020	Highways	\$ 448,430,000	July 1, 2034	371,930,000
2019	Highways	\$ 127,715,000	July 1, 2033	94,800,000
2018 ³	Prison/highways	\$ 343,155,000	July 1, 2032	207,515,000
2017 ⁴	Refunding	\$ 118,700,000	July 1, 2028	94,500,000
2017 ⁵	Prison/highways	\$ 142,070,000	July 1, 2032	76,355,000
2015 ⁶	Refunding	\$ 220,980,000	July 1, 2024 ⁸	39,235,000
2010B ⁷	Highways (BABs)	\$ 621,980,000	July 1, 2025	180,845,000
2009D ⁷	Highways (BABs)	\$ 491,760,000	July 1, 2024	87,915,000
Total principal amount of outstanding general obligation debt ⁹				<u>\$ 1,469,510,000</u>

- (1) Each series of bonds have been rated “AAA” by Fitch Ratings, “Aaa” by Moody’s Investors Service, and “AAA” by Standard & Poor’s Rating Services.
- (2) \$189.540 million of these bonds is included in Statutory Appropriations General Obligation Debt Limit calculations.
- (3) \$34.545 million of these bonds is included in Statutory Appropriations General Obligation Debt Limit calculations.
- (4) Issued as a direct purchase.
- (5) \$47.730 million of these bonds is included in Statutory Appropriations General Obligation Debt Limit calculations.
- (6) Portions of this bond were refunded by a cash defeasance escrow on February 26, 2020.
- (7) Issued as federally taxable, originally 35% issuer subsidy Build America Bonds (BABs). The State anticipates that as a result of the federal sequestration the subsidy paid by the federal government on these bonds will be reduced by approximately \$207,555 for the federal fiscal year ending September 30, 2024.
- (8) Final maturity date after the refunding effected by a cash defeasance escrow on February 26, 2020.
- (9) For accounting purposes, the outstanding debt as shown above must be increased by the premium associated with debt issued that is reported in the long-term debt notes of the State’s financial statements. For accounting purposes, the total unamortized bond premium is \$100.111 million (as of December 31, 2023), together with current debt outstanding of \$1.470 billion, results in total outstanding net direct debt of \$1.570 billion.

Source: Office of State Treasurer

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Debt Service Schedule of Outstanding General Obligation Bonds by Fiscal Year ¹

Year Ending June 30	Series 2020B \$447,315,000		Series 2020 \$448,430,000		Series 2019 \$127,715,000		Series 2018 \$343,155,000	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 45,905,000	\$ 15,674,375	\$ 19,875,000	\$ 17,379,225	\$ 7,125,000	\$ 4,918,125	\$ 25,385,000	\$ 9,929,919
2025	48,335,000	13,318,375	20,900,000	16,359,850	7,490,000	4,552,750	26,705,000	8,640,219
2026	50,910,000	10,837,250	59,185,000	14,556,300	7,875,000	4,168,625	28,030,000	7,283,194
2027	53,590,000	8,224,750	60,345,000	11,766,625	8,280,000	3,764,750	29,480,000	5,856,794
2028	69,165,000	5,155,875	24,275,000	9,651,125	8,705,000	3,340,125	18,280,000	4,662,794
2029	18,015,000	2,976,375	25,525,000	8,406,125	9,150,000	2,893,750	19,215,000	3,725,419
2030	11,700,000	2,233,500	26,825,000	7,097,375	9,620,000	2,424,500	20,200,000	2,740,043
2031	12,175,000	1,758,375	28,200,000	5,721,750	10,115,000	1,931,125	21,130,000	1,812,444
2032	12,545,000	1,387,575	29,650,000	4,275,500	10,635,000	1,412,375	21,890,000	1,047,813
2033	12,930,000	1,005,450	31,175,000	2,754,875	11,180,000	867,000	22,585,000	352,891
2034	13,320,000	611,700	32,425,000	1,489,125	11,750,000	293,750	—	—
2035	13,730,000	205,950	33,425,000	501,375	—	—	—	—
Totals	362,320,000	63,389,550	391,805,000	99,959,250	101,925,000	30,566,875	232,900,000	46,051,530

Year Ending June 30	Series 2017 Refunding \$118,700,000		Series 2017 \$142,070,000		Series 2015 \$220,980,000		Series 2010B \$621,980,000	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 17,700,000 ²	\$ 2,278,868	\$ 13,050,000	\$ 3,835,750	\$ 39,260,000	\$ 2,943,250	\$ 104,160,000	\$ 8,243,216 ⁴
2025	18,100,000 ²	1,884,173	13,700,000	3,167,000	39,235,000	980,875	104,430,000	4,552,216 ⁴
2026	18,500,000 ²	1,480,658	14,425,000	2,463,875	0	0 ³	76,415,000	1,352,163 ⁴
2027	18,900,000 ²	1,068,323	15,175,000	1,723,875	0	0 ³	0	0
2028	19,300,000 ²	647,168	15,930,000	946,250	—	—	0	0
2029	19,700,000 ²	217,193	3,200,000	500,000	—	—	0	0
2030	—	—	3,300,000	402,500	—	—	0	0
2031	—	—	3,425,000	284,500	—	—	—	—
2032	—	—	3,550,000	162,750	—	—	—	—
2033	—	—	3,650,000	54,750	—	—	—	—
2034	—	—	—	—	—	—	—	—
2035	—	—	—	—	—	—	—	—
Totals	112,200,000	7,576,380	89,405,000	13,541,250	78,495,000	3,924,125	285,005,000	14,147,595

Year Ending June 30	Series 2009D \$491,760,000	
	Principal	Interest
2024	\$ 64,420,000 ⁶	\$ 5,470,493
2025	87,915,000 ⁶	2,001,825
2026	0	0
2027	0	0
2028	—	—
2029	—	—
2030	—	—
2031	—	—
2032	—	—
2033	—	—
2034	—	—
2035	—	—
Totals	152,335,000	7,472,317

Table Continued on Next Page

Debt Service Schedule of Outstanding General Obligation Bonds by Fiscal Year (Continued) ¹

Year Ending June 30	Totals		
	Principal	Interest	Debt Service
2024	\$ 336,880,000	\$ 70,673,220	\$ 407,553,220
2025	366,810,000	55,457,282	422,267,282
2026	255,340,000	42,142,065	297,482,065
2027	185,770,000	32,405,117	218,175,117
2028	155,655,000	24,403,337	180,058,337
2029	94,805,000	18,718,862	113,523,862
2030	71,645,000	14,897,918	86,542,918
2031	75,045,000	11,508,194	86,553,194
2032	78,270,000	8,286,013	86,556,013
2033	81,520,000	5,034,966	86,554,966
2034	57,495,000	2,394,575	59,889,575
2035	47,155,000	707,325	47,862,325
Totals	\$1,806,390,000	\$286,628,872	\$2,093,018,872

- (1) This information is based on payments (cash basis) falling due in that particular fiscal year.
- (2) Mandatory sinking fund principal payments from a \$118.700 million 2.205% term bond due July 1, 2028.
- (3) Principal and interest has been refunded by a cash defeasance escrow on February 26, 2020.
- (4) Mandatory sinking fund payments from a \$388.255 million 3.539% term bond due July 1, 2025.
- (5) Issued as federally taxable Build America Bonds (BABs). Does not reflect an originally 35% subsidy. The State anticipates that as a result of the federal sequestration the subsidy paid by the federal government on these bonds will be reduced by approximately \$207,555 for the federal fiscal year ending September 30, 2024.
- (6) Mandatory sinking fund principal payments from a \$329.900 million, 4.554% term bond due July 1, 2024.

Source: Office of State Treasurer

Debt Ratios Regarding General Obligation Debt of the State

The following tables show the ratios of the principal par amounts of the State’s general obligation debt to population, total personal income, taxable value and fair market value for the time periods shown below:

	Fiscal Year Ended June 30				
	2023	2022	2021	2020	2019
Outstanding General Obligation Debt (in thousands).....	\$1,806,390	\$2,162,715	\$2,512,925	\$2,820,940	\$2,273,275
Debt Ratios:					
Per Capita	\$ 527	\$ 636	\$ 755	\$ 868	\$ 708
As % of State Total Personal Income	0.84 %	1.11 %	1.40 %	1.65 %	1.47 %
As % of Taxable Value	0.37 %	0.57 %	0.74 %	0.89 %	0.80 %
As % of Fair Market Value	0.25 %	0.40 %	0.52 %	0.63 %	0.56 %
Outstanding general obligation debt (as of 12/31/2023)	\$1,469,510,000				
Debt Ratios:					
Per capita (2023 estimate - 3,428,000)	\$429				
As % of State Personal Income (2023 estimate - \$213,944,000,000)	0.69%				
As % of Taxable Value (2022 actual - \$489,511,659,046)	0.30%				
As % of Fair Market Value (2022 actual - \$714,152,036,785)	0.21%				

Sources: Office of State Treasurer; Department of Government Operations, Division of Finance; and the 2023 Annual Comprehensive Financial Report (ACFR)

The ratios of debt service expenditures to General Fund expenditures and to all governmental fund type expenditures (excluding Trust Lands) for the last five Fiscal Years are shown below:

	Fiscal Year Ended June 30 (dollars in thousands)				
	2023	2022	2021	2020	2019
General Fund Expenditures	\$11,769,561	\$10,729,051	\$ 9,647,977	\$ 8,079,513	\$ 7,386,308
Debt Service Expenditures	\$ 454,036	\$ 464,627	\$ 440,050	\$ 471,915	\$ 364,366
Ratio of Debt Service Expenditures to General Fund Expenditures	3.86%	4.33%	4.56%	5.84%	4.93%
Total All Governmental Funds Expenditures	\$20,626,142	\$19,259,089	\$18,017,106	\$15,635,751	\$13,930,957
Ratio of Debt Service Expenditures to All Governmental Fund Expenditures	2.20%	2.41%	2.44%	3.02%	2.62%

Sources: Office of State Treasurer; Department of Government Operations, Division of Finance; and the 2023 ACFR

DEBT AND FINANCIAL INFORMATION REGARDING THE STATE BUILDING OWNERSHIP AUTHORITY

State Building Ownership Authority

The State Building Ownership Authority (the “Authority”) is empowered, among other things, to issue its bonds (with the prior approval of the Legislature) to finance the acquisition and construction of facilities to be leased to State agencies and their affiliated entities from rentals paid out of budget appropriations or other available funds for the lessee agencies, which in the aggregate will be sufficient to pay the principal of and interest on the Authority’s bonds and to maintain, operate and insure the facilities. The Authority is comprised of three members: the Governor or designee, the State Treasurer and the Chair of the State Building Board. The State Building Ownership Authority Act (Title 63B, Chapter 1, Part 3, Utah Code the “Building Ownership Act”) directs DFCM to construct and maintain any facilities acquired or constructed for the Authority.

No Defaulted Authority Bonds or Failures by the State to Renew Lease. As of December 31, 2023, the Authority has \$257.435 million of lease revenue bonds outstanding and has never failed to pay when due the principal of and interest on its bonded indebtedness and other payment obligation related thereto. As of December 31, 2023, the State has never failed to renew an annually renewable lease with the Authority.

Statutory Legal Borrowing Debt Capacity of the Authority

The Authority may not issue any bonds or other obligations under the Building Ownership Act in an amount which would exceed the difference between (i) the total outstanding indebtedness of the State (exclusive of certain State highway bonds specified under the Building Ownership Act) and (ii) 1.5% of the fair market value of the taxable property of the State. Under this formula, the Authority’s debt capacity is reduced as non-excluded State general obligation bonds are issued. As of December 31, 2023, the legal debt limit and additional debt incurring capacity of the Authority are calculated as follows (*in thousands*):

Fair Market Value of Ad Valorem Taxable Property ¹	\$ 714,152,036
Fees in Lieu of Ad Valorem Taxable Property ²	14,572,157
Total Fair Market Value of Taxable Property ¹	<u>\$ 728,724,193</u>
1.5% Debt Limit Amount	\$ 10,930,863
Less: Outstanding State General Obligation Debt (Net) ³	(1,569,621)
Less: Authority’s Outstanding Lease Revenue Bonds (Net) ³	(265,777)
Less: Long-term contract liabilities ⁴	(142,258)
Plus: Statutorily Exempt State General Obligation Highway Debt (Net) ³	1,276,058
Authority’s Estimated Additional Debt Incurring Capacity	<u>\$ 10,229,265</u>

- (1) Based on 2022 taxable values. See [Property Tax Matters—Taxable Value Compared with Fair Market Value of All Taxable Property in the State](#).
- (2) Based on 2022 “aged based” values. For purposes of calculating debt incurring capacity only, the value of all motor vehicles and state-assessed commercial vehicles (which value is determined by dividing the uniform fee revenue by 1.5%) is added to the fair market value of the taxable property in the State.
- (3) Includes unamortized original issue bond premium that was treated as principal for purposes of calculating the applicable statutory debt limit.
- (4) In the opinion of the State Auditor, the State has other long-term liabilities consisting of unused vacation leave for employees of \$142.258 million which financial obligations may be considered as general obligation debt of the State. Although no final legal determination has been made, for purposes of limits calculations, this amount will be applied against the State’s Constitutional Debt Limit.

Source: Office of State Treasurer; Department of Government Operations, Division of Finance; Utah State Tax Commission, Property Tax Division *Annual Statistical Report*; and the 2023 ACFR

The State’s Limited Lease Obligation. The Building Ownership Act provides generally that bonds issued by the Authority are payable only from lease payments received by the Authority for the facilities constructed or acquired thereunder, and that, if the rentals paid by a lessee State agency to the Authority are insufficient to pay the principal and interest on such bonds, the Governor may request the Legislature to

appropriate additional funds to that agency for the payment of increased rentals. *The Legislature may, but is not required to, make such an appropriation. Bonds issued pursuant to authorizing legislation of this type are sometimes referred to herein as “State Lease Revenue Bonds.”*

Debt Issuance. Current Lease Revenue Obligation Bonds Outstanding. Under the State Facilities Master Lease Program, no debt service reserve fund is created for any Bonds issued pursuant to the Indenture of Trust, assignment of State Facilities Master Lease Agreement and Security Agreement, dated as of September 1, 1994, as amended and supplemented (the “Authority Indenture”) between the Authority and Wells Fargo Bank, N.A., as trustee, and the State Facilities Master Lease Agreement, dated as of September 1, 1994, as amended and supplemented, between the Authority and the State acting through DFCM. *Under this program, all bonds are issued on a parity basis and are cross-collateralized by the facilities subject to the lien of the Authority Indenture and the respective Mortgage, Security Agreement and Assignment of Rent.*

Bonds issued under the State Facilities Master Lease Program are not classified as State Moral Obligation Bonds as defined in State Moral Obligation Bonds. However, such Bonds are considered to be State Lease Revenue Bonds.

Outstanding Lease Revenue Bonds of the State Building Ownership Authority

As of December 31, 2023, the Authority has the following State Lease Revenue Bonds outstanding under the State Facilities Master Lease Program:

Outstanding Lease Revenue Bonds				
<i>(in thousands)</i>				
Series ¹	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2022	DABS Facilities	\$ 42,675	May 15, 2042	\$ 42,675
2020	DABS Facilities	\$ 18,865	May 15, 2039	16,915
2018	Provo Courts/DABS Facilities	\$ 18,465	May 15, 2039	15,945
2017	Refunding/crossover	\$ 25,910	May 15, 2024	5,440
2016	Provo Courts/DABS Facility	\$ 98,150	May 15, 2038	79,775
2015	Refunding	\$ 30,015	May 15, 2030	18,795
2012A	Refunding	\$ 15,610	May 15, 2027	5,785
2011	Davis Courts/UCAT	\$ 5,250	May 15, 2031	635
2010	Refunding	\$ 36,735	May 15, 2024	2,705
2009E ^{2,3}	Huntsman Hospital (BABs)	\$ 89,470	May 15, 2030	57,690
2009C ²	DABS Warehouse (BABs)	\$ 16,715	May 15, 2029	11,075
Total principal amount of outstanding State Lease Revenue Bonds ⁴				<u><u>\$ 257,435</u></u>

- (1) The 2017 bonds are rated “Aa1” by Moody’s Investors Service, Inc. All other bonds are rated “Aa1” by Moody’s Investors Service, Inc., and “AA+” by Standard & Poor’s Ratings Services. No municipal bond rating has been requested from Fitch Ratings.
- (2) Issued as federally taxable, originally 35% issuer subsidy Build America Bonds. The State anticipates that as a result of the federal sequestration the subsidy paid by the federal government on these bonds will be reduced by approximately \$78,977 for the federal fiscal year ending September 30, 2024.
- (3) Portions of this bond were refunded from moneys received from an escrow account (created from the proceeds from the 2017 Lease Revenue Bonds) on the Crossover Date of May 15, 2019.
- (4) For accounting purposes, the total unamortized bond premium is \$8.342 million (as of December 31, 2023), which together with current debt outstanding of \$257.435 million results in total outstanding net direct debt of \$265.777 million.

Source: Office of State Treasurer

Authorized Lease Revenue Bonds and Future Bonds Issuance. Notwithstanding the legal debt issuing capacity of the Authority discussed in this section under Statutory Legal Borrowing Debt Capacity of the Authority, the Authority may only issue Lease Revenue Bonds for facilities authorized by the Legislature.

The Authority has up to \$15.67 million aggregate principal amount of additional authorized and unissued lease revenue bonds, the proceeds of which will be used by DFCM for various projects. The authorizations consist of \$8.214 million for the Summit County DABS liquor store and \$7.455 million for the Washington County DABS liquor store from the 2022 Legislature Session. The Legislature may authorize the issuance of lease revenue bonds in future fiscal years, but such amounts and issuance dates are not known as of the date of this CONTINUING DISCLOSURE MEMORANDUM.

Debt Service Schedule of Outstanding Lease Revenue Bonds (State Building Ownership Authority) By Fiscal Year ¹

Year Ending June 30	Series 2022 \$42,675,000		Series 2020 \$18,865,000		Series 2018 \$18,465,000		Series 2017 Refunding \$25,910,000	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2024	\$ 230,000	\$ 2,133,750	\$ 770,000	\$ 549,950	\$ 720,000	\$ 625,150	\$ 5,440,000
2025	1,175,000	2,122,250	805,000	511,450	745,000	589,150	—	—
2026	1,680,000	2,063,500	845,000	471,200	785,000	551,900	—	—
2027	1,760,000	1,979,500	890,000	428,950	825,000	512,650	—	—
2028	1,850,000	1,891,500	935,000	384,450	865,000	471,400	—	—
2029	1,940,000	1,799,000	985,000	337,700	905,000	428,150	—	—
2030	2,045,000	1,702,000	1,030,000	288,450	940,000	391,950	—	—
2031	2,140,000	1,599,750	1,060,000	257,550	980,000	354,350	—	—
2032	2,245,000	1,492,750	1,095,000	225,750	1,010,000	324,950	—	—
2033	2,360,000	1,380,500	1,130,000	192,900	1,035,000	294,650	—	—
2034	2,480,000	1,262,500	1,160,000	159,000	1,085,000	253,250	—	—
2035	2,605,000	1,138,500	1,190,000	124,200	1,125,000	209,850	—	—
2036	2,735,000	1,008,250	1,220,000	100,400	1,175,000	164,850	—	—
2037	2,865,000	871,500	1,240,000	76,000	1,210,000	126,663	—	—
2038	3,005,000	728,250	1,270,000	51,200	1,250,000	87,338	—	—
2039	2,680,000	578,000	1,290,000	25,800	1,290,000	45,150	—	—
2040	2,815,000	444,000	—	—	—	—	—	—
2041	2,960,000	303,250	—	—	—	—	—	—
2042	3,105,000	155,250	—	—	—	—	—	—
Totals	\$ 42,675,000	\$ 24,654,000	\$ 16,915,000	\$ 4,184,950	\$ 15,945,000	\$ 5,431,401	\$ 5,440,000	\$ 272,000

Year Ending June 30	Series 2016 \$98,150,000		Series 2015 \$30,015,000		Series 2012A \$15,610,000		Series 2011 \$5,250,000	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2024	\$ 4,200,000	\$ 2,517,906	\$ 2,875,000	\$ 868,050	\$ 1,230,000	\$ 173,550	\$ 70,000 ²
2025	4,400,000	2,307,906	3,005,000	724,300	2,850,000	136,650	70,000 ²	22,600
2026	4,650,000	2,087,906	3,150,000	574,050	1,135,000	51,150	75,000 ²	19,800
2027	4,750,000	1,983,281	3,325,000	416,550	570,000	17,100	80,000 ²	16,800
2028	4,850,000	1,864,531	2,855,000	250,300	—	—	80,000 ²	13,600
2029	5,000,000	1,731,156	1,775,000	107,550	—	—	85,000 ²	10,400
2030	5,150,000	1,581,156	1,810,000	54,300	—	—	85,000 ²	7,000
2031	5,300,000	1,426,656	—	—	—	—	90,000 ²	3,600
2032	5,450,000	1,267,656	—	—	—	—	—	—
2033	5,625,000	1,104,156	—	—	—	—	—	—
2034	5,775,000	935,406	—	—	—	—	—	—
2035	5,950,000	762,156	—	—	—	—	—	—
2036	6,150,000	583,656	—	—	—	—	—	—
2037	6,325,000	399,156	—	—	—	—	—	—
2038	6,200,000	201,500	—	—	—	—	—	—
2039	—	—	—	—	—	—	—	—
2040	—	—	—	—	—	—	—	—
2041	—	—	—	—	—	—	—	—
2042	—	—	—	—	—	—	—	—
Totals	\$ 79,775,000	\$ 20,754,184	\$ 18,795,000	\$ 2,995,100	\$ 5,785,000	\$ 378,450	\$ 635,000	\$ 119,200

Table continues on next page.

Debt Service Schedule of Outstanding Lease Revenue Bonds (State Building Ownership Authority) By Fiscal Year (Continued) ¹

Year Ending June 30	Series 2010 \$36,735,000		Series 2009E \$89,470,000		Series 2009C \$16,715,000	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 2,705,000	\$ 135,250	\$ —	\$ 3,327,559	\$ 1,605,000	\$ 631,198
2025	—	—	6,015,000	3,327,559	1,685,000	546,230
2026	—	—	8,635,000	2,980,614	1,785,000	449,039
2027	—	—	9,145,000	2,482,547	1,890,000	346,080
2028	—	—	10,665,000	1,955,064	1,995,000	237,065
2029	—	—	11,285,000	1,339,906	2,115,000	121,993
2030	—	—	11,945,000	688,989	—	—
2031	—	—	—	—	—	—
2032	—	—	—	—	—	—
2033	—	—	—	—	—	—
2034	—	—	—	—	—	—
2035	—	—	—	—	—	—
2036	—	—	—	—	—	—
2037	—	—	—	—	—	—
2038	—	—	—	—	—	—
2039	—	—	—	—	—	—
2040	—	—	—	—	—	—
2041	—	—	—	—	—	—
2042	—	—	—	—	—	—
Totals	\$ 2,705,000	\$ 135,250	\$ 57,690,000	\$ 16,102,238	\$ 11,075,000	\$ 2,331,605

Year Ending June 30	State Facilities Master Lease Program Totals		
	Principal	Interest	Debt Service
2024	\$ 19,845,000	\$ 11,259,764	\$ 31,104,764
2025	20,750,000	10,288,095	31,038,095
2026	22,740,000	9,249,159	31,989,159
2027	23,235,000	8,183,458	31,418,458
2028	24,095,000	7,067,910	31,162,910
2029	24,090,000	5,875,856	29,965,856
2030	23,005,000	4,713,845	27,718,845
2031	9,570,000	3,641,906	13,211,906
2032	9,800,000	3,311,106	13,111,106
2033	10,150,000	2,972,206	13,122,206
2034	10,500,000	2,610,156	13,110,156
2035	10,870,000	2,234,706	13,104,706
2036	11,280,000	1,857,156	13,137,156
2037	11,640,000	1,473,319	13,113,319
2038	11,725,000	1,068,288	12,793,288
2039	5,260,000	648,950	5,908,950
2040	2,815,000	444,000	3,259,000
2041	2,960,000	303,250	3,263,250
2042	3,105,000	155,250	3,260,250
Totals	\$ 257,435,000	\$ 77,358,380	\$ 334,793,380

- (1) This table reflects the Authority's debt service schedule for its lease revenue bonds for the fiscal year shown. This information is based on payments (cash basis) falling due in that particular fiscal year.
- (2) Mandatory sinking fund payments from a \$635,000, 4% term bond due May 15, 2031.
- (3) Issued as federally taxable Build America Bonds. Does not reflect an originally 35% federal interest rate subsidy. The State anticipates that as a result of the federal sequestration the subsidy paid by the federal government on these bonds will be reduced by approximately \$78,977 for the federal fiscal year ending September 30, 2024.
- (4) Principal has been refunded by the 2017 Crossover Refunding Bonds.
- (5) Mandatory sinking fund payments from a \$57,690,000, 5.768%, term bond due May 15, 2030.
- (6) Mandatory sinking fund payments from a \$7,245,000, 5.294%, term bond due May 15, 2024.
- (7) Mandatory sinking fund payments from a \$9,470,000, 5.768%, term bond due May 15, 2029.

Source: Office of State Treasurer

Revenue Bonds and Notes

State of Utah Recapitalization Revenue Bonds. The State Bonding Commission is authorized, with prior approval of the Legislature, to issue “recapitalization” revenue bonds of the State to provide funds for certain of the State’s revolving loan funds. Such State revenue bonds are secured principally by the payments on certain bonds, notes and other obligations owned by the State through such funds and by debt service reserve funds, and constitute “State Moral Obligation Bonds,” but are not applied against the general obligation borrowing capacity of the State. As of the date of this continuing disclosure memorandum the State does not have any recapitalization revenue bonds outstanding.

Other State-Related Entities’ Revenue Debt. Various State-related entities have outstanding bonds and notes payable solely from certain specified revenues. None of these bond or note issues are general obligations of the State and, therefore, such bonds or notes are not applied against the general obligation borrowing capacity of the State. The majority of the State’s revenue bonds and notes are issued by the State Board of Regents (student loans and various capital projects for colleges and universities). For a detailed report and description of the various revenue bonds and notes issued by State-related entities, see ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2023–Notes to the Financial Statements, Note 10. Long-term Liabilities - C. Revenue Bonds, and Note G - Notes Payable/Annuities Payable.

Lease Obligations

The State implemented GASB Statement No. 96, *Subscription-Based IT Arrangements (SBITA)* during the fiscal year ended June 30, 2023. This new accounting standard reclassified previously capitalized software to be determined as a SBITA. The State implemented GASB No. 87, *Leases* during the fiscal year ended June 30, 2022. This new accounting standard reclassified various assets associated with capital leases designations to ‘leased assets’, see ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2023–Notes to the Financial Statements, Note 2. Beginning Net Position Adjustments and Other Changes and Information - Implementation of New Governmental Accounting Standards.

The State leases office buildings and office, computer equipment, and participates in SBITAs. Although the lease terms vary, most leases are subject to annual appropriations from the Legislature to continue the lease obligations. If a legislative appropriation is reasonably assured, long-term leases are considered noncancellable for financial reporting purposes.

Primary government’s total lease payments including principal and interest for fiscal year 2023 were \$24.328 million and \$3.416 million for software liabilities payments. The present value of the minimum lease payments of the State’s leases for the primary government for fiscal year 2023 totaled \$173.023 million and \$9.506 million for software subscriptions. Principal and interest payments for primary government and discrete component units are scheduled through fiscal years 2063 and 2093, respectively:

Fiscal Year Ending June 30	Lease Principal and Interest Requirements <i>(expressed in thousands)</i>		Total Amount Required
	Principal	Interest	
Primary Government ¹	\$ 213,254	\$ 27,146	\$ 240,400
Discrete Component Units ²	289,676	246,821	536,497

- (1) Principal and interest requirements for Primary Government includes leases and software subscriptions.
- (2) Principal and interest requirements for Discrete Component Units includes leases and software subscriptions.

For detailed information regarding leases, see ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2023–Notes to the Financial Statements, Note 9. Lease Commitments.

State Guaranty of General Obligation School Bonds

Under the School District Bond Guaranty (the “Guaranty Act”) which took effect on January 1, 1997, the full faith and credit, and unlimited taxing power of the State is pledged to guaranty full and timely payment of the principal of and interest on general obligation bonds (“Guaranteed Bonds”) issued by eligible boards of education of State school districts (“Eligible School Boards”). The Guaranty Act is intended to reduce borrowing costs for Eligible School Boards by providing credit enhancement for Guaranteed Bonds.

In the event an Eligible 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 of its available moneys, seek a short-term loan from the Permanent School Fund or issue its short-term general obligation notes. The Eligible School Board remains liable to the State for any such payments on Guaranteed Bonds. The State may seek reimbursement for such payments (plus interest and penalties) by intercepting State financial aid intended for the Eligible School Board. The Guaranty Act also contains provisions to compel the Eligible School Board to levy a tax sufficient to reimburse the State for such payments.

The State Superintendent of Schools (the “State Superintendent”) is responsible for monitoring the financial condition of each local school board in the State and reporting, at least annually, his or her conclusions to the Governor, the Legislature and the State Treasurer. The State Superintendent must report immediately to the Governor and the State Treasurer any circumstances suggesting that a local school board will be unable to pay when due its debt service obligations (a “Report”) and recommend a course of remedial action. As of December 31, 2023, the State has not been requested to make payments on any Guaranteed Bonds and has not received a Report from the State Superintendent.

As of December 31, 2023, the State will have at least \$3.397 billion principal amount outstanding of Guaranteed Bonds. Currently, the Guaranteed Bond program's annual principal and interest payments are scheduled through fiscal year 2043 (for fiscal year 2024 the program's annual principal and interest payments total \$495.286 million). The State cannot predict the amount of bonds that may be guaranteed in this year or in future years; no limitation is currently imposed by the Guaranty Act.

For additional information see ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2023-Notes to the Financial Statements, Note 16. Litigation, Contingencies, and Commitments-B. Contingencies. The Utah School Bond Guaranty Act.

State Moral Obligation Bonds

Bonds issued by the State Board of Regents, recapitalization revenue bonds issued by the State Bonding Commission and certain qualifying bonds of the Utah Charter School Finance Authority may be secured by a pledge pursuant to which a designated official will certify to the Governor on or before December 1 of each year the amount, if any, necessary to restore a capital reserve or debt service reserve fund to its required amount. In the case of revenue bonds issued to finance a capital project for an institution of higher education, if so pledged, the chairman of the State Board of Regents will certify to the Governor on or before December 1 of each year any projected shortfall in revenues necessary to make debt service payments in the forthcoming calendar year. Upon receipt of such a certification, the Governor may, but is not required to, then request from the Legislature an appropriation of the amount so certified. In the case of revenue bonds issued to finance a capital project for a qualifying charter school, if so pledged, an officer of the Utah Charter School Finance Authority will certify to the Governor on or before December 1 of each year the amount, if any, required to restore the amount on deposit in the debt service reserve fund of such qualifying charter school to the debt service reserve fund requirement. Upon receipt of such a certification the Governor shall then request from the Legislature an appropriation of the amount so certified. In all cases, the Legislature is under no legal obligation to make any appropriation requested by the Governor. Bonds issued with such pledge are referred to herein as "State Moral Obligation Bonds."

For additional information regarding State Moral Obligation Bonds, see the following referenced sections of the State's 2023 ACFR, and those of this CONTINUING DISCLOSURE MEMORANDUM.

State Board of Regents. ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE STATE OF UTAH FOR FISCAL YEAR 2023 – Notes to the Financial Statements – Note 10. Long-term Liabilities – C. Revenue Bonds, and Note 20. Subsequent Events.

State of Utah Recapitalization Revenue Bonds. ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE STATE OF UTAH FOR FISCAL YEAR 2023 – Notes to the Financial Statements – Note 10. Long-term Liabilities – C. Revenue Bonds.

Utah Charter School Finance Authority. ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE STATE OF UTAH FOR FISCAL YEAR 2023 – Notes to the Financial Statements – Note 10. Long-term Liabilities – D. Conduit Debt Obligations, and Note 16. Litigation, Contingencies, and Commitments – B. Contingencies – The Charter School Credit Enhancement Program.

See also Revenue Bonds and Notes.

As of the date of this CONTINUING DISCLOSURE MEMORANDUM, the Governor has not received any default certification with respect to the State Moral Obligation Bonds from any of these agencies.

No Defaulted Bonds or Failures by State to Renew Lease

As of the date of this CONTINUING DISCLOSURE MEMORANDUM, the State has never failed to pay when due the principal of and interest on its bonded indebtedness and other payment obligations related thereto. Additionally, the State has never failed to renew, or defaulted on any payments due under, any annually renewable lease with the Authority.

FINANCIAL INFORMATION REGARDING THE STATE OF UTAH

Discussion and Analysis of Financial Statements and Recent Developments

For recent developments, fiscal year 2023 highlights, financial analyses, economic outlook and a review of fiscal year 2023's budget, see [ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE STATE OF UTAH FOR FISCAL YEAR 2023 - Management's Discussion and Analysis](#).

Impact of Coronavirus (COVID-19)

The state's first confirmed case of COVID-19 was on March 6, 2020. As of the end of April 2022, Utah's cumulative detected case total was 932,253 and the cumulative confirmed COVID-19 death total was 4,747. On a per capita basis, Utah ranks 8th among all states in highest cumulative infection rate at about 280 per thousand Utahns, and 48th among all states in cumulative death rate at about 1.4 per thousand Utahns. As of May 4, 2022 Utah's seven-day average case count was approximately 380 (compared to over 10,000 in early 2022), with a seven-day average hospitalization count of 51.7 (compared to over 800 in early 2022). Public health data and other information related to the state's COVID-19 status is published at <https://coronavirus.utah.gov/>

State Actions. During the initial onset of the pandemic, Utah did not impose a mandatory statewide shelter in place order. However, various COVID-19 mitigation and suppression policies were implemented, such as remote learning for K-12 and higher education students, travel limitations, limitations on public gatherings and business restrictions for high-contact industries. In March of 2022, the state implemented a "steady state" response to the COVID-19 pandemic. Key changes accompanying the "steady state" response include closing state-sponsored community COVID-19 testing sites, reducing operating hours of the state's COVID-19 hotline and discontinuing the state-operated monoclonal antibody infusion site. Given the widespread access to COVID-19 vaccines and boosters, the state is making these changes to bring the COVID-19 response more in line with responses to other infectious diseases. These changes will encourage individuals to seek care for COVID-19 through their traditional healthcare providers and allow public health staff and resources to focus on other chronic and serious issues that challenge the health of Utahns. While this step is an important move forward, the state recognizes there will likely be times when COVID-19 response efforts need to ramp up again, or specific recommendations will be provided to populations and communities based on their risk level.

Budget and Legislative Changes. At the onset of the COVID-19 pandemic, the state was in a strong fiscal and economic position as COVID-19. Between 2009 and 2020, the state and the nation experienced the longest, sustained economic expansion in modern history. The state created over 400,000 jobs, and unemployment dropped to what at the time were historic lows. These conditions, along with numerous forms of federal stimulus, enabled Utah to respond to potential COVID-19 budget challenges quickly and successfully. Over the spring and summer of 2020, Utah held multiple special legislative sessions, during which various COVID-19 response task forces were created, federal stimulus funds were authorized for expenditure, and various budget flexibilities were granted, among other actions. Ultimately, the state closed Fiscal Year 2020 with a \$95 million revenue surplus, relative to final adopted estimates. During the 2021 General Legislative Session, COVID-19 related federal grant funding was reauthorized, and legislation providing for the termination of certain emergency powers and public health orders related to the COVID-19 pandemic was passed and later enacted (House Bill 294 *Pandemic Emergency Powers Amendments*). During the First Special Legislative Session of 2021, over \$500 million in federal funding from the American Rescue Plan Act (ARPA) was appropriated and legislation prohibiting an institution of higher education from imposing face coverings requirements after spring semester of 2021 was passed and later enacted (House Bill 1007 *Face Covering Requirements*), as well as a state grant program designed to leverage a combination of state and sub-state ARPA relief funds to support local projects (House Bill 1004 *COVID-19 Grant Program Amendments*). During the 2022 General Session, over \$900 million in additional ARPA funding was appropriated, along with federal grant reauthorizations, and legislative actions that exclude state facilities from local public health restrictions (House Bill 182 *Local Health Department Order Amendments*) and legislation that increases criminal penalties for assault or threat of violence against an employee of a health facility (House Bill 32 *Health Care Worker Protection Amendments*) were passed and later signed by the governor. During the 2023 General Session, the state transitioned its economic updates to focus on the post COVID-19 economic environment. Current and other liabilities decreased 4.25 percent primarily due to a decrease of \$220.779 million in unearned revenue as the state spent COVID-19 related revenue received in prior periods. Federal contracts and grants decreased as the result of a decrease in one time federal funding from 2021 ARPA of \$332.774 million received in fiscal year 2022; and an increase in COVID-19 funding to programs such as Child Care, Low Income Home Energy Assistance Program and Deeply Affordable Housing program totaling \$217 million. Another factor in the decrease of federal contracts and grants revenue is the completion of the COVID-19 pandemic era of free breakfast and lunch offered through the Child Nutrition Program funded by the CARES Act in fiscal year 2022. Overall, total General Fund expenditures increased \$1.041 billion as the state responded to a growing economy and an increase in public demand for government services through the COVID-19 pandemic recovery.

For additional information see, [ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE STATE OF UTAH FOR FISCAL YEAR 2023 - Management's Discussion and Analysis](#)

Budgetary Procedures

Budgetary Procedures Act. The Budgetary Procedures Act, Title 63J, Chapter 1, Utah Code (the "Budget Act") establishes the process whereby the Governor's budget is prepared and prescribes the information to be included.

The Governor is required to submit a budget to the Legislature each year, including a plan of proposed changes to appropriations and estimated revenue for the next fiscal year.

The total appropriations requested for expenditures authorized by the budget must not exceed the estimated revenue from taxes, fees and all other sources for the next fiscal year.

The Budget Act applies to all moneys appropriated by the Legislature. No appropriation or any surplus of any appropriation may be diverted from the department, agency, institution or division for which it was appropriated. Appropriated moneys generally may not be transferred from one item of appropriation to any other item of appropriation without legislative approval.

Unexpended Balances. Except for certain funds detailed in the Budget Act or funds that may be exempted by the annual appropriations act, the Director of the Division of Finance must, at the end of each fiscal year, close out all balances to the proper fund or account.

Budgetary Controls. The Director of the Division of Finance is required to exercise accounting control over all State departments, institutions and agencies other than the Legislature and legislative committees. The Director of the Division of Finance must require the head of each department to submit, not later than May 15, a budget (work program) for the next fiscal year that does not exceed legislative appropriations or other estimated funding.

State Funds And Accounting

The Division of Finance maintains its accounting records in accordance with State law and in accordance with generally accepted accounting principles (GAAP). Funds are accounted for and reported in the following categories: governmental funds; proprietary funds; and fiduciary funds. Governmental funds include the General Fund, special revenue funds, capital projects funds, debt service funds, and permanent funds. Proprietary funds include enterprise and internal service funds. Fiduciary funds include pension or other employee benefit trust funds, private purpose trust funds, and custodial funds. Fund reporting in the financial statements for governmental funds focuses on major funds as defined by GAAP and promulgated by the Governmental Accounting Standards Board. The State reports the following major governmental funds: the General Fund, the Income Tax Fund, the Transportation Fund, the Transportation Investment Fund and the Trust Lands Fund. The State's nonmajor governmental funds include other special revenue funds, capital projects funds, and debt service funds. The nonmajor special revenue funds account for specific revenue sources that are legally restricted or committed to expenditures for specific purposes. Examples include tobacco settlement moneys, environmental activities, crime victim reparations and rural development programs. For further information on State funds and accounting, including a description of each of the major governmental funds, see ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2023—Notes to the Financial Statements—
Note 1. Summary of Significant Accounting Policies.

State Tax System

The State's tax revenues are derived primarily from sales and use taxes, individual income taxes, motor fuel taxes, corporate franchise (business income) taxes, and numerous smaller sources, including excise taxes on cable/satellite, insurance premiums, beer, cigarettes and tobacco, cable/satellite severance taxes, investment income, state liquor and wine store profits, and numerous court and business regulation fees. These fees and taxes are regulated by the Legislature. In addition to the State's tax system, counties, cities and towns have authority to levy and collect sales and use taxes and property taxes. School districts, some special service areas, and some local districts have the authority to levy and collect property taxes.

Individual Income Taxes. The State is one of 43 states that impose an individual income tax. Taxpayers' income for tax year 2022 is subject to a single rate of 4.85% of federal adjusted gross income. A tax credit based on federal deductions and a Utah personal exemption is available but phases out depending upon the taxpayer's income and filing status. For additional information regarding certain Fiscal Years income tax revenues see ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2023—Statistical Section—Schedule B-1, Revenue Base; Schedule B-3, Revenue Payers—Personal Income Tax; and Schedule B-4, Personal Income Tax Rates.

Business Taxes. A multi-state company's tax liability is determined by apportionment of federal taxable income by its payroll, property and sales values in the State compared to elsewhere. There are various types of apportionment that corporations are either legally bound to, or may choose, depending on industry type. In the State's 2022 General Session, the Legislature reduced the corporate income tax rate from 4.95% to 4.85%, subject to exceptions and credits with a minimum tax of \$100.

Sales and Use Tax. In general, State sales taxes are imposed based on retail sales or use of tangible personal property, admissions, meals, utility services, general services on tangible personal property, hotel and motel accommodations, and certain other items. Use tax also applies to goods shipped to the State for use, storage, or other consumption, goods purchased outside of the State for use, storage, or other consumption in the State, and services subject to tax but performed outside the State for use, storage, or other consumption in the State. The State sales and use tax rate on grocery items is 3.00% (when including the 1.25% local option), residential fuels rate is \$0.319 per gallon (effective January 1, 2022) and the general sales tax rate is 4.85%.

The State requires its largest sales taxpayers (with annual liabilities of more than \$50,000) to pay on a monthly basis. All others remit the sales tax collected on a quarterly or annual basis. Monthly sales taxpayers receive a 1.31% discount on State and local sales taxes collected. This requirement has served to reduce the volatility of the State's cash flows, with over 90% of sales and use taxes now remitted on a monthly basis. For additional information regarding sales tax information, see ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE

Additional Taxes and Fees. The State collects a number of additional significant taxes and fees, including, but not limited to: an unemployment compensation tax, which is used to finance benefits paid to unemployed workers; a workers’ compensation insurance premium tax, which is used to pay workers’ compensation benefits; and various highway users’ taxes, which are used for highway and road related purposes. Other taxes and fees collected by the State include excise taxes on cable/satellite, insurance premiums, severance taxes, a cigarette and tobacco tax, an environmental surcharge, a waste tire fee, and fish and game license fees. Other State revenue sources include profits from state liquor and wine stores, court and license fees and other fees collected by colleges, universities and State departments. For additional information regarding tax collection results and forecasts for Fiscal Years 2022 and 2023 tax collections, see State Revenues and Collections.

Contingent Liabilities and Tax Credits

The State has made commitments and has incurred contingent liabilities and commitments, including tax credits, cash rebates, grants and other obligations. Certain of these could require significant payments by the State. For an in depth discussion, see ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2023—Notes to the Financial Statements—Note 15 Tax Abatements and Note 16. Litigation, Contingencies, and Commitments.

Federal Funding Cuts

Pursuant to the Budget Control Act of 2011 (the “BCA”), cuts to federal programs necessary to reduce federal spending to levels specified in the BCA (known as “sequestration”) were ordered in federal fiscal years ending September 30, 2013, through 2021 and were subsequently extended through September 30, 2030. These reductions include cuts to the subsidy payments to be made to issuers of Build America Bonds (“BABs”) and various other federal expenditures.

The State anticipates that any future reductions of subsidy payments with respect to the State’s and the Authority’s \$337,525,000 in outstanding BABs (the State’s \$268,760,000 of general obligation bonds and the Authority’s \$68,765,000 of lease revenue bonds) or reductions in other federal grants because of sequestration would have no material impact on their operations or financial position. The State cannot predict whether Congress will act to avoid or extend sequestration in the future.

Investment Of Funds

Investment of Operating Funds; The State Money Management Act. The State Money Management Act, Title 51, Chapter 7, Utah Code (the “MM Act”) governs the investment of all public funds held by public treasurers in the State. The State is currently complying with all of the provisions of the MM Act for all State operating funds.

The Utah Public Treasurers’ Investment Fund. A significant portion of State funds are invested in the Utah Public Treasurers Investment Fund (“PTIF”). The PTIF is a local government investment fund established in 1981 and managed by the State Treasurer. The PTIF invests to ensure safety of principal, liquidity and a competitive rate of return. All moneys transferred to the PTIF are promptly invested in securities authorized by the MM Act. Safekeeping and audit controls for all investments owned by the PTIF must comply with the MM Act. See ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2023—Notes to the Financial Statements—Note 3. Deposits and Investments, and Note 4. Investment Pool.

State Revenues and Collections

The State receives revenues from three principal sources: taxes, including sales and use, individual income, business, motor and special fuel, and other miscellaneous taxes; federal grants-in-aid; and miscellaneous charges and receipts, including licenses, permits and fees, profits from state liquor stores, the State’s share of mineral royalties, bonuses on federal land, and other miscellaneous revenues. The following financial summaries have been extracted from the State’s ACFR.

State Revenues ¹										
Fiscal Year Ended June 30 (<i>dollars in thousands</i>)										
	2023	% ²	2022	% ²	2021	% ²	2020	% ²	2019	% ²
Taxes	\$ 13,010,005	56.2	\$ 13,088,081	57.8	\$ 10,708,868	56.3	\$ 9,155,600	58.8	\$ 8,596,915	60.7
Federal contracts and grants...	7,273,641	31.4	7,366,055	32.5	6,223,486	32.7	4,648,234	29.9	3,973,026	28.0
All other misc. revenues	2,880,663	12.4	2,186,836	9.7	2,092,887	11.0	1,751,558	11.3	1,597,761	11.3
Total all funds	<u>\$ 23,164,309</u>	<u>100.0</u>	<u>\$ 22,640,972</u>	<u>100.0</u>	<u>\$ 19,025,241</u>	<u>100.0</u>	<u>\$ 15,555,392</u>	<u>100.0</u>	<u>\$ 14,167,702</u>	<u>100.0</u>

(1) Includes all governmental fund types except Trust Lands.
 (2) Percentage of total Governmental Fund Revenue.

Source: Office of State Treasurer

The following summary tables which have been prepared by the State Treasurer’s Office have been extracted from the State’s audited ACFR, but the summaries themselves have not been audited. Those prepared by the Governor’s Office of Planning and Budget and the Office of the Legislative Fiscal Analyst have not have been independently audited.

Revenues by Source
All Governmental Fund Types ¹
 Fiscal Year Ended June 30 *(in thousands)*

	2023	2022	2021	2020	2019
Taxes:					
Sales and Use Tax	\$ 4,417,953	\$ 4,201,118	\$ 3,569,706	\$ 3,068,002	\$ 2,805,618
Individual Income Tax	6,510,385	6,814,382	5,451,297	4,758,082	4,336,437
Corporate Tax	894,682	960,035	687,791	405,632	534,977
Motor and Special Fuels Tax	608,170	577,407	560,763	498,402	521,199
Other Taxes	578,815	535,139	439,311	425,482	398,684
Total Taxes	<u>13,010,005</u>	<u>13,088,081</u>	<u>10,708,868</u>	<u>9,155,600</u>	<u>8,596,915</u>
Other Revenues:					
Federal Contracts and Grants ²	7,273,641	7,366,055	6,223,486	4,648,234	3,973,026
Charges for Services/Royalties	1,280,498	1,161,139	1,070,764	818,178	730,033
Licenses, Permits, and Fees	262,371	246,782	237,702	225,258	219,972
Federal Mineral Lease	137,559	75,616	49,039	58,606	77,607
Intergovernmental	—	—	—	8,057	16,029
Investment Income	492,119	(59,331)	88,567	81,321	120,387
Miscellaneous and Other	708,116	762,630	646,815	560,138	433,733
Total Other Revenues	<u>10,154,304</u>	<u>9,552,891</u>	<u>8,316,373</u>	<u>6,399,792</u>	<u>5,570,787</u>
Total Revenues	<u>\$ 23,164,309</u>	<u>\$ 22,640,972</u>	<u>\$ 19,025,241</u>	<u>\$ 15,555,392</u>	<u>\$ 14,167,702</u>

- (1) Includes all governmental fund types, except Trust Lands.
- (2) In fiscal year 2023 federal contracts and grants decreased primarily due a decrease in one time federal funding from ARPA of 2021 of \$332.774 million received in fiscal year 2022 and an increase of \$217 million in COVID-19 funding to different state programs. In fiscal year 2022 federal contracts and grants increased primarily due to an increase in federal funding for Medicaid and COVID-19 relief funding from American Rescue Plan Act (ARPA) of 2021. The major contributors of this increase are the General Fund with an increase of \$827.773 million or 16.17 percent and the Income Tax Fund increased of \$337.286 million or 53.03 percent. In fiscal year 2021 federal contracts and grants increased primarily due to an increase in federal funding for Medicaid and homeless programs and COVID-19 relief funding from the CARES Act, American Rescue Plan Act (ARPA) and Federal Emergency Management Agency.

Sources: Office of State Treasurer

The following table represents revenue collections for the last five fiscal years. The table also provides estimates, on a cash basis, of revenue collections for fiscal years 2024 and 2025.

Fiscal Year Revenue Collections

	Nominal Revenue (dollars in millions)							Annual Percentage Change					
	2025 (f)	2024 (r)	2023	2022	2021	2020	2019	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20
Sales and use tax	\$3,410.7	\$3,328.5	\$3,262.8	\$3,098.5	\$2,625.3	\$2,265.3	\$ 2,116.3	2.5	2.0	5.3	18.0	15.9	7.0
Earmarked sales and use tax	1,246.5	1,216.3	1,194.7	1,088.3	929.3	815.0	690.6	2.5	1.8	9.8	17.1	14.0	18.0
Total sales and use tax	4,657.3	4,544.8	4,457.5	4,186.8	3,554.6	3,080.3	2,806.9	2.5	2.0	6.5	17.8	15.4	9.7
Cable/satellite excise tax	22.7	23.0	24.0	27.6	26.7	28.4	28.2	(1.2)	(4.4)	(13.1)	3.4	(5.9)	0.5
Liquor profits	141.7	138.3	136.3	134.7	123.7	121.7	118.1	2.5	1.5	1.2	8.9	1.6	3.1
Insurance premiums	211.7	203.4	192.1	179.8	157.4	142.2	136.6	4.1	5.9	6.9	14.2	10.7	4.1
Beer, cigarette and tobacco	88.6	90.9	93.9	99.5	103.1	108.5	106.0	(2.6)	(3.1)	(5.7)	(3.5)	(5.0)	2.3
Oil and gas severance tax	39.2	38.4	53.1	40.3	11.4	19.5	14.5	2.0	(27.7)	31.7	252.9	(41.5)	34.8
Metal severance tax	7.5	7.0	6.6	8.6	10.0	10.8	10.0	6.2	6.3	(23.6)	(13.9)	(6.8)	7.2
Investment income	225.3	277.3	225.2	22.9	10.3	30.5	34.8	(18.7)	23.1	882.0	123.3	(66.3)	(12.4)
General Fund (other)	105.4	103.0	109.9	113.3	109.7	108.0	75.4	2.3	(6.3)	(3.0)	3.3	1.5	43.2
Property and energy credit	(6.9)	(6.8)	(6.5)	(5.8)	(6.0)	(5.9)	(5.8)	1.3	4.0	12.0	(2.2)	2.0	0.8
Total General Fund	4,245.9	4,203.0	4,097.3	3,719.4	3,171.6	2,829.0	2,634.2	1.0	2.6	10.2	17.3	12.1	7.4
Total General Fund and earmarks	5,492.4	5,419.3	5,292.1	4,807.7	4,100.9	3,644.0	3,324.8	1.3	2.4	10.1	17.2	12.5	9.6
Individual income tax	6,438.1	6,204.4	6,432.1	6,771.9	6,110.5	3,985.4	4,320.0	3.8	(3.5)	(5.0)	10.8	53.3	(7.7)
Corporate taxes	801.4	828.1	869.9	937.0	742.7	355.9	520.9	(3.2)	(4.8)	(7.2)	26.2	108.7	(31.7)
Mineral production withholding	61.8	60.1	64.8	40.2	16.2	26.0	28.8	2.9	(7.4)	61.1	149.1	(38.0)	(9.5)
Income Tax Fund (other)	73.2	74.2	42.9	55.8	26.3	48.0	39.0	(1.3)	72.9	(23.1)	111.9	(45.2)	23.1
Total Income Tax Fund	7,374.6	7,166.7	7,409.8	7,805.0	6,895.7	4,415.4	4,908.7	2.9	(3.3)	(5.1)	13.2	56.2	(10.1)
Total General Fund and Income Tax Fund	11,620.5	11,369.7	11,507.2	11,524.4	10,067.3	7,244.4	7,543.0	2.2	(1.2)	(0.1)	14.5	39.0	(4.0)
Total General Fund and Income Tax Fund and earmarks	12,867.0	12,586.0	12,701.9	12,612.7	10,996.6	8,059.4	8,233.6	2.2	(0.9)	0.7	14.7	36.4	(2.1)
Motor fuel tax	480.3	453.5	422.8	399.3	379.5	351.0	371.6	5.9	7.3	5.9	5.2	8.1	(5.5)
Special fuel tax	206.4	195.3	182.0	173.9	172.0	153.4	142.3	5.7	7.3	4.7	1.1	12.1	7.8
Other	187.7	172.9	148.5	121.4	114.5	109.6	106.0	8.5	16.4	22.3	6.0	4.5	3.4
Total Transportation Fund	874.3	821.7	753.4	694.6	665.9	614.0	619.9	6.4	9.1	8.5	4.3	8.5	(1.0)
Mineral lease payments	112.9	106.5	140.8	77.8	50.5	60.2	79.5	6.0	(24.4)	81.0	54.2	(16.1)	(24.3)
Totals	12,607.6	12,297.8	12,401.4	12,296.8	10,783.8	7,918.5	8,242.4	2.5	(0.8)	0.9	14.0	36.2	(3.9)
Totals and earmarks	13,854.2	13,514.2	13,596.1	13,385.1	11,713.1	8,733.5	8,933.0	2.5	(0.6)	1.6	14.3	34.1	(2.2)

(f) forecast; (r) revised

Source: Governor's Office of Planning and Budget

The following table summarizes revenues, expenditures and fund balances for the General Fund as reported in the State’s audited financial statements by fiscal year. This information has been extracted from the State’s audited financials statements for the last five fiscal years, however, the summaries have not been audited.

Revenues, Expenditures, and Fund Balances – General Fund
Fiscal Year Ended June 30 (dollars in thousands)

	2023	2022	2021	2020	2019
Revenues:					
Federal Contracts and Grants ¹	\$ 5,830,034	\$ 5,945,597	\$ 5,117,824	\$ 3,652,812	\$ 3,103,195
Sales and Use Tax	3,377,229	3,207,116	2,711,382	2,302,910	2,147,235
Charges for Services	632,535	607,031	552,524	537,191	501,910
Other Taxes	463,726	446,509	385,635	364,794	342,048
Miscellaneous and Other	486,627	496,536	430,007	343,952	268,298
Federal Mineral Lease	137,559	75,616	49,039	58,606	77,607
Licenses, Permits, and Fees	25,119	24,367	25,635	25,659	25,664
Investment Income	286,414	(4,304)	27,415	35,148	43,630
Total Revenues	<u>\$ 11,239,243</u>	<u>\$ 10,798,468</u>	<u>\$ 9,299,461</u>	<u>\$ 7,321,072</u>	<u>\$ 6,509,587</u>
% change over previous year	4.1%	16.1%	27.0%	12.5%	3.7%
Expenditures	<u>\$ 11,769,561</u>	<u>\$ 10,729,051</u>	<u>\$ 9,647,977</u>	<u>\$ 8,079,513</u>	<u>\$ 7,386,308</u>
% change over previous year	9.7%	11.2%	19.4%	9.4%	6.5%
Fund Balance: ²					
Nonspendable:					
Long-term Portion of Interfund Loans	\$ 18,150	\$ 5,703	\$ 6,272	\$ 9,388	\$ 12,063
Prepaid Items ³	163,936	38,683	209,933	183,074	7,625
Inventories ⁴	43,581	48,212	43,823	27,564	421
Restricted	363,660	117,384	85,032	69,366	43,241
Committed	1,835,230	1,692,944	1,181,796	855,925	835,171
Assigned	1,451,406	1,359,364	607,794	294,255	339,999
Unassigned	69,264	130,243	109,774	14,456	—
Total Fund Balances	<u>\$ 3,945,227</u>	<u>\$ 3,392,533</u>	<u>\$ 2,244,424</u>	<u>\$ 1,454,028</u>	<u>\$ 1,238,520</u>
% change over previous year	16.3%	51.2%	54.4%	17.4%	17.4%

- (1) In fiscal year 2023 federal contracts and grants decreased primarily due a decrease in one time federal funding from ARPA of 2021 of \$332.774 million received in fiscal year 2022 and an increase of \$217 million in COVID-19 funding to different state programs. In fiscal year 2022 federal contracts and grants increased primarily due to an increase in federal funding for Medicaid and COVID-19 relief funding from American Rescue Plan Act (ARPA) of 2021. The major contributors of this increase are the General Fund with an increase of \$827.773 million or 16.17 percent and the Income Tax Fund increased of \$337.286 million or 53.03 percent. In fiscal year 2021 federal contracts and grants increased primarily due to an increase in federal funding for Medicaid and homeless programs and COVID-19 relief funding from the CARES Act, American Rescue Plan Act (ARPA) and Federal Emergency Management Agency.
- (2) The Fund Balance is derived from revenues, expenditures, transfers, and other financing sources and uses, which are not presented in this table, and the beginning fund balance from the prior fiscal year.
- (3) In fiscal year 2023 prepaid items increased primarily due to a \$140.790 million increase in prepaid items related to the timing of Medicaid Provider Payments being disbursed. In fiscal year 2022 prepaid items decreased due to the decline in special relief funding. Prepaid Items increased in fiscal year 2021 by \$26.859 million related to advance payment of COVID-19 funds for software costs for distance learning. In fiscal year 2020 increased due to \$122.417 million in Accountable Care Organization payments required in advance for the Medicaid Program and \$41.076 million in monies received from the CARES Act which were advanced to local governments.
- (4) Inventories increased in fiscal year 2021 by \$16.259 million related to the purchase of personal protective equipment in response to the COVID-19 pandemic.

Sources: Office of State Treasurer; Department of Government Operations, Division of Finance; and the 2023 ACFR

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Fund Balances

The following tables summarize the combined changes in fund balances and the fund balances for all governmental fund types reported in the State's audited financial statements by fiscal year. The information was extracted from the State's audited financial statements for the fiscal years 2019 through 2023, however the following summaries have not been audited.

Fund Balances – All Governmental Fund Types ¹ As of June 30 (in thousands)

	2023	2022	2021	2020	2019
General	\$ 3,945,227	\$ 3,392,533	\$ 2,244,424	\$ 1,454,028	\$ 1,238,520
Special Revenue:					
Income Tax	3,763,665	3,698,729	2,435,735	1,919,739	1,203,696
Transportation	706,596	586,906	503,487	487,323	511,606
State Endowment	376,772	304,860	314,574	260,080	245,153
Rural Development	31,340	26,163	22,249	24,179	23,498
Medicaid Expansion ²	297,978	197,844	158,920	109,317	—
Environmental Reclamation	53,384	53,523	47,678	49,320	15,082
Miscellaneous Special Revenue	209,866	134,239	94,528	50,375	108,795
Consumer Education ³	—	—	5,277	4,728	5,029
Crime Victim Reparation ³	—	—	8,112	7,021	5,936
Universal Telephone Services	12,178	15,848	16,812	11,480	5,566
State Capitol ⁴	—	—	—	—	1,555
Capital Projects:					
Transportation Investment	2,860,148	1,714,449	688,839	957,985	670,295
General Government	1,043,593	643,538	616,363	542,938	593,206
State Building Ownership Authority	1,989	1,989	5,148	5,265	6,029
Debt Service:					
General Government ⁵	230,099	20,675	20,333	19,020	14,209
State Building Ownership Authority	8,738	8,560	5,951	6,028	6,332
Total	<u>\$ 13,541,573</u>	<u>\$ 10,799,856</u>	<u>\$ 7,188,430</u>	<u>\$ 5,908,826</u>	<u>\$ 4,654,507</u>

- (1) Includes all governmental fund types, except Trust Lands. Fund balances as reported above have not been restated for any prior year adjustments.
- (2) Medicaid Expansion fund balance was reported individually for the first time in fiscal year 2020. In fiscal year 2019, the fund balance had been reported in aggregate within Miscellaneous Special Revenue at \$62.7 million.
- (3) Beginning fiscal year 2022, Consumer Education and Crime Victim Reparation were aggregated within Miscellaneous Special Revenue Fund Balance.
- (4) Beginning fiscal year 2020, State Capitol Fund Balances were aggregated within the Miscellaneous Special Revenue Fund Balance.
- (5) In fiscal year 2023 debt service fund balance increased due to additional appropriations. HB002 increased the fund balance by \$310 million and HB003 decreased the fund balance by \$100 million for a net change of \$210 million.

Sources: Office of State Treasurer; Department of Government Operations, Division of Finance; and the 2023 ACFR

Summary of Changes in Fund Balance – All Governmental Fund Types ¹ Fiscal Year Ended June 30 (dollars in thousands)

	2023	2022	2021	2020	2019
Revenues	\$ 23,164,309	\$ 22,640,972	\$ 19,025,241	\$ 15,555,392	\$ 14,167,702
% change over previous year	2.3%	19.0%	22.3%	9.8%	5.8%
Expenditures	(20,626,142)	(19,259,089)	(18,017,106)	(15,635,751)	(13,930,957)
% change over previous year	7.1%	6.9%	15.2%	12.2%	4.6%
Net other financing sources (uses) ²	140,420	181,894	269,956	1,334,678	377,896
Adjustment to beginning fund balance ³	63,130	47,649	1,513	—	—
Net change in Fund Balance	<u>\$ 2,741,717</u>	<u>\$ 3,611,426</u>	<u>\$ 1,279,604</u>	<u>\$ 1,254,319</u>	<u>\$ 614,641</u>

- (1) Includes all governmental fund types, except Trust Lands.
- (2) Includes sale of capital assets, bond proceeds, net of any refunding issues, plus financing provided from capital leasing and net fund transfers. In addition, beginning balances are not reflected in this table.
- (3) In fiscal year 2023 the State added a new blended component unit that resulted in an increase in the beginning fund balance of \$63.710 million. The State also made a prior period adjustment related to the closing of the 2010C water bonds that resulted in a decrease of \$580 thousand. The fiscal year 2022 evaluation of GASB Statement No. 84, *Fiduciary Activities* (GASB 84) resulted in the recognition of \$47.357 million of funding maintained in the State controlled escrow accounts to the General Fund and a miscellaneous adjustment for non-major governmental funds of \$292 thousand for a total of \$47.649 million. During fiscal year 2021 GASB 84's implementation resulted in the restatement of beginning net position General Fund of \$367 thousand and Miscellaneous Special Revenue Fund of \$1.146 million.

Sources: Department of Government Operations, Division of Finance and the 2023 ACFR

Expenditures and Appropriations

The following table summarizes expenditures by function for all government fund types as reported in the State's audited financial statements by fiscal year. This information has been extracted from the State's audited financials statements for the last five fiscal years, however, the summaries have not been audited.

Expenditures by Function – All Governmental Fund Types ¹ Fiscal Year Ended June 30 (in thousands)

Function	2023	2022	2021	2020	2019
Public Education	\$ 5,577,981	\$ 5,249,375	\$ 4,829,615	\$ 4,409,279	\$ 4,140,263
Environmental Quality ²	83,608	4,771,546	4,048,719	3,427,211	2,997,039
Transportation	1,238,165	1,131,668	1,206,786	1,166,194	996,728
Higher Education (Colleges and Universities)	1,517,586	1,319,456	1,267,376	1,105,108	1,098,237
Employment and Family Services	1,567,466	1,385,699	1,067,848	778,046	755,613
Health and Human Services ²	6,158,813	1,107,034	1,023,128	984,607	919,227
Debt Service	454,036	464,627	440,050	471,915	364,366
Capital Outlay	925,911	1,117,262	1,394,526	1,286,659	847,541
General Government	1,184,952	1,091,477	1,197,643	589,499	478,438
Public Safety	516,054	458,918	363,518	341,668	340,210
Corrections	430,889	377,325	341,174	337,885	328,586
Natural Resources	398,983	297,321	274,500	272,994	251,545
Courts	198,450	176,715	162,466	165,465	165,369
Business, Labor, and Agriculture	164,679	136,921	149,968	132,022	119,491
Higher Education - State Administration	133,320	114,235	182,070	125,335	96,323
Cultural and Community Engagement ³	75,249	59,510	67,719	41,864	31,981
Total Expenditures	<u>\$20,626,142</u>	<u>\$19,259,089</u>	<u>\$18,017,106</u>	<u>\$15,635,751</u>	<u>\$13,930,957</u>

- (1) Includes all governmental fund types, except Trust Lands.
- (2) 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.
- (3) In fiscal year 2022, Legislative action renamed the Department of Heritage and Arts to the Department of Cultural and Community Engagement

Sources: Office of State Treasurer; Department of Government Operations; Division of Finance; and the 2023 ACFR

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The following table represents legislative appropriations for fiscal years 2023 and 2024, extracted from the *Budget of the State of Utah and Related Appropriations*, a report produced annually by the Office of the Legislative Fiscal Analyst.

All Appropriations - Fiscal Years 2023 and 2024
(dollars in thousands)

	Fiscal Year 2023				Fiscal Year 2024	
	Appropriated	Supplemental	Revised	% Change	Appropriated	% Change
Sources of Finance						
Beginning Balance	\$ 4,677,301	\$ 2,264,086	\$ 6,941,387	48.4	\$ 5,902,448	(15.0)
Federal Funds	7,571,472	1,090,632	8,662,104	14.4	8,142,813	(6.0)
Federal Funds - CARES Act	949	168,371	169,319	17751.3	26,333	(84.4)
Federal Funds - ARPA	151,014	—	151,014	—	170,000	12.6
Income Tax Fund	1,865,032	—	1,865,032	—	2,209,027	18.4
Income Tax Fund, One-time	1,195,834	433,792	1,629,626	36.3	2,158,142	32.4
Income Tax Fund Restricted	—	—	—	—	878	—
Internal Service Funds	—	2,013	2,013	—	113	(94.4)
General Fund	3,342,149	—	3,342,149	—	4,010,875	20.0
General Fund, One-time	1,083,697	(378,703)	704,994	(34.9)	1,424,457	102.1
Dedicated Credits	2,879,678	277,478	3,157,157	9.6	3,047,625	(3.5)
Other Financing Sources	753,737	41,373	795,110	5.5	758,846	(4.6)
Capital Project Funds	505,780	14	505,793	—	448,163	(11.4)
Transfers	807,778	121,649	929,427	15.1	834,532	(10.2)
Transportation Fund	777,218	—	777,218	—	812,793	4.6
Transportation Fund, One-time	2,971	19,267	22,238	648.5	36,880	65.8
Other Trust and Agency Funds	483,659	(47,396)	436,263	(9.8)	496,337	13.8
General Fund Restricted	551,741	146,706	698,447	26.6	953,330	36.5
Enterprise Funds	242,262	1,535	243,797	0.6	232,849	(4.5)
Education Special Revenue	738,232	1,500	739,732	0.2	967,081	30.7
Local Education Revenue	1,445,440	126,000	1,571,440	8.7	1,660,647	5.7
Special Revenue	289,547	(43,370)	246,177	(15.0)	294,052	19.4
Federal Mineral Lease	61,245	635	61,880	1.0	62,080	0.3
Transportation Special Revenue	63,084	8,194	71,278	13.0	63,956	(10.3)
Transportation Fund Restricted	366	—	366	—	366	—
Transportation Investment Fund	1,583,554	(7,216)	1,576,338	(0.5)	1,542,705	(2.1)
Uniform School Fund	4,122,192	—	4,122,192	—	4,893,121	18.7
Uniform School Fund, One-time	15,346	2,597	17,943	16.9	(96,155)	(635.9)
Pass-through	2,788	(63)	2,725	(2.3)	5,744	110.8
Private Purpose Trust Funds	4,745	12	4,757	0.2	5,167	8.6
Lapsing Balance	(1,757)	(3,359)	(5,116)	191.2	(1,695)	(66.9)
Closing Balance	(4,278,136)	(1,757,164)	(6,035,301)	41.1	(4,724,915)	(21.7)
Total	<u>\$ 30,938,913</u>	<u>\$ 2,468,581</u>	<u>\$ 33,407,494</u>	8.0	<u>\$ 36,340,290</u>	8.8
Appropriation Categories						
Operating and Capital Budgets	\$ 25,993,550	\$ 2,136,363	\$ 28,129,913	8.2	\$ 29,410,428	4.6
Capital Project Funds	2,638,494	132,854	2,771,348	5.0	3,535,026	27.6
Enterprise/Loan Funds	534,994	(5,933)	529,061	(1.1)	756,758	43.0
Internal Service Funds	414,429	52,583	467,012	12.7	499,907	7.0
Fiduciary Funds	226,219	(563)	225,656	(0.2)	389,316	72.5
Transfers to Restricted Funds/Accounts	1,121,908	130,025	1,251,932	11.6	1,607,245	28.4
Transfers to Unrestricted Funds	9,320	23,252	32,572	249.5	139,917	329.6
Total	<u>\$ 30,938,913</u>	<u>\$ 2,468,581</u>	<u>\$ 33,407,494</u>	8.0	<u>\$ 36,338,596</u>	8.8

Source: Office of the Legislative Fiscal Analyst, *Budget of the State of Utah and Related Appropriations*

Statutory Spending Limitations

Under the State Appropriations and Tax Limitation Act the State has statutory appropriation limits. The appropriations limit adjusts annually pursuant to a statutory formula based on population and inflation. The definition of appropriations includes unrestricted capital and operating appropriations from unrestricted General Fund and Income Tax Fund sources. Spending for public education in addition to spending for transportation is exempt from the limitation.

Capital Expenditure Authorizations

The following table presents historical data on capital expenditures in the year authorized from all sources, excluding bond proceeds and other available funds. Included in these figures are capital outlay expenses and authorizations for the construction of new buildings and the improvement of existing buildings. These figures also include expenditures for the construction of buildings for higher education, water development or storage projects, flood control projects, the construction or improvement of roads and related transportation projects, State and some local recreation projects and local projects in energy-impacted areas funded with community impact moneys. These figures exclude debt service.

Capital Expenditure Authorizations (in millions)

Fiscal Year				
2024	2023	2022	2021	2020
\$3,860.1	\$3,400.1	\$3,726.8	\$2,154.0	\$1,816.2

Source: Governor's Office of Planning and Budget

Budget Reserve Accounts

The State maintains a General Fund Budget Reserve Account and an Income Tax Fund Budget Reserve Account. State law requires that 25% of any General Fund revenue surplus be deposited in the General Fund Budget Reserve Account not to exceed 9% of the General Fund appropriations for the fiscal year and 25% of any Income Tax Fund revenue surplus be deposited in the Income Tax Fund Budget Reserve Account not to exceed 11% of the Income Tax Fund appropriations for the fiscal year, in each case up to the statutory limit. Unless such reserve funds are drawn upon for their respective purposes, annual mandatory surplus transfers will be limited to the lesser of 25% of the applicable surplus or the amount necessary to reach the statutory limit of 9% for the General Fund and 11% for the Income Tax Fund. Subject to the automatic transfer limits specified above, an additional 25% of a revenue surplus may be allocated if funds have been drawn upon and not repaid.

The State has also established a Medicaid Growth Reduction and Budget Stabilization Account. If at the end of a fiscal year, there is a General Fund revenue surplus and Medicaid growth remains below specified levels, State law requires that a portion of any General Fund revenue surplus be transferred from the General Fund to the Medicaid Growth Reduction and Budget Stabilization Account. This transfer is before, and consequently reduces, the annual mandatory year-end surplus transfer to the General Fund Budget Reserve Account.

The State has also created a Public Education Economic Stabilization Restricted Account to set aside funds to manage public education enrollment growth. In addition, the State maintains budget reserves for natural disasters through the Wildland Fire Suppression and Disaster Recovery accounts.

As of December 31, 2023 the balance in the General Fund Budget Reserve Account was \$330 million; the balance in the Income Tax Fund Budget Reserve Account was \$856 million; the balance in the Public Education Economic Stabilization Restricted Account was \$1.749 million; the balance in the Medicaid Growth Reduction and Budget Stabilization Account was \$114 million, and the combined balance in the Wildland Fire Suppression and Disaster Recovery accounts was \$161 million.

State Employee Workforce and Public Retirement Systems

State Employee Workforce. The State is among the largest employers in the State employing 21,167 people (full-time equivalents) in Fiscal Year 2023. For a 10-year history of the State's employment numbers see [ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2023-Statistical Section-Schedule E-1 Full-time Equivalent State Employees by Function](#).

Public Retirement Systems. All full-time employees of the State are members of the Utah Retirement Systems ("URS") and the State participates in various contribution systems and pension plans provided by URS. URS has separate accounting systems and prepares a separate financial report covering all retirement systems and deferred compensation plans it administers. The pension plans administered by URS, and reported by URS in their 2022 calendar year ACFR, are reported as pension trust funds in the State's 2023 ACFR. See [ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2023-Fiduciary Fund Financial Statements](#). Copies of URS's CAFR for Calendar Year 2022 may be found at <https://www.urs.org/general/publications>.

For fiscal year 2023, the State reported the following liability and related transactions equal to its proportionate share of the collective net pension liability of URS (measured as of December 31, 2022) \$858.357 thousand in net pension assets, \$439.203 million in deferred outflows of resources, \$653.454 million in net pension liability and \$9.054 million in deferred inflows of resources for the primary

government. For Fiscal Year 2023, the State contributed approximately \$282.582 million to URS, which was 100 percent of its contractually and statutorily required contributions.

Investment Returns. The following table displays the investment returns for the previous 10 Calendar Years (dollars in thousands).

	Total Investment Portfolio Fair Value	Smoothed Expected Rate of Return ¹	Fair Value Rate of Return ²	Actuarial Assumed Interest Rate ³	Money Weighted Rate of Return ⁴
2022	\$42,425,000	7.91%	(5.04)%	6.85%	(5.23)%
2021	45,538,000	11.52	17.46	6.85	17.28
2020	39,308,000	9.58	12.96	6.95	12.64
2019	35,612,000	7.08	14.45	6.95	13.80
2018	31,376,000	5.99	(0.22)	6.95	(0.38)
2017	32,125,000	8.32	13.57	6.95	13.38
2016	29,017,000	8.06	8.79	7.20	8.73
2015	27,086,000	7.84	1.92	7.50	2.02
2014	26,955,000	10.20	7.52	7.50	7.94
2013	25,765,000	11.03	14.89	7.50	14.55

- (1) Smoothed Expected Rate of Return consists of investment income in excess or shortfall of the expected actuarial assumed interest rate on fair value smoothed over a 5-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year.
- (2) Fair Value Rate of Return consists of cash income plus gains and losses due to changes in fair value, whether realized or unrealized (before deduction of investment fees). (For 2022, (5.20)% net of fees.)
- (3) Actuarial Assumed Interest Rate is the assumed rate of return on the fair value of assets, and is used in establishing retirement contribution rates and in determining current benefit reserve requirements.
- (4) Money Weighted Rate of Return is calculated as the internal rate of return on pension plan investments, net of investment expenses.

Source: URS December 31, 2022 ACFR

Funding Ratios. The funding progress for all retirement funds in URS with funding ratios for the last 10 Calendar Years is shown in the following schedule (dollars in billions).

	Actuarial Value of Assets	Accrued Actuarial Liability	Funding Ratios
2022	\$42.8	\$44.8	96%
2021	40.2	42.8	94
2020	36.6	40.4	91
2019	34.0	38.4	89
2018	32.2	36.7	88
2017	30.9	35.3	88
2016	28.9	33.2	87
2015	27.1	31.2	87
2014	25.5	30.0	85
2013	23.4	29.2	80

Source: URS December 31, 2022 ACFR

As of December 31, 2022, URS pension plans' fiduciary net position as a percent of the total pension liability is 94 percent. For a detailed discussion regarding retirement benefits and contributions, information regarding the Fiduciary Net Position, the Total Pension Liability, and the Net Pension Liability or Asset of the URS systems providing benefits to employees of the State see [ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2023-Notes to the Financial Statements-Note 17. Pension Plans](#).

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. A separate Elected Official Other Postemployment Benefit Plan ("Elected Official OPEB Plan") is provided for governors and legislators, and is administered through the Elected Official Post-Retirement Benefits Trust Fund. Both trust funds are irrevocable and legally protected from creditors. Both plans are single-employer defined benefit healthcare plans and are closed plans available to only employees and elected officials that meet certain eligibility criteria.

For fiscal year 2023, the State reported a collective \$27.855 million in deferred outflows of resources, \$17.593 million in deferred inflows of resources and \$16.950 million in net OPEB assets for both Plans. For the State Employee OPEB Plan and the Elected Official OPEB Plan the fiduciary net position as a percentage of the total OPEB liability was 107.83% and 93.05%, respectively.

The State Legislature is contributing amounts to each OPEB trust fund that, at a minimum, is sufficient to fully fund the Actuarially Determined Contribution (“ADC”), an actuarially determined amount. For fiscal year 2023, the State contributed \$6.130 million to the State Employee OPEB Plan and \$1.249 million to the Elected Official OPEB Plan, which were \$11.361 million and \$826 thousand more than the ADC, respectively.

For additional detailed discussion of the State’s postemployment benefits see ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2023-Notes to the Financial Statements-Note 18. Other Postemployment Benefits.

Risk Management and Insurance; Cybersecurity

The State is a member of a risk pool where the State self-insures portions of certain property and liability claims and purchases commercial insurance for claims above the self-insured retention amounts. This is done through the Administrative Services Risk Management Fund. The fund is maintained via premiums charged to its members—State agencies, institutions of higher education, Utah school districts and charter schools.

The State is self-insured for liability claims up to \$2 million and beyond the excess insurance policy limit of \$10 million. The State is self-insured for individual property and casualty claims up to \$1 million and up to \$3.5 million in aggregate claims and beyond the excess insurance policy limit of \$1 billion per occurrence. The Risk Management Fund has not had a liability loss that exceeded the State’s self-insured claim limit of \$1 million for Fiscal Years 2016 through 2018. However, the Risk Management Fund had a liability loss of \$1.5 million that exceeded the State’s self-insured claim limit of \$1 million for Fiscal Year 2019. The Fund also experienced property losses that exceeded its \$1 million self-insured retention in the fiscal years ending June 30, 2021, 2022, and 2023.

As of June 30, 2023, the Administrative Services Risk Management Fund contained approximately \$71.636 million in reserve available to pay for claims incurred. For the financial statements of the risk management fund see ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2023—Supplementary Information—Internal Service Funds—Risk Management. Also see ANNUAL COMPREHENSIVE REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2023—Notes to the Financial Statements—Note 16. Litigation, Contingencies and Commitments; and —Note 19. Risk Management And Insurance.

Earthquake Insurance. The Utah Division of Risk Management (the “DRM”) annually procures excess property insurance with earthquake coverage for its Covered Members. The State is self-insured for property claims up to \$1 million per occurrence and with sub-limits of \$525 million for earthquake. Beginning fiscal year 2023, the State’s per occurrence deductible for earthquakes is 2% of the value of each damage structure subject to a minimum of \$5 million and a maximum of \$25 million. DRM procured a parametric earthquake policy from a private insurance company with limits of \$50 million and then this year DRM added a second parametric earthquake policy with limits of \$25 million; these policies overlap and cover up to \$75 million in the event of an earthquake. Payments under the parametric policy are based upon the severity and location of an earthquake, irrespective of actual property damage. As a result of a 2020 earthquake in the Salt Lake County, Utah area, the private insurance company tendered DRM the sum of \$963,750 which was applied against the \$1 million self-insurance retention, or deductible under the excess property policy.

Cybersecurity. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the State’s systems technology for the purpose of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage by cybersecurity incidents or cyberattacks, the state invests in multiple forms of cybersecurity and operational safeguards including: (i) \$14.4 million annual budget for security operations and security privacy and compliance; (ii) a Chief Information Security Officer reporting directly to the State’s Chief Information Officer; (iii) a security team of 22 employees; (iv) a self-assessment every two years in cooperation with the Department of Homeland Security using National Institute of Standards and Technology standards; (v) compliance audits regularly performed by the Internal Revenue Service, Federal Bureau of Investigation, Medicaid and Medicare, and the Office of the Inspector General; and (vi) a Cyber Center that provides a central location for multiple agencies to share intelligence and tactics, and respond to events in a coordinated fashion. In addition, the State has a \$10 million liability insurance policy regarding cybersecurity. In 2012, the State experienced a cybersecurity breach in the Utah Department of Health related to individual personal information on Medicaid data. The State does not believe this breach had a material impact on overall State finances.

Property Tax Matters

Ad Valorem Levy. Though authorized to do so under Part 9 of the Property Tax Act (defined below), the State does not presently levy ad valorem property taxes and has not done so since 1974. *However, if the State does not have sufficient moneys available to pay principal and interest on its general obligation bonds from sources other than ad valorem taxes, the State Tax Commission would be required to levy ad valorem property taxes on all taxable property in the State to cover the shortfall.*

Property Tax Act. The State Constitution and Title 59, Chapter 2, Utah Code (the “Property Tax Act”) provide that all taxable property is assessed and taxed at a uniform and equal rate on the basis of 100% of its “fair market value” as of January 1 of each year, unless otherwise provided by law. Section 3(2)(a)(iv) of Article XIII of the State Constitution provides that the Legislature may exempt from property tax up to 45% of the “fair market value” of residential property. The Legislature has enacted legislation that reduces the “fair market value” of primary

residential property by 45%. No more than one acre of land per residential unit may qualify for the residential exemption. The residential exemption is limited to one acre of land per residential unit or to one primary residence per household, except that an owner of multiple residential properties may exempt his or her primary resident and each residential property that is the primary residence of a tenant.

The following tables reflect the effect of the current 45% reduction from Fair Market Value for assessment of ad valorem property tax. The tables on the following page also shows the Centrally-Assessed Property compared with the Locally-Assessed Property.

Taxable Value Compared with Fair Market Value of All Taxable Property in the State
(dollars in thousands)

Tax Year	Taxable Value ¹	% Change over Prior Year	Fair Market Value	% Change over Prior Year
2022	\$ 489,511,659	29.2%	\$ 714,152,036	31.1%
2021	\$ 378,913,850	11.3%	\$ 544,941,047	12.4%
2020	\$ 340,575,858	7.9%	\$ 484,739,862	8.3%
2019	\$ 315,576,621	10.8%	\$ 447,545,072	11.2%
2018	\$ 284,817,133	9.9%	\$ 402,353,022	10.3%

(1) Includes all state-wide redevelopment agencies valuations. Does not include Uniform Fees (as defined below) or semi-conductor manufacturing equipment.

Source: Utah State Tax Commission, Property Tax Division

Uniform Fees. An annual statewide uniform fee is levied on certain tangible personal property in lieu of the ad valorem tax. Subject to certain exemptions, the current uniform fee on motor vehicles that weigh 12,001 pounds or more, recreational vehicles and all other tangible personal property required to be registered with the State is equal to 1.5% of the market value. Motor vehicles weighing 12,000 pounds or less are subject to an “age based” fee that is due each time the vehicle is registered. Such fees range from \$5 to \$150. Various other fees are levied against other types of tangible personal property. The revenues collected from the various uniform fees are distributed by the county of each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed.

Historical Summaries of Taxable Values of Property (dollars in thousands)

	2022		2021		2020		2019		2018	
	Taxable Value	% of Total	Taxable Value	% of Total	Taxable Value	% of Total	Taxable Value	% of Total	Taxable Value	% of Total
<i>Set by State Tax Commission</i>										
<i>(Centrally Assessed)</i>										
Natural Resources	\$ 9,407,777	1.9 %	\$ 9,062,078	2.4 %	\$ 8,408,505	2.5 %	\$ 9,778,940	3.1 %	\$ 9,408,602	3.3 %
Utilities	20,243,198	4.2	18,136,855	4.8	18,479,465	5.4	17,342,823	5.5	17,122,795	6.0
Total Centrally Assessed	29,650,975	6.1	27,198,933	7.2	26,887,970	7.9	27,121,763	8.6	26,531,397	9.3
<i>Set by County Assessor</i>										
<i>(Locally Assessed)</i>										
Real Property:										
Primary Residential	274,560,462	56.1	202,922,129	53.5	176,200,448	51.7	161,294,774	51.1	143,654,975	50.4
Commercial	95,100,467	19.4	79,863,422	21.1	74,931,533	22.0	69,264,564	22.0	63,154,638	22.2
Other Real	67,025,586	13.7	47,981,886	12.7	42,610,740	12.5	38,860,173	12.3	34,464,943	12.1
Total Real Property	436,686,515	89.2	330,767,437	87.3	293,742,721	86.2	269,419,511	85.4	241,274,556	84.7
Personal Property:										
Total Personal Property	23,174,169	4.7	20,947,480	5.5	19,945,167	5.9	19,035,346	6.0	17,011,179	6.0
Total Locally Assessed	459,860,684	93.9	351,714,917	92.8	313,687,888	92.1	288,454,857	91.4	258,285,735	90.7
Total Taxable Value	\$ 489,511,659	100.0%	\$ 378,913,850	100.0%	\$ 340,575,858	100.0%	\$ 315,576,621	100.0%	\$ 284,817,133	100.0 %

Source: Utah State Tax Commission, Property Tax Division

Financial Summaries

The following summaries were extracted from the State's audited financial statements for the fiscal years 2019 through 2023. The summaries themselves have not been audited. The financial information in the summaries is presented on a fund statement basis and not on a government-wide statement basis.

Five-year historical summaries have been prepared for the Combined Balance Sheets—All Governmental Fund Types Only; Summary of Revenues and Expenditures; Statement of Revenues, Expenditures, and Changes in Fund Balance—General Fund; and Statement of Revenues, Expenditures, and Changes in Fund Balance—Major Special Revenue Funds and Major Capital Projects Funds.

The five-year summary of Statement of Revenues, Expenditures, and Changes in Fund Balance—Major Special Revenue Funds and Major Capital Projects Funds has been included to show the State's sources of revenue for and expenditures on public education and transportation.

Combined Balance Sheet—All Governmental Fund Types Only ¹

As of June 30 (in thousands)

	2023	2022	2021	2020	2019
Assets:					
Cash and Investments ²	\$ 312,298	\$ 401,300	\$ 4,868,178	\$ 1,924,994	\$ 1,925,265
Pooled Cash and Investments ³	12,580,448	10,291,633	—	—	—
Investments ⁴	293,848	280,449	2,556,089	3,378,708	2,016,631
Receivables:					
Accrued Taxes, net ⁶	1,807,618	2,230,925	1,856,947	2,349,189	1,556,933
Accounts, net	1,432,981	1,317,742	906,400	864,566	825,168
Capital Lease Payments, net ⁷	—	—	58,455	57,630	86,350
Notes/Mortgages, net ⁷	75,815	73,791	17,584	23,233	12,245
Accrued Interest	2,588	4,848	87	6,658	1,222
Prepaid Items ⁸	164,936	39,485	210,502	183,603	8,062
Interfund Loans Receivable	33,354	17,403	20,523	24,891	31,417
Restricted Pooled Cash and Investments ⁵	32,277	28,632	—	—	—
Restricted Cash and Cash Equivalents ¹⁰	121,342	—	—	—	—
Due From Other Funds	142,939	130,682	91,261	88,348	80,106
Due From Component Units	75,396	123,640	55,412	38,849	76,422
Inventories	58,121	63,008	56,881	40,657	13,190
Other Assets	17,129	17,120	16,620	—	250
Total Assets	<u>\$ 17,151,090</u>	<u>\$ 15,020,658</u>	<u>\$ 10,714,939</u>	<u>\$ 8,981,326</u>	<u>\$ 6,633,011</u>
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 1,721,938	\$ 1,601,913	\$ 1,428,961	\$ 1,387,482	\$ 1,130,248
Unearned Revenue ⁹	861,815	1,107,589	1,110,167	924,797	88,831
Deposits	77,700	68,601	35,291	—	—
Due To Other Funds	143,908	163,573	88,850	80,582	82,259
Due To Other Governments	468	448	434	—	—
Due To Component Units	2,378	161	178	1,501	94
Total Liabilities	<u>2,808,207</u>	<u>2,942,285</u>	<u>2,663,881</u>	<u>2,394,362</u>	<u>1,301,432</u>
Deferred Inflows of Resources:					
Unavailable Revenue	801,310	1,278,517	862,628	678,138	677,322
Total Deferred Inflows of Resources	<u>801,310</u>	<u>1,278,517</u>	<u>862,628</u>	<u>678,138</u>	<u>677,322</u>
Fund Balance:					
Nonspendable:					
Long-term Portion of Interfund Loans Receivable	18,150	5,703	6,272	9,388	12,063
Prepaid Items ⁸	164,936	39,485	210,502	183,603	8,062
Inventories	58,121	63,008	56,881	40,657	13,190
Restricted	4,938,831	4,447,520	3,458,239	3,430,824	1,897,423
Committed	5,546,475	4,033,649	2,437,499	1,730,514	1,834,732
Assigned	2,745,796	2,080,248	909,263	499,384	889,037
Unassigned	69,264	130,243	109,774	14,456	—
Total Fund Balances	<u>13,541,573</u>	<u>10,799,856</u>	<u>7,188,430</u>	<u>5,908,826</u>	<u>4,654,507</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 17,151,090</u>	<u>\$ 15,020,658</u>	<u>\$ 10,714,939</u>	<u>\$ 8,981,326</u>	<u>\$ 6,633,261</u>

- (1) Includes all governmental fund types except Trust Lands.
- (2) Beginning fiscal year 2022 Cash and Cash Equivalents consists of overnight bank balances. Prior to fiscal year 2022 Cash and Cash Equivalents consists of overnight bank balances and the portion of the Public Treasurer's Investment Fund balances that were categorized as Cash and Cash Equivalents.
- (3) Beginning fiscal year 2022 Pooled Cash and Investments represents balances in the Public Treasurer's Investment Fund. Prior to fiscal year 2022 the balances in the Public Treasurer's Investment Fund were reported as a portion of Cash and Cash Equivalents and Investments on the balance sheet.
- (4) Beginning fiscal year 2022 Investments consists primarily of long term investments reported in the State Endowment Fund - Nonmajor Special Revenue Fund. Prior fiscal year 2022 Investments included long term investments and a portion of the Public Treasurer's Investment Fund balance that were categorized as Investments.
- (5) As a result of evaluating funds for compliance with GASB 84, Fiduciary Activities, the State determined that various State agencies had State controlled escrow account cash balances that were not recorded in the State's general ledger. These escrow accounts represent funds set aside for awarded grant and loans for unspent construction project costs.

- (6) In Fiscal year 2022 Accrued Taxes increased due receivables for taxpayer-assessed taxes where the exchange occurred in the period ending June 30, or prior. Accrued taxes increased in fiscal year 2020 as a result of a shift in individual and corporate income payments from April 2020 to July 2020 due to the COVID-19 pandemic.
- (7) Due to GASB Statement No. 87, *Leases*, beginning in fiscal year 2022 amounts previously reported as capital leases payments net are now reported as a part of notes/mortgages net.
- (8) In fiscal year 2023 Prepaid Items increased primarily due to a \$140.790 million increase in prepaid items related to the timing of Medicaid Provider Payments being disbursed. In fiscal year 2022 Prepaid Items decreased primarily due to a \$154.241 million decrease related to the timing of Medical Provider Payments being disbursed. Prepaid Items increased in fiscal year 2021 by \$26.859 million related to advance payment of COVID-19 funds for software costs for distance learning. In fiscal year 2020 increased due to \$122.417 million in Accountable Care Organization payments required in advance for the Medicaid Program and \$41.076 million in monies received from the CARES Act which were advanced to local governments
- (9) In fiscal year 2023 Unearned Revenue decreased primarily due to State spending \$220.779 million in COVID-19 related revenue received in prior periods. For fiscal year 2021 the increase was due to American Rescue Plan Act (ARPA) funding received, but not spent with a collective unearned revenue amount of \$188.991 million which is offset slightly by other decreases overall. Unspent federal CARES Act money of \$784.824 million represents the majority of the Unearned Revenue in fiscal year 2020.
- (10) Beginning fiscal year 2023 portions of the balances previously recorded in Cash and Cash Equivalents were reclassified as Restricted Cash and Cash Equivalents for specific purposes due to constraints that are imposed by law through constitutional provision or are externally imposed by creditors, grantors, contributors, or laws or regulation of other governments.

Source: Department of Government Operations, Division of Finance; and the 2023 ACFR

The following table summarizes the State's revenues and expenditures for the last five fiscal years:

Summary of Revenues and Expenditures ¹
 Analysis of Operations – General Fund, Major Special Revenue Funds and Major Capital Project Fund
(dollars in thousands)

	Fiscal Years Ended									
	2023		2022		2021		2020		2019	
	Amounts	% Change From Prior Year	Amounts	% Change From Prior Year	Amounts	% Change From Prior Year	Amounts	% Change From Prior Year	Amounts	% Change From Prior Year
Revenues:										
Federal Contracts and Grants ²	\$7,214,537	(1.1)%	\$7,295,923	18.2 %	\$6,172,978	34.3 %	\$4,596,925	17.3 %	\$3,918,450	1.8 %
Individual and Corporate Income Taxes	7,405,067	(4.8)%	7,774,417	26.6 %	6,139,088	18.9 %	5,163,714	6.0 %	4,871,414	9.3 %
Sales and Use Tax	4,268,796	5.1 %	4,061,879	17.7 %	3,452,294	16.8 %	2,955,253	6.2 %	2,782,188	5.4 %
Other Taxes	517,239	3.8 %	498,206	16.5 %	427,700	4.8 %	408,211	6.7 %	382,594	(0.9)%
Motor and Special Fuels Tax	608,170	5.3 %	577,407	3.0 %	560,763	12.5 %	498,402	(4.4)%	521,199	4.2 %
Other Revenues	2,214,559	32.4 %	1,672,333	8.7 %	1,538,109	5.1 %	1,464,090	8.4 %	1,351,238	4.4 %
Total Revenues	<u>\$22,228,368</u>	1.6 %	<u>\$21,880,165</u>	19.6 %	<u>\$18,290,932</u>	21.2 %	<u>\$15,086,595</u>	9.1 %	<u>\$13,827,083</u>	5.4 %
Total Expenditures	<u>\$19,182,218</u>	7.7 %	<u>\$17,811,528</u>	8.2 %	<u>\$16,460,754</u>	13.9 %	<u>\$14,456,635</u>	10.1 %	<u>\$13,132,226</u>	5.5 %

- (1) Includes revenues and expenditures for the General Fund, the Major Special Revenue Funds (Income Tax Fund and Transportation Fund) and the Major Capital Project Fund (Transportation Investment Fund).
- (2) In fiscal year 2023 federal grants decreased primarily due a decrease in one time federal funding from American Rescue Plan Act (ARPA 2021) of \$332.774 million received in fiscal year 2022 and an increase of \$217 million in COVID-19 funding to different state programs. In fiscal year 2022 federal contracts and grants increased primarily due to an increase in federal funding for Medicaid and COVID-19 relief funding from ARPA 2021. The major contributors of this increase are the General Fund with an increase of \$827.773 million or 16.17 percent and the Income Tax Fund increased of \$337.286 million or 53.03 percent. In fiscal year 2021 federal contracts and grants increased primarily due to an increase in federal funding for Medicaid and homeless programs and COVID-19 relief funding from the CARES Act, American Rescue Plan Act (ARPA) and Federal Emergency Management Agency.

Sources: Office of State Treasurer; Department of Government Operations, Division of Finance; and the 2023 ACFR

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Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund Type - General Fund
Fiscal Year Ended June 30
(dollars in thousands)

	2023	2022	2021	2020	2019
Revenues:					
Taxes:					
Sales and Use Tax	\$ 3,377,229	\$ 3,207,116	\$ 2,711,382	\$ 2,302,910	\$ 2,147,235
Other Taxes	463,726	446,509	385,635	364,794	342,048
Total Taxes	<u>3,840,955</u>	<u>3,653,625</u>	<u>3,097,017</u>	<u>2,667,704</u>	<u>2,489,283</u>
Other Revenues:					
Federal Contracts and Grants ¹	5,830,034	5,945,597	5,117,824	3,652,812	3,103,195
Charges for Services/Royalties	632,535	607,031	552,524	537,191	501,910
Miscellaneous and Other	486,627	496,536	430,007	343,952	268,298
Federal Mineral Lease	137,559	75,616	49,039	58,606	77,607
Licenses, Permits, and Fees	25,119	24,367	25,635	25,659	25,664
Investment Income ²	286,414	(4,304)	27,415	35,148	43,630
Total Revenues	<u>11,239,243</u>	<u>10,798,468</u>	<u>9,299,461</u>	<u>7,321,072</u>	<u>6,509,587</u>
Expenditures:					
Environmental Quality ³	77,454	4,766,967	4,043,152	3,423,327	2,995,463
Higher Education—Colleges and Universities	1,478,339	1,274,218	1,221,898	1,063,339	1,063,258
Employment and Family Services	1,559,233	1,379,278	1,057,614	769,126	744,336
Health and Human Services ³	6,148,317	1,092,554	1,013,956	969,244	908,593
General Government	721,791	697,259	851,602	525,846	420,062
Corrections	420,654	358,339	330,760	331,116	322,230
Public Safety	459,988	405,790	320,785	299,167	300,839
Natural Resources	383,153	294,380	271,596	263,264	247,042
Courts	190,730	170,465	159,020	161,204	159,098
Capital Outlay	—	3,342	—	—	—
Business, Labor, and Agriculture	137,843	115,282	129,151	108,421	97,919
Higher Education—State Administration	133,320	114,235	182,070	125,335	96,323
Cultural and Community Engagement ⁴	58,739	56,942	66,373	40,124	31,145
Total Expenditures	<u>11,769,561</u>	<u>10,729,051</u>	<u>9,647,977</u>	<u>8,079,513</u>	<u>7,386,308</u>
Excess Revenues Over (Under) Expenditures	<u>(530,318)</u>	<u>69,417</u>	<u>(348,516)</u>	<u>(758,441)</u>	<u>(876,721)</u>
Other Financing Sources (Uses):					
Transfers In	2,890,303	2,560,643	1,907,321	1,124,262	1,501,574
Transfers Out	(1,877,332)	(1,532,650)	(768,776)	(150,520)	(441,552)
Lease Proceeds	6,329	3,342	—	—	—
Sale of Capital Assets	2	—	—	207	3
Total Other Financing Sources (Uses)	<u>1,019,302</u>	<u>1,031,335</u>	<u>1,138,545</u>	<u>973,949</u>	<u>1,060,025</u>
Net Change in Fund Balances	<u>488,984</u>	<u>1,100,752</u>	<u>790,029</u>	<u>215,508</u>	<u>183,304</u>
Beginning Fund Balances	3,392,533	2,244,424	1,454,028	1,238,520	1,055,216
Adjustments to Beginning Fund Balances ⁵	63,710	47,357	367	—	—
Beginning Fund Balances As Adjusted	<u>3,456,243</u>	<u>2,291,781</u>	<u>1,454,395</u>	<u>1,238,520</u>	<u>1,055,216</u>
Ending Fund Balances	<u>\$ 3,945,227</u>	<u>\$ 3,392,533</u>	<u>\$ 2,244,424</u>	<u>\$ 1,454,028</u>	<u>\$ 1,238,520</u>

- (1) In fiscal year 2023 federal contracts and grants decreased primarily due a decrease in one time federal funding from ARPA of 2021 of \$332.774 million received in fiscal year 2022 and an increase of \$217 million in COVID-19 funding to different state programs. In fiscal year 2022 federal contracts and grants increased primarily due to an increase in federal funding for Medicaid and COVID-19 relief funding from American Rescue Plan Act (ARPA) of 2021 with an increase of \$827.773 million or 16.17 percent. In fiscal year 2021 federal contracts and grants increased primarily due to an increase in federal funding for Medicaid and homeless programs and COVID-19 relief funding from the CARES Act, American Rescue Plan Act (ARPA) and Federal Emergency Management Agency. In fiscal year 2020 federal contracts and grants increased primarily due to an increase in federal funding of \$362.282 million for Medicaid programs and \$161.153 million for the CARES Act.
- (2) In fiscal year 2023 investment income increased due to higher interest rates. In fiscal year 2022 investment income was negative as a result of the decrease of the fair market value of the investments that exceeded investment earnings
- (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.
- (4) In fiscal year 2022, Legislative action renamed the Department of Heritage and Arts to the Department of Cultural and Community Engagement
- (5) Effective fiscal year 2023 the legislature changed the composition and purpose of the Utah Fund of Funds (UFOF) for its eventual dissolution, resulting in the Utah Capital Investment Corporation (UCIC) becoming a blended component unit of the State reported as part of the General Fund. The addition of this blended component unit resulted in an increase in the beginning fund balance of \$63.710 million for the General Fund. The fiscal year 2022 re-

evaluation of GASB Statement No. 84, *Fiduciary Activities* (GASB 84), resulted in the recognition of \$47.357 million of funding maintained in the State controlled escrow accounts to the General Fund. During fiscal year 2021, GASB 84's implementation resulted in the restatement of beginning net position General Fund of \$367 thousand.

Source: Department of Government Operations, Division of Finance; and the 2023 ACFR

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund Type – Major Special Revenue Funds and Major Capital Projects Funds ¹
For Fiscal Years Ended June 30
(dollars in thousands)

	2023	2022	2021	2020	2019
Revenues					
Taxes:					
Individual Income Tax	\$ 6,510,385	\$ 6,814,382	\$ 5,451,297	\$ 4,758,082	\$ 4,336,437
Sales and Use Tax	891,567	854,763	740,912	652,343	634,953
Motor and Special Fuels Tax	608,170	577,407	560,763	498,402	521,199
Corporate Tax	894,682	960,035	687,791	405,632	534,977
Other Taxes	53,513	51,697	42,065	43,417	40,546
Total Taxes	<u>8,958,317</u>	<u>9,258,284</u>	<u>7,482,828</u>	<u>6,357,876</u>	<u>6,068,112</u>
Other Revenues:					
Federal Contracts and Grants ²	1,384,503	1,350,326	1,055,154	944,113	815,255
Licenses, Permits, and Fees	237,252	222,415	212,067	199,599	194,308
Charges for Services/Royalties	77,935	70,907	69,964	63,350	56,345
Liquor Sales Allocated for School Lunch	57,914	54,498	51,746	50,022	48,024
Miscellaneous and Other	110,564	139,693	109,015	118,321	87,472
Investment Income ³	162,640	(14,426)	10,697	32,242	47,980
Total Other Revenues	<u>2,030,808</u>	<u>1,823,413</u>	<u>1,508,643</u>	<u>1,407,647</u>	<u>1,249,384</u>
Total Revenues	<u>10,989,125</u>	<u>11,081,697</u>	<u>8,991,471</u>	<u>7,765,523</u>	<u>7,317,496</u>
Expenditures:					
Current:					
Public Education	5,577,745	5,248,996	4,829,288	4,408,707	4,138,708
Transportation	1,232,348	1,125,558	1,202,511	1,162,676	994,803
Capital Outlay	602,564	707,923	780,978	805,739	612,407
Total Expenditures	<u>7,412,657</u>	<u>7,082,477</u>	<u>6,812,777</u>	<u>6,377,122</u>	<u>5,745,918</u>
Excess Revenues Over (Under) Expenditures	<u>3,576,468</u>	<u>3,999,220</u>	<u>2,178,694</u>	<u>1,388,401</u>	<u>1,571,578</u>
Other Financing Sources (Uses):					
Transfers In	1,168,022	1,347,225	242,725	157,120	176,248
General Obligation Bonds Issued	—	—	—	600,055	127,715
Premium on Bonds Issued	—	—	—	116,741	22,688
Sale of Capital Assets	24,489	27,877	18,644	28,736	31,134
Lease Proceeds	4,159	24	—	—	—
Transfers Out	(3,442,813)	(3,002,323)	(2,177,049)	(1,311,603)	(1,750,976)
Total Other Financing Sources (Uses)	<u>(2,246,143)</u>	<u>(1,627,197)</u>	<u>(1,915,680)</u>	<u>(408,951)</u>	<u>(1,393,191)</u>
Net Change in Fund Balances	<u>1,330,325</u>	<u>2,372,023</u>	<u>263,014</u>	<u>979,450</u>	<u>178,387</u>
Beginning Fund Balances	<u>6,000,084</u>	<u>3,628,061</u>	<u>3,365,047</u>	<u>2,385,597</u>	<u>2,207,210</u>
Ending Fund Balances	<u>\$ 7,330,409</u>	<u>\$ 6,000,084</u>	<u>\$ 3,628,061</u>	<u>\$ 3,365,047</u>	<u>\$ 2,385,597</u>

- (1) The major special revenue funds include the Income Tax Fund (which includes all the activity of the Uniform School Fund) and Transportation Fund. The major capital projects fund is the Transportation Investment Fund.
- (2) In fiscal year 2023 the Income Tax Fund decreased its federal contracts and grants \$97.143 million as a result of the completion of the COVID-19 pandemic era free breakfast and lunch funded by the CARES Act in fiscal year 2022. The Transportation Fund increased its federal contracts and grants by \$131.320 million as a result of the new Infrastructure Investment and Jobs Act funding which provided more federal highway funding to the states. In fiscal year 2022 federal contracts and grants increased primarily due to an increase in federal funding for COVID-19 relief funding.
- (3) In fiscal year 2023 investment income increased due to higher interest rates. In fiscal year 2022 investment income was negative as a result of the decrease of the fair market value of the investments that exceeded investment earnings.

Source: Department of Government Operations, Division of Finance.

2023
STATE OF UTAH
★
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
★
For the fiscal year ended June 30, 2023

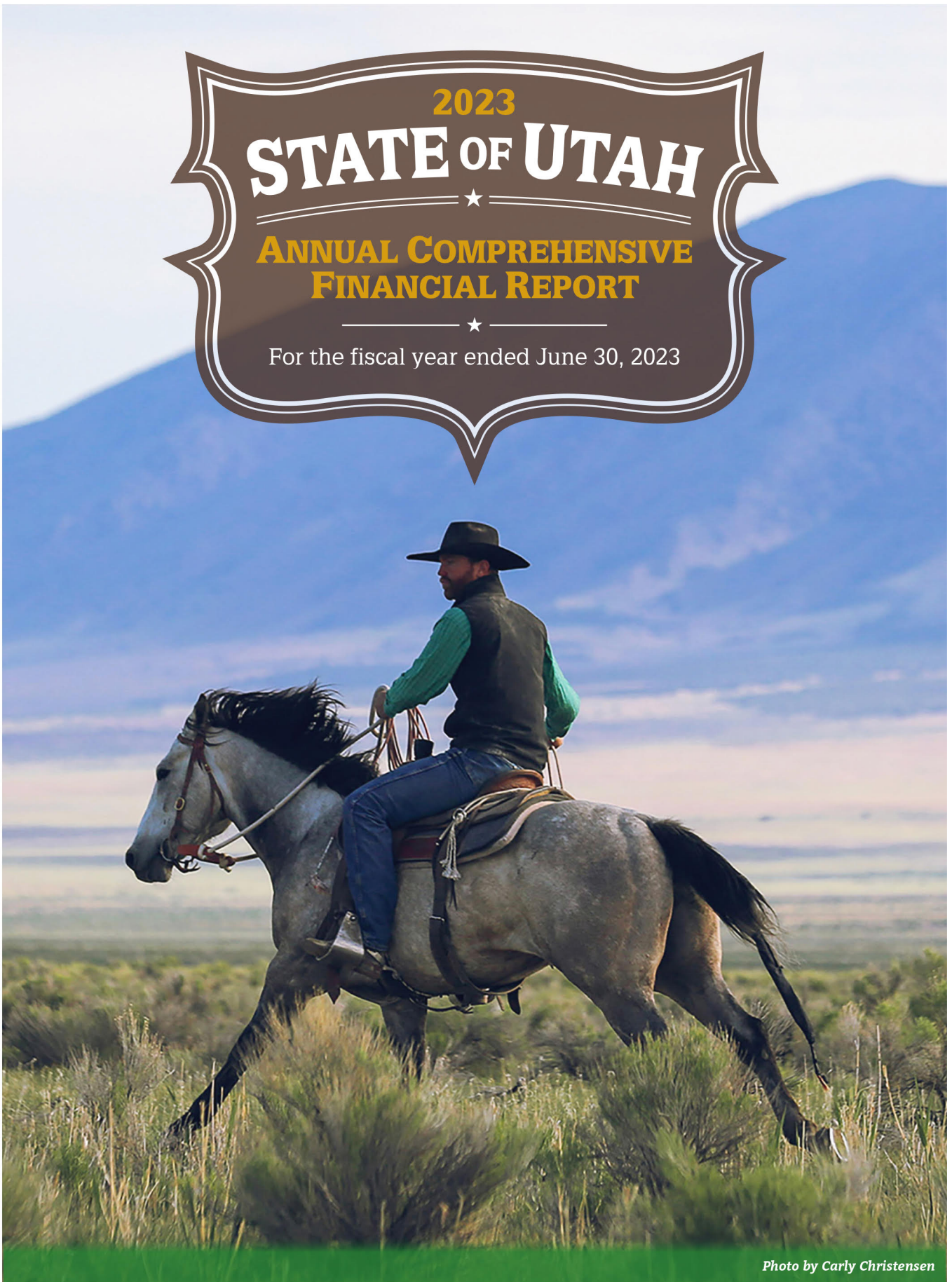


Photo by Carly Christensen

State of Utah

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

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Spencer J. CoxGovernor
 Deidre M. HendersonLt. Governor
 John Dougall.....State Auditor
 Marlo M. Oaks.....State Treasurer
 Sean D. ReyesAttorney General
 J. Stuart AdamsPresident of the Senate
 Brad R. Wilson.....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
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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, 2023

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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 22, 2023

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

It is our pleasure to present the 2023 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 3,428,000 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

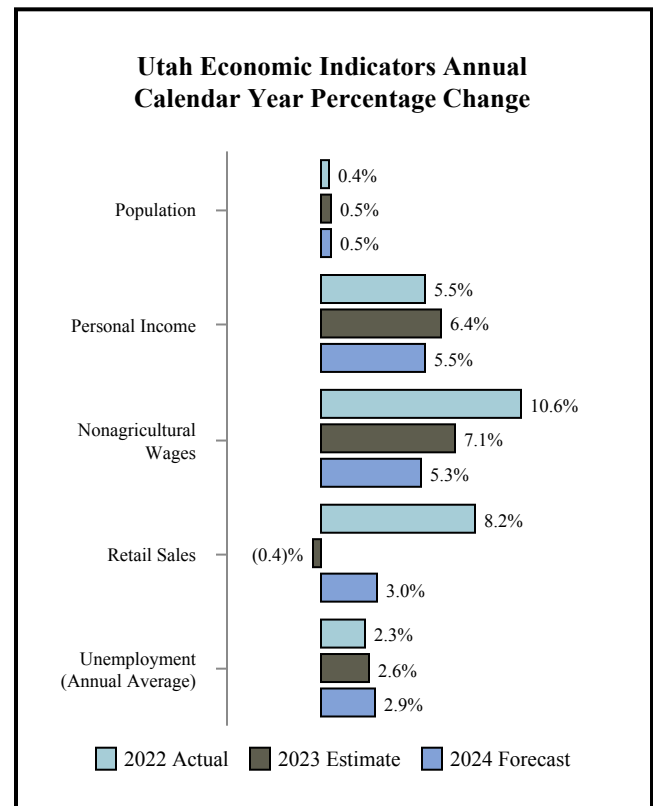
Local Economy – Utah’s economy has continued to outperform the national average. During fiscal year 2023, the state added an additional 35,200 new jobs. The State’s economy experienced moderate growth compared to 2022’s vigorous pace while challenges remain in areas such as inflation and housing affordability.

Utah’s unemployment rate averaged 2.3 percent in calendar year 2022, and is expected to increase to an average of 2.6 percent in 2023, and 2.9 percent in 2024. In 2022, personal income increased by 5.5 percent and nonagricultural wages increased by 10.6 percent. In 2023, personal income is expected to increase by 6.4 percent and nonagricultural wages are expected to increase by 7.1 percent. Taxable retail sales increased by 8.2 percent in 2022 and is expected to decrease by 0.4 percent in 2023.

Total construction value was \$12.7 billion in 2022, a 7.3 percent decrease from the prior year. In 2023, total construction value is expected to decrease to \$8.5 billion, a 32.3 percent decrease due to a declining housing market. Residential construction was \$7.1 billion in 2022, a 19.5 percent decrease from the prior year. Residential permit value is expected to decrease 36.8 percent to \$4.5 billion in 2023. Nonresidential construction was \$3.7 billion in 2022, a 26.1 percent increase from the prior year. Nonresidential construction is expected to decrease 29.6 percent to \$2.6 billion in 2023.

In 2023, Utah’s population is estimated at 3,428,000, which is an increase of 1.4 percent over the prior year. Utah had positive net migration of approximately 18,600

people in 2022 and is expected to grow by 22,800 in 2023. Utah has had positive net migration for the past 30 years and this trend is expected to continue in the coming years.



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

Industries – At the end of fiscal year 2023, Utah added an additional 35,200 jobs. Utah’s unemployment rate continues to be among the lowest in the nation. Utah’s nonagricultural employment opportunities are expected to increase by 2.5 percent in 2023 with the recovering economy, which exceeds the Utah average yearly rate of 3.1 percent (1950 through June 2023). In 2024, nonagricultural employment opportunities are expected to increase by 1.8 percent. All industrial sectors except for Manufacturing and Trade, Transportation, and Utilities added jobs to Utah’s employment base. Leisure and Hospitality added 9,700 jobs, primarily in Accommodation and Food Services. Education and Health Services added 7,700 jobs primarily in Health Services and Social Assistance. Government added 4,900 jobs, primarily in Local Education. The results for September 2022 to September 2023 are presented in the following table:

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

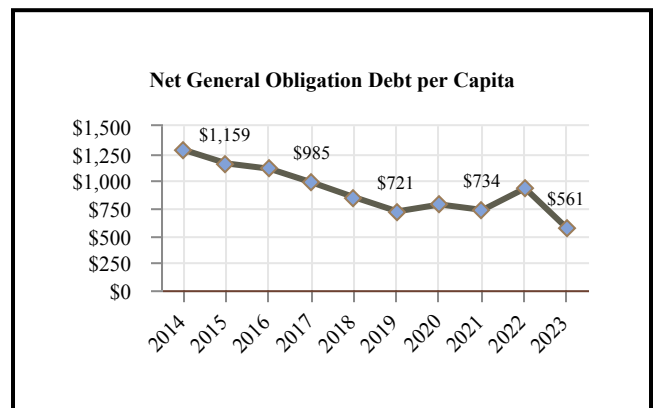
	Number of Jobs		Numerical Change	Percentage Change	Components of Labor Force
	September (p) 2023	September (r) 2022			September (p) 2023
Trade, Transportation, and Utilities	310.40	312.40	(2.00)	(0.64)%	17.94 %
Professional and Business	250.80	250.20	0.60	0.24 %	14.50 %
Education and Health Services	233.60	225.90	7.70	3.41 %	13.50 %
Government (Local/Federal)	179.00	174.10	4.90	2.81 %	10.35 %
Leisure and Hospitality	175.20	165.50	9.70	5.86 %	10.13 %
Manufacturing	150.90	151.90	(1.00)	(0.66)%	8.72 %
Construction	138.20	134.30	3.90	2.90 %	7.99 %
Financial Activities	97.80	97.00	0.80	0.82 %	5.65 %
Government (State/Higher Ed.)	87.30	84.10	3.20	3.80 %	5.05 %
Other Services	48.30	43.90	4.40	10.02 %	2.79 %
Information	48.20	45.40	2.80	6.17 %	2.79 %
Natural Resources and Mining	10.40	10.20	0.20	1.96 %	0.59 %
Total	1,730.10	1,694.90	35.20	2.08 %	100.00 %

Source: Utah Department of Workforce Services and the U.S. Bureau of Labor Statistics, September 2023.
(p) = preliminary (r) = revised

Outlook – Utah’s economy continues to grow moderately and is among the best in the nation. Moderate economic expansion is forecasted for Utah in 2023 despite the challenges the state is facing in areas such as inflation, housing affordability, air quality, and water. Overall, economic growth in Utah has a positive outlook due to its economic diversity, educated workforce, youthful demographics, competitive tax structure, and healthy labor market.

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 advanced refunded \$118.7 million of general obligation bonds to take advantage of the low interest rate environment. In fiscal year 2019, the State issued \$127.7 million for highway construction projects from prior bond authorizations. In fiscal year 2020, the State authorized

\$89.5 million in general obligation bonds for highway projects, cash defeased \$78.4 million of highway bonds, and issued \$600.1 million for highway construction projects and \$295.7 million for the prison project from fiscal year 2020 and prior authorizations. 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 year 2023. As of June 30, 2023, the State’s general obligation debt per capita was \$561. 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 2023 consensus revenue forecast projected an increase of 1.34 percent in fiscal year 2023 from 2022 actual revenue for the General and Income Tax Funds combined. For fiscal year 2024, a 16.73 percent decrease is projected. The long-term average revenue growth rate, adjusted for inflation, was approximately 3.9 percent for fiscal periods 1971 through 2022. See the Budgetary Highlights – General Fund in the [MD&A](#) for a comparison of budgeted to actual results for fiscal year 2023.

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. Neither the General Fund or Income Tax Fund had a revenue surplus in fiscal year 2023. No transfers were made to the Income Tax Reserve Fund or to the Rainy Day Fund in fiscal year 2023. 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 2023 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 an additional 90 new students will enroll in fall 2023. Due to the current and future enrollment growth and the demands it places on state funding, public education continues to be a top priority for the Governor and the Legislature.

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

Additionally, the Legislature created the Federalism Commission in Section 63C-4a-302 of the *Utah Code*. One aspect of the Commission’s responsibilities is to study and make recommendations on federal funding issues. The Commission is tasked with considering the financial stability of the federal government, the risk that the State will experience a reduction in the amount or value of federal funds, and methods to avoid or minimize the risk. Utah law requires economists and budget analysts from the Executive and Legislative branches of government to consider expected changes in federal funding when preparing the annual revenue volatility report and, if appropriate, recommend changes to amounts or limits of reserve funds. Section 63J-1-205 of the *Utah Code* requires the 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, 2023, the State was \$168.0 million below the appropriations limitation.

Adequate Funding for Ongoing Programs – The Legislature works to ensure all programs have adequate ongoing funding. Coming into the 2023 General Session of the Legislature, before accounting for growth in either costs or revenues, Utah had a temporal surplus of \$17.9 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 2023 First Special Session, Utah’s budget had a \$26.6 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

During the 2023 General Session, Utah was able to make historic one-time and ongoing investments in infrastructure and services benefiting Utahns. The General Fund and Income Tax Fund consensus revenue forecast adopted during the 2023 General Session projected \$11.7 billion for fiscal year 2023 and \$11.8 billion for fiscal year 2024. The combination of projected fiscal year 2023 and 2024 revenue growth and prior year balances provided more than \$5.6 billion, including \$2.4 billion of ongoing revenue, available for appropriations or tax cuts during the 2023 General Session. Of the \$5.6 billion of available revenue, the legislature appropriated \$565 million one-time and \$335 million ongoing for debt reduction and capital projects, which can be scaled back if revenue collections fall below the estimated levels.

Actual fiscal year 2023 revenue collections came in 1.3 percent less than what was forecasted during the 2023 general session, primarily due to higher than expected income tax refunds, resulting in a General Fund and Income Tax Fund revenue deficit of \$148 million. After budget adjustments, such as balances that lapse to the general fund, this deficit was reduced to \$50 million. The shortfall will be covered by reducing the capital project and debt reduction appropriations. At the end of fiscal year 2023, the state had combined \$1.2 billion balance in its General Fund and Income Tax Fund rainy day accounts.

During the General Session, the legislature allocated more than \$400 million for income tax cuts, along with a \$165 million General Fund impact for the repeal of the sales tax on food, contingent on voter approval in 2024. After accounting for the impact of tax cuts, the legislature enacted General Fund, Income Tax Fund and Uniform School Fund budgets that totaled \$11.7 billion in fiscal year 2023 and \$14.6 billion in fiscal year 2024. Fiscal year 2024 includes \$726 million of new ongoing appropriations for K-12 education. Key ongoing investments for K-12 education included \$233.1 million for a 6.0 percent increase in the weighted pupil unit, \$196.9 million for educator salaries, and \$192.5 million for the public education economic stabilization account. Additionally, \$226.8 million ongoing was provided for post-secondary education, including \$149.1 million for compensation. A total of \$183 million ongoing was provided for social service agencies.

During the 2023 General Session, the legislature made \$3.5 billion of new one-time appropriations, including nearly \$1.5 billion for transportation and transit projects. These General Fund appropriations augment the dedicated transportation funds that also fund these types of projects. Over \$800 million of new one-time and ongoing funding was provided for other capital projects, including over \$300 million for higher education buildings.

The state also made significant ongoing funding investments in state employee compensation. The state agency and higher education compensation bill passed during the session included \$276.6 million of ongoing increases for compensation and benefits, including a funding for a 5.0 percent Cost of Living Allowance (COLA) for state employees; targeted funding for below market positions; additional funding for corrections and public safety pay plans; and an 8.8 percent increase for higher education employees.

State Employee Other Postemployment Benefit Plan – The Actuarially Determined Contribution (ADC) for the State Employee Other Postemployment Benefit (OPEB) plan was \$5.2 million. The Legislature considered this ADC when

establishing the OPEB budget for fiscal year 2024. 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, 2022. This was the thirty-eighth 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,



Van H. Christensen, CPA
Division of Finance Director



Government Finance Officers Association

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

Presented to

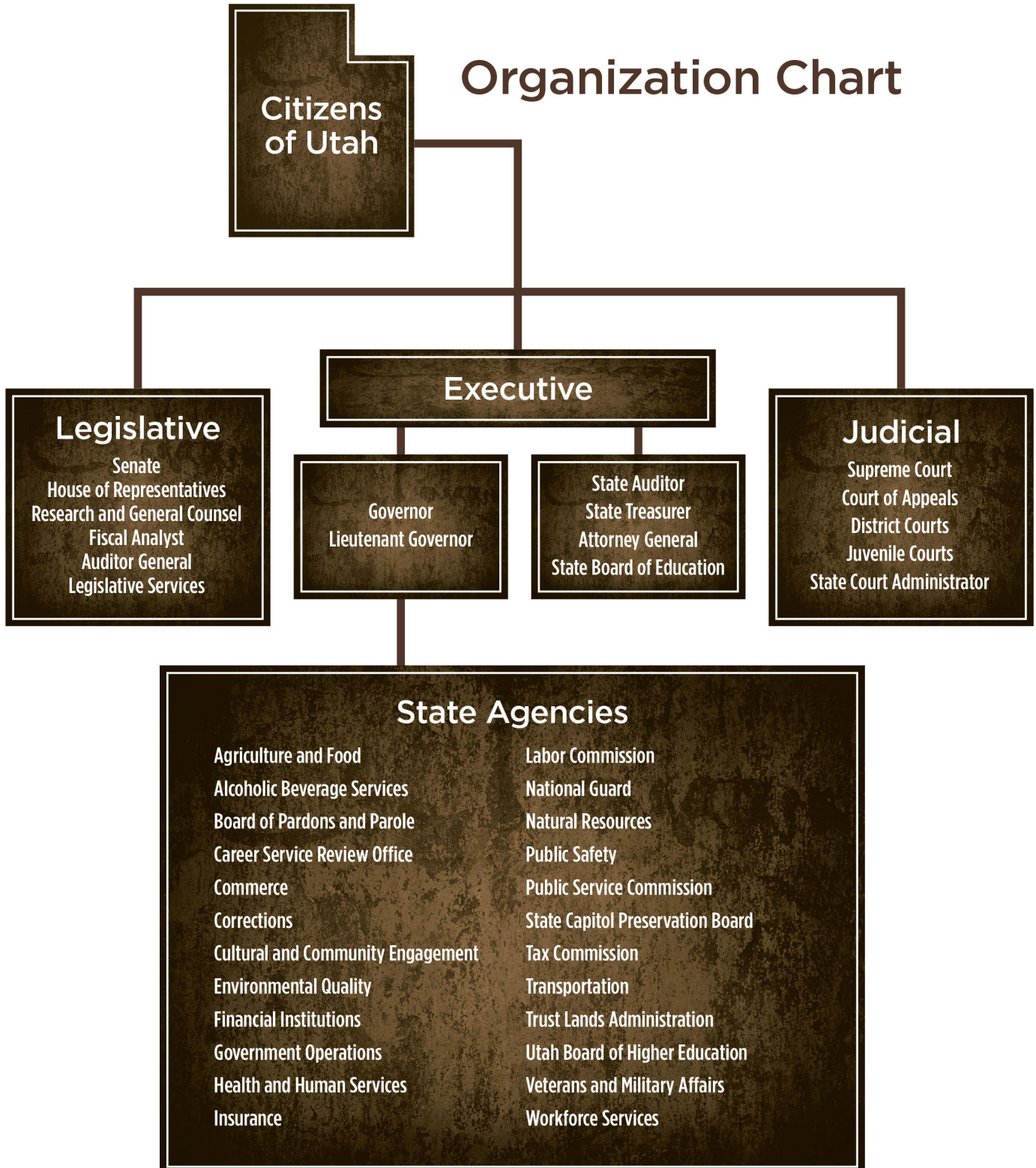
State of Utah

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Merrill

Executive Director/CEO



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FINANCIAL SECTION



2023
STATE OF UTAH
★
ANNUAL COMPREHENSIVE
FINANCIAL REPORT

★
For the fiscal year ended June 30, 2023

Photo by Kyle Janzen



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, 2023, 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, 2023, 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 and 98 percent of Permanent Fund's fund balance.
- Student Assistance Programs, a major enterprise fund, which represents 100 percent of the assets and net position, and 99 percent of the revenues of the fund.
- 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 38 percent of the assets, 30 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, 78 percent of the fund balance/net position, and 22 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 (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

As described in Note 2, the State implemented Governmental Accounting Standards Board (GASB) Statement No. 96 *Subscription-based Information Technology Arrangements (SBITAs)*. See Notes 8, 9, and 10.A. for additional SBITA disclosures. 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 an opinion on the financial statements as a whole. The Combining Statements and Individual Fund Statements and Schedules, as listed in the table of contents, are presented for purposes of additional analysis and is 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 22, 2023, 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

Office of the State Auditor
Salt Lake City, Utah
December 22, 2023

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MD&A

MANAGEMENT'S DISCUSSION AND ANALYSIS



2023
STATE OF UTAH
★
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

★
For the fiscal year ended June 30, 2023

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, 2023. 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 \$43.431 billion (reported as net position). Of this amount, \$10.315 billion (unrestricted net position) may be used to meet the government's ongoing obligations, while \$33.116 billion is restricted for specific uses or invested in capital assets.
- The State's total net position increased \$4.343 billion or 11.11 percent over the prior year. Net position of governmental activities increased \$4.031 billion or 11.34 percent. Net position of business-type activities increased \$312.079 million or 8.79 percent.

Fund Level

- The governmental funds reported combined ending fund balances of \$16.833 billion, an increase of \$2.926 billion in comparison to the prior year. Approximately 49.67 percent, or \$8.362 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 zero dollar revenue surplus by using \$119.187 million of the \$1.978 billion of Income Tax Fund budgeted revenues set aside for fiscal year 2024. Because there was no revenue surplus, there were no statutory transfers from the Income Tax Fund to any stabilization or reserve accounts.
- 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, \$113.862 million, and \$856.285 million, respectively.
- Sales tax revenues in the governmental funds increased \$216.835 million or 5.16 percent, compared to \$501.704 million or 16.35 percent increase from the prior year. Total tax revenues increased \$187.330 million or 5.13 percent in the General Fund and decreased \$368.678 million or 4.72 percent in the Income Tax Fund.

Long-term Debt

- The State's long-term bonded debt decreased by a net \$421 million or 16.17 percent. General obligation bonds for the primary government decreased \$392 million or 16.94 percent, while revenue bonds for the primary government decreased \$29 million or 9.80 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Statements – Reporting the State as a Whole

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

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

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

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

- The State reviewed construction-in-progress and determined that \$232.431 million of construction and infrastructure projects should have been recognized in prior years, with corresponding increases in beginning net position for governmental activities.
- The State implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. Previously capitalized software (including amounts recorded as software work-in-progress) was determined to be a subscription-based arrangement that did not qualify to be capitalized. This resulted in a prior period adjustment of \$42.845 million to remove the software balances and \$18.051 million to remove software work-in-progress, decreasing beginning net position for governmental activities. Software totaling \$1.407 million and an equal amount of accumulated amortization was removed from the beginning balances of business type activities. Software work-in-progress of \$3.421 million was removed from the beginning balance of business type activities. The State also added \$6.254 million and \$349 thousand of subscription-based software and a corresponding subscription-based software liability for governmental and business type activities, respectively.
- Effective fiscal year 2023, the legislature changed the composition and purpose of Utah Funds of Funds for its eventual dissolution, resulting in the Utah Capital Investment Corporation becoming a blended component unit of the State reported as part of the General Fund. The addition of this blended component unit resulted in an increase in the beginning fund balance of \$63.710 million for the General Fund.

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, 51.58 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 24.67 percent of total net position and is subject to constitutional, legal, or external constraints on use. Net position that is restricted by the *Utah Constitution* includes individual income and corporate income taxes that can be used only for public and higher education costs, proceeds from fees, taxes, charges related to motor vehicles that can be used

only for transportation expenses, and earnings received from investment of the permanent State School Fund.

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

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

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change 2022–2023
	2023	2022 ¹	2023	2022 ¹	2023	2022 ¹	
Current and Other Assets	\$ 20,631,824	\$ 18,667,155	\$ 4,214,384	\$ 3,867,777	\$ 24,846,208	\$ 22,534,932	10.26%
Capital Assets	24,577,307	23,463,872	142,541	136,071	24,719,848	23,599,943	4.75%
Total Assets	45,209,131	42,131,027	4,356,925	4,003,848	49,566,056	46,134,875	7.44%
Deferred Outflows of Resources	456,347	351,920	9,366	8,071	465,713	359,991	29.37%
Current and Other Liabilities	2,835,455	3,025,180	108,363	49,361	2,943,818	3,074,541	(4.25)%
Long-term Liabilities	3,224,926	2,979,839	394,227	395,959	3,619,153	3,375,798	7.21%
Total Liabilities	6,060,381	6,005,019	502,590	445,320	6,562,971	6,450,339	1.75%
Deferred Inflows of Resources	37,161	940,644	424	15,401	37,585	956,045	(96.07)%
Net Position:							
Net Investment in Capital Assets	22,351,002	20,829,680	51,914	54,715	22,402,916	20,884,395	7.27%
Restricted	8,728,932	8,687,475	1,984,483	2,083,669	10,713,415	10,771,144	(0.54)%
Unrestricted	8,488,002	6,020,128	1,826,880	1,412,814	10,314,882	7,432,942	38.77%
Total Net Position	\$ 39,567,936	\$ 35,537,283	\$ 3,863,277	\$ 3,551,198	\$ 43,431,213	\$ 39,088,481	11.11%
Percent change in total							
Net Position from prior year	11.34%		8.79%		11.11%		

¹ As reported in the published fiscal year ended June 30, 2022 annual comprehensive financial report.

Current and other assets increased \$2.311 billion or 10.26 percent as follows:

- The majority of the increase in current and other assets in governmental activities of \$1.965 billion or 10.52 percent is largely related to an increase in cash and investments as revenues outpaced spending. The primary increases of net position included \$1.146 billion in the Transportation Investment Fund and \$859.278 million for the Nonmajor Governmental Funds.
- Current and other assets in business-type activities increased \$346.607 million or 8.96 percent due to increases in the cash and investments mirroring the overall changes in net position in each fund. The Unemployment Compensation Fund, Water Loan Programs, and Community Impact Loan fund experienced the largest changes at \$151.433 million, \$86.647 million and \$74.135 million, respectively.

Current and other liabilities decreased \$130.723 million or 4.25 percent as follows:

- Current and other liabilities in governmental activities decreased \$189.725 million or 6.27 percent. This is primarily due to the following changes: **(1)** an increase of \$84.243 million in accounts payable and accrued liabilities. The majority of this increase was due to an increase of \$70.689 million in Medicaid claims incurred but not yet paid or reported as the Department of Health and Human Services implemented a new claims management system during fiscal year 2023; **(2)** a decrease of \$64.541 million in securities lending activity by the School and Institutional Trust Fund Office due to unfavorable market conditions; and **(3)** a decrease of \$220.779 million in unearned revenue due to State spending COVID-19 related revenue received in prior periods.
- Current and other liabilities in business-type activities increased by \$59.002 million or 119.53 percent from the prior year as a result of the dissolution of the Student Assistance Programs. All remaining assets of the Programs are due payable to the Federal Government totaling \$56.079 million.

Long-term liabilities increased \$243.355 million or 7.21 percent due to an increase of net pension liability of \$630.220 million combined with the payment of bond debt of \$405.751 million.

The State's total net position increased \$4.343 billion or 11.11 percent in fiscal year 2023. In comparison, net position in the

prior year increased \$6.767 billion or 20.94 percent. The increase in total net position continues to reflect a slow, but 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 \$1.519 billion 7.27 percent or as the State continues to construct infrastructure projects and repay associated debt.
- *Restricted Net Position* – Total restricted net position decreased \$57.729 million or 0.54 percent over the prior year adjusted net position as follows:

Restricted Net Position of Governmental Activities increased \$41.457 million or 0.48 percent:

- Expendable Public Education net position decreased \$347.413 million or 6.12 percent as revenues fell short of budgeted projections.
- Nonexpendable Public Education net position increased \$111.526 million or 5.74 percent, primarily due to increased revenues generated from oil, gas and other mineral royalty income, in addition to trust land sales in the Trust Lands Permanent Fund.
- Transportation net position increased \$144.728 million or 27.68 percent due to growth in dedicated sales and use tax revenue.
- Expendable Net Position for Other Purposes increased \$114.764 million or 31.64 percent due to a rise in General Fund revenues designated for specific purposes as mandated by law.

Restricted Net Position of Business-type Activities decreased \$99.186 million or 4.76 percent due in large part to a decrease of \$140.358 million in a debt service restriction due to the payoff of water revenue bonds. This was offset by the reclassification of \$25.407 million in funds restricted for federally funded loans in the Community Impact Loan fund.

- *Unrestricted Net Position* – Total unrestricted net position in governmental activities increased \$2,467.874 million or 40.99 percent primarily due to a greater than budgeted increase in sales and use taxes in the Transportation Investment Fund. Unrestricted net position in business-type activities increased \$414.066 million or 29.31 percent primarily due to **(1)** a reclassification from restricted to unrestricted net position of \$176.357 million for the Local Government Loan Fund since all funding was determined to be unrestricted sources; **(2)** a \$204.522 million increase in the Water Loan Program due to removal of the debt service restriction and program revenues exceeding grants awarded; **(3)** a \$48.728 million increase in the Community Impact Loan Fund's net position due to program revenues and transfers in exceeding operating expenses; and **(4)** decrease of \$21.321 million with the termination of Student Assistance Programs' operations.

(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 2023:

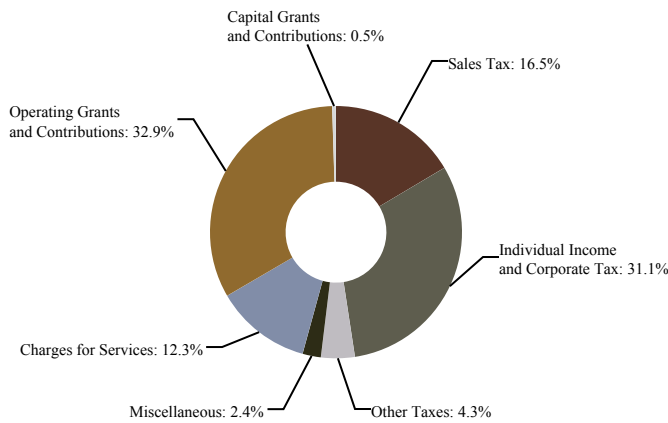
State of Utah
Changes in Net Position
for the Fiscal Year Ended June 30
(dollars expressed in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2023	2022 ¹	2023	2022 ¹	2023	2022 ¹	2022-2023
Revenues							
General Revenues:							
Taxes	\$12,549,212	\$13,354,940	\$ 56,034	\$ 51,905	\$12,605,246	\$13,406,845	(5.98)%
Other General Revenues	489,704	569,887	83,534	17,141	573,238	587,028	(2.35)%
Program Revenues:							
Charges for Services	2,066,252	2,146,101	922,902	908,658	2,989,154	3,054,759	(2.15)%
Operating Grants and Contributions	7,887,356	6,925,662	103,582	162,799	7,990,938	7,088,461	12.73 %
Capital Grants and Contributions	118,509	104,400	—	—	118,509	104,400	13.51 %
Total Revenues	23,111,033	23,100,990	1,166,052	1,140,503	24,277,085	24,241,493	0.15 %
Expenses							
General Government	1,336,723	1,192,448	—	—	1,336,723	1,192,448	12.10 %
Health and Human Services	6,110,674	5,695,358	—	—	6,110,674	5,695,358	7.29 %
Corrections	430,734	325,273	—	—	430,734	325,273	32.42 %
Public Safety	505,607	428,758	—	—	505,607	428,758	17.92 %
Courts	195,907	146,490	—	—	195,907	146,490	33.73 %
Environmental Quality	80,236	55,846	—	—	80,236	55,846	43.67 %
Higher Education	1,742,559	1,575,526	—	—	1,742,559	1,575,526	10.60 %
Employment and Family Services	1,568,934	1,356,482	—	—	1,568,934	1,356,482	15.66 %
Natural Resources	381,099	293,246	—	—	381,099	293,246	29.96 %
Cultural and Community Engagement	75,018	57,187	—	—	75,018	57,187	31.18 %
Business, Labor, and Agriculture	161,471	127,807	—	—	161,471	127,807	26.34 %
Public Education	5,577,397	5,236,842	—	—	5,577,397	5,236,842	6.50 %
Transportation	1,152,821	1,277,249	—	—	1,152,821	1,277,249	(9.74)%
Interest and Charges on Long-term Debt	52,921	60,623	—	—	52,921	60,623	(12.70)%
Student Assistance Programs	—	—	146,354	359,063	146,354	359,063	(59.24)%
Unemployment Compensation	—	—	209,626	140,358	209,626	140,358	49.35 %
Water Loan Programs	—	—	17,227	13,063	17,227	13,063	31.88 %
Community and Economic Loan Programs	—	—	24,855	36,037	24,855	36,037	(31.03)%
Liquor Retail Sales	—	—	383,789	366,989	383,789	366,989	4.58 %
Other Business-type Activities	—	—	47,159	43,438	47,159	43,438	8.57 %
Total Expenses	19,372,101	17,829,135	829,010	958,948	20,201,111	18,788,083	7.52 %
Excess (Deficit) Before Transfers	3,738,932	5,271,855	337,042	181,555	4,075,974	5,453,410	
Special Item - Opioid Settlement	—	136,192	—	—	—	136,192	
Transfers	22,128	47,460	(22,128)	(47,460)	—	—	
Change in Net Position	3,761,060	5,455,507	314,914	134,095	4,075,974	5,589,602	
Net Position – Beginning	35,537,283	28,906,771	3,551,198	3,414,562	39,088,481	32,321,333	
Adjustment to Beginning Net position	269,593	1,175,005	(2,835)	2,541	266,758	1,177,546	
Net Position – Beginning as Adjusted	35,806,876	30,081,776	3,548,363	3,417,103	39,355,239	33,498,879	
Net Position – Ending	\$39,567,936	\$35,537,283	\$ 3,863,277	\$ 3,551,198	\$43,431,213	\$39,088,481	11.11 %

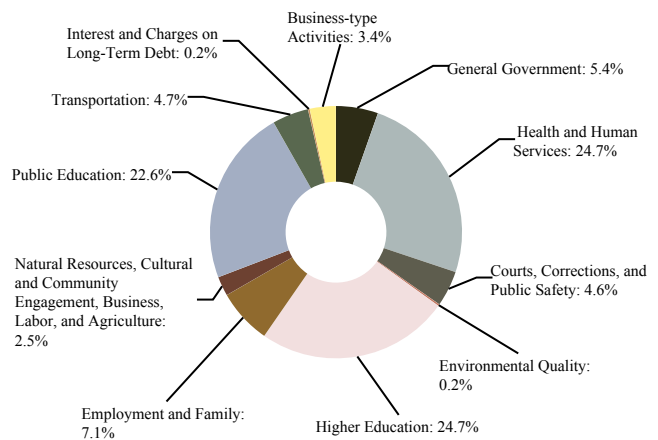
¹ As reported in the published fiscal year ended June 30, 2022 annual comprehensive financial report, adjusted for the combination of the Departments of Health and Human Services during fiscal year 2023.

(Charts on next page)

State of Utah Total Revenues FY 2023



State of Utah Total Expenses FY 2023



This year the State received 51.92 percent of its revenues from state taxes and 33.40 percent of its revenues from grants and contributions, primarily from federal sources. In the prior year, state taxes accounted for 55.31 percent and grants and contributions were 29.67 percent of total revenues. Charges for goods and services such as licenses, permits, liquor sales, park fees, and court fees, combined with other miscellaneous collections, comprised 14.68 percent of total revenues in fiscal year 2023 as compared to 15.02 percent in fiscal year 2022.

Governmental Activities

The State’s total governmental revenues from all sources increased \$10.043 million or 0.04 percent. Operating grants and contributions increased \$961.694 million as the State continues to receive Coronavirus State and Local Fiscal Recovery Funding and other pandemic related funding. Tax revenues and charges for services decreased \$805.728 million and \$79.849 million, respectively, as the economy slowed because of the weakness in the stock market. 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 19](#) 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 2023, program revenues covered \$10.072 billion or 51.99 percent of \$19.372 billion in total program expenses. For the remaining \$9.300 billion or 48.01 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		Net Program (Expenses)/Revenues		Program Revenues as a Percentage of Program Expenses	
	2023	2023	2023	2022 ¹	2023	2022 ¹
General Government	\$ 1,336,723	\$ 1,070,540	\$ (266,183)	\$ (308,911)	80.09 %	74.09 %
Health and Human Services	6,110,674	4,679,502	(1,431,172)	(1,037,895)	76.58 %	81.78 %
Corrections	430,734	3,203	(427,531)	(321,530)	0.74 %	1.15 %
Public Safety	505,607	277,778	(227,829)	(135,285)	54.94 %	68.45 %
Courts	195,907	68,150	(127,757)	(81,744)	34.79 %	44.20 %
Environmental Quality	80,236	101,106	20,870	(8,880)	126.01 %	84.10 %
Higher Education	1,742,559	18,300	(1,724,259)	(1,560,526)	1.05 %	0.95 %
Employment and Family Services	1,568,934	1,394,229	(174,705)	(144,463)	88.86 %	89.35 %
Natural Resources	381,099	245,523	(135,576)	(66,368)	64.42 %	77.37 %
Cultural and Community Engagement	75,018	15,040	(59,978)	(37,053)	20.05 %	35.21 %
Business, Labor, and Agriculture	161,471	149,371	(12,100)	11,142	92.51 %	108.72 %
Public Education	5,577,397	1,170,893	(4,406,504)	(4,286,540)	20.99 %	18.15 %
Transportation	1,152,821	878,482	(274,339)	(614,296)	76.20 %	51.90 %
Interest and Charges on Long-term Debt	52,921	—	(52,921)	(60,623)	0.00 %	0.00 %
Total Governmental Activities	\$ 19,372,101	\$ 10,072,117	\$ (9,299,984)	\$ (8,652,972)	51.99 %	51.47 %

¹ As reported in the published fiscal year ended June 30, 2022 annual comprehensive financial report, adjusted for the combination of the Departments of Health and Human Services during fiscal year 2023.

Business-type Activities

The State's business-type activities operate primarily from program revenues, except for the Water Loan Programs and Agriculture Loan Fund, which by law receive dedicated sales tax revenues. Accounting standards require unemployment taxes collected from employers and deposited in the Unemployment Compensation Fund 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 and agriculture loan programs.

Overall, total revenues from the State's business-type activities increased slightly by \$25.549 million or 2.24 percent. Expenses decreased \$129.938 million or 13.55 percent largely due to a \$256.640 million decrease in program liquidation transfers related to the termination of operations of the Student Assistance Program offset by a \$69.268 million increase in benefit claims and unemployment compensation and \$16.170 million increase in Alcoholic Beverage Services operating expenses.

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, 2023, the State's governmental funds reported combined ending fund balances of \$16.833 billion. Of this amount, \$2.436 billion or 14.47 percent is nonspendable, either due to its form or legal constraints, and \$6.035 billion or 35.85 percent is restricted for specific programs by either external constraints, constitutional provisions, or contractual obligations. Revenue restricted for public education, revenue that derives from the operation of motor vehicles on public highways, mineral lease revenues, and earnings received from investment of the Trust Lands Permanent Fund are included in restricted fund balance. An additional \$5.546 billion or 32.95 percent of the total fund balance has been committed to specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Legislature. An additional \$2.746 billion or 16.31 percent of the total fund balance has been assigned for specific purposes, as expressed by legislative intent. The remaining \$69.264 million or 0.42 percent of the fund balance is unassigned and available for future appropriations.

(MD&A continues on next page.)

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	\$ 225,667	\$ 45	\$ 14,946	\$ —	\$ 2,195,279	\$ 549	\$ 2,436,486
Restricted	363,660	3,763,620	684,856	—	1,096,537	126,695	6,035,368
Committed	1,835,230	—	—	2,860,148	—	851,097	5,546,475
Assigned	1,451,406	—	6,794	—	—	1,287,596	2,745,796
Unassigned	69,264	—	—	—	—	—	69,264
Total	\$ 3,945,227	\$ 3,763,665	\$ 706,596	\$ 2,860,148	\$ 3,291,816	\$ 2,265,937	\$ 16,833,389
Percent change from prior year ..	16.29 %	1.76 %	20.39 %	66.83 %	5.93 %	61.02 %	21.04 %

General Fund

The General Fund's total fund balance increased \$552.694 million or 16.29 percent in fiscal year 2023. The General Fund ended the fiscal year with a \$69.264 million unassigned balance. In the prior year, the General Fund ended the year with a \$130.243 million unassigned fund balance.

Specific changes in the General Fund balance include the following:

- Nonspendable fund balance increased \$133.069 million or 143.71 percent primarily due to a \$140.790 million increase in prepaid items related to the timing of Medicaid Provider Payments being disbursed.
- Restricted fund balance increased \$246.276 million or 209.80 percent primarily due to an increase in revenues set aside for specific purposes due to constraints that are imposed externally or by law.
- Committed fund balance increased \$142.286 million or 8.40 percent due to an increase in funding set aside for specific purposes as follows: **(1)** agency carry-forward balances increased \$35.567 million; **(2)** funding set aside for committed purposes in various restricted accounts increased \$147.877 million; and **(3)** a decrease of \$40.296 million in the Industrial Assistance Fund.
- Assigned fund balance increased \$92.042 million or 6.77 percent. The increase was primarily due to a \$220.621 million increase in the amount set aside for next year's budget by the Legislature. Offset by an increase of \$128.579 million in other liabilities assigned by law.

Total tax revenues in the General Fund increased \$187.330 million or 5.13 percent, the largest of which was sales and use tax increasing \$170.113 million or 5.30 percent.

Total General Fund non-related tax revenues increased \$253.45 million or 3.55 percent as explained below:

- Federal contracts and grants decreased \$115.563 million or 1.94 percent as a result of: **(1)** a decrease in one time federal funding from the American Rescue Plan Act of 2021 of \$332.774 million received in fiscal year 2022; and **(2)** an increase in COVID-19 pandemic funding in the following programs due to the public's demand: Child Care and Development Fund grant \$167.100 million, Low Income Home Energy Assistance Program of \$21.800 million, and Deeply Affordable Housing program of \$28.100 million.
- Federal mineral lease revenue increased \$61.943 million or 81.92 percent due to an increase in prices and production.
- Investment income increased \$290.718 million or 6,754.60 percent due to higher interest rates.

Overall, total General Fund expenditures increased \$1.041 billion or 9.70 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:

- *Employment and Family Services* – Total expenditures increased by \$179.955 million or 13.05 percent primarily due to \$167.100 million increase in Child Care and Development Fund (CCDF) grant expenses related to COVID-19 pandemic funding for child care providers to assist in stabilizing the child care sector and provide child care workforce bonuses to recognize the dedication and hard work of individual child care professionals throughout the pandemic.
- *Higher Education* – Total expenditures increased by \$204.121 million or 16.02 percent as a result of: **(1)** \$102.500 million increase in compensation expenses; **(2)** \$33 million increase in expenditures due to Electric Train and Vehicle Research programs; **(3)** \$30 million increase in expenditures due to performance based funding; **(4)**

\$18 million Veterinary Medicine Program; and **(5)** \$15 million increase in expenditures due to Learn and Work program expansion.

- *Health and Human Services* – Total expenditures increased \$350.422 million or 6.04 percent as a result of: **(1)** \$310 million increase in Medicaid program expenditures due to increased enrollment; and **(2)** \$40 million increase in State Funded Program Provider Payments due to the build out of the Crisis System, the Children's Center Building, additional wait list expenses, one time respite care, and an increase in sole source costs.
- *Natural Resources* – Total expenditures increased by \$88.773 million or 30.16 percent as a result of: **(1)** \$40 million increase to preserve the Great Salt Lake; **(2)** \$1 million increase in capital improvements expenditures in the Division of State Parks; and **(3)** \$17 million increase in American Rescue Plan Act of 2021 expenditures to purchase secondary water meters in the Division of Water Resources.

In addition to the significant changes in expenditures described above, the increase in overall expenditures is also due to a 5 percent salary increase of most state employees, increases in health insurance costs, workers' compensation rate reduction, and other payroll adjustments with a total net impact of \$276.600 million.

Budgetary Highlights – General Fund

The Legislature adopted the initial fiscal year 2023 budget during the 2022 General Session (January to March 2022). The original consensus revenue estimates for the General Fund budget at the start of fiscal year 2023, excluding department-specific revenue sources such as federal grants and departmental collections, and miscellaneous transfers, were 2.49 percent lower than the final fiscal year 2022 budget. The decrease was primarily due to decline in the sales and use tax due to low consumer sentiment. Budgeted expenditures were 27.40 percent higher than the final fiscal year 2022 budget. The Governor and Legislature were able to balance the original fiscal year 2023 budget using revenue growth, prior year reserves, and fund balances.

Adjustments to the original budget were made in the 2022 Third Special Session, 2023 General, First and Second Special Sessions. Final general revenue estimates increased \$632.605 million from the original consensus estimates adopted during the 2022 General Session due to projected increases in sales and use tax, investment income, insurance premium tax, oil and gas severance estimates. Base budget resources allowed the Legislature to set aside \$1.267 billion for fiscal year 2024 appropriations. In the end, taxes and other general revenues ended the year \$42.160 million below final budgeted amounts. Final budgets of department-specific revenue sources decreased in total from original budgets primarily due to a decrease in expected federal contracts and grants. 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, \$16.807 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 increased overall by \$64.936 million or 1.76 percent from the prior year. The Income Tax Fund, including the Uniform School Fund, ended the year with a zero dollar revenue surplus after a \$23.626 million property tax recapture. 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 \$856.285 million.

Overall, total revenues in the Income Tax Fund decreased \$416.389 million or 4.68 percent. Individual income tax decreased \$303.997 million or 4.46 percent and corporate tax decreased \$65.353 million or 6.81 percent primarily due to decline in net final payments, normalizing after unprecedented growth in fiscal year 2022. Federal contracts and grants revenue decreased \$97.143 million or 9.98 percent as a result of the completion of the COVID-19 pandemic era free breakfast and lunch offered through the Child Nutrition Program funded by the CARES Act in fiscal year 2022.

Overall, expenditures increased \$328.749 million or 6.26 percent in the Income Tax Fund. The increase in spending was partially due to a \$23.715 million increase in expenditures within the Minimum School Program to provide for growth in student enrollment and to fund a 6.00 percent increase in the weighted pupil unit value (a \$353.536 million increase), which is the primary funding mechanism for public education. These increases were offset by a decrease in expenditures related to the elimination of spending from the COVID-19 pandemic era free breakfast and lunch programs.

Net other financing uses decreased \$452.920 million or 19.02 percent. This change resulted from a \$460.892 million increase in transfers to the General Fund for higher education, and from a \$7.972 million decrease 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 \$119.690 million or 20.39 percent from the prior year. Expenditures within the Transportation Fund increased \$106.766 million or 9.49 percent due to increased highway preservation, rehabilitation and maintenance. Overall, transportation revenues increased \$187.503 million or 15.10 percent. This large increase includes the following significant increases in revenue as compared to the prior year:

- Federal contracts and grants increased by \$131.320 million or 34.83 percent as a result of the new Infrastructure Investment and Jobs Act funding which provided more federal highway funding to the states and accelerated the use of Coronavirus Response and Relief Supplemental Appropriation Act funding.
- Motor and special fuels tax increased \$30.763 million or 5.33 percent due to an increase in fuel tax rates.
- Investment income increased by \$24.551 million or 8,294.26 percent due to an increase in interest rates.
- Licenses, permits, and fees increased \$13.631 million or 11.39 percent primarily due to an increase in vehicle registration fees. Vehicle registration fees increase each year by an inflation factor. This increase plus the recovering economy caused the overall increase in fees.
- Charges for services/royalties revenue increased \$7.205 million or 10.42 percent due to an increase in right of way rental revenue and airplane registrations.

The increases above were partially offset by a decrease in miscellaneous and other revenue of \$21.182 million or 25.55 percent due to completion of projects with cooperative agreements that brought in cooperative shared funding.

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 \$1.146 billion or 66.83 percent from the prior year. Committed fund balance increased \$1.146 billion or 66.83 percent due to growth in dedicated sales and use tax revenue and unspent appropriations at yearend.

Overall, revenues increased \$136.314 million or 14.41 percent. Investment income increased \$93.464 million or 2,281.28 percent primarily due to climbing interest rates. Sales and use tax revenues, statutorily reallocated from use in the General Fund to use for highway projects, increased \$36.733 million or 4.30 percent due to growth in the economy. Expenditures decreased \$105.335 million or 14.88 percent from the prior year due to decreased spending on highway construction projects and a decrease in one-time funding. Net other financing sources decreased \$121.560 million or 15.44 percent, primarily due to a decrease in appropriated transfers in when compared to the prior year for the Transportation Capacity Program.

Trust Lands Permanent Fund

The fund balance of the Trust Lands Permanent Fund increased \$184.363 million or 5.93 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 \$121.024 million or 5.83 percent was attributable to increased revenues generated from oil, gas and other mineral royalty income, in addition to trust land sales in fiscal year 2023. 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 \$317.500 million or 668.08 percent. The increase was attributable to a \$288.724 million or 244.70 percent swing in investment income as the Permanent Fund navigated a recovering investment market during the fiscal year relative to the volatile investment performance in the prior fiscal year. The investment gains and other activity resulted in a \$63.339 million or 6.13 percent increase in the Permanent Fund's restricted fund balance. Expenditures and transfers out increased \$8.751 million or 7.37 percent primarily due to an increase in the amount available for distribution to beneficiaries based on the statutory formula. The sale of trust land assets decreased \$48.242 million or 53.55 percent due to a decrease in

surface and developed land sales. Therefore, overall revenues exceeded expenditures, resulting in an increase in fund balance. Securities lending liabilities also decreased \$64.541 million or 45.83 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. The remaining assets of \$56.079 million are due payable to the Utah Board of Higher Education, a discrete component unit, upon liquidation.

Unemployment Compensation Fund

The State's average unemployment rate for the fiscal year 2023 increased to an estimated 2.60 percent from 2.30 percent the prior year. Employer tax revenue increased \$55.863 million or 19.98 percent due to the end of pandemic funding and increased revenue from contributory employers. Investment income increased by \$5.215 million or 37.06 percent due to increasing interest rates. Federal contracts and grants decreased \$100.584 million or 94.57 percent due to the end of pandemic funding. Expenses increased \$69.268 million or 49.35 percent due to an increase in higher paid claimants. Overall, employer taxes and other revenues exceeded benefit payments, resulting in an increase of net position of \$151.433 million or 14.22 percent. The entire net position of \$1.217 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 \$7.005 million or 57.87 percent. Benefit claims decreased \$2.780 million or 31.25 percent due to a decrease in the actuarial estimate of claims incurred but not yet reported. Investment income increased \$26.524 million or 135.59 percent as interest rates increased. Fee and assessment revenue increased \$896 thousand or 52.64 percent due to increased penalties assessed. The entire net position of \$19.110 million is restricted for use within the fund.

Water Loan Programs

Net position increased \$86.647 million or 6.94 percent from the prior year as program revenues exceed grants awarded. Additional capital for loans issued was provided by \$52.140 million in dedicated sales tax revenues, \$25.256 million in investment income, and \$19.417 million in federal grants, offset by \$16.291 million in grant expense. Of the total net position of \$1.336 billion, \$586.877 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 \$74.135 million or 10.20 percent from the prior year as program revenues and transfers in exceeded operating expenses. Investment income increased \$13.128 million or 218.36 percent due to increasing interest rates. Federal Contracts and Grants increased \$21.306 million or 100 percent due to a receipt of funds for State Small Business Credit Initiative Program. Of the total net position of \$800.863 million, \$25.407 million is restricted for use within the loan program.

Alcoholic Beverage Services Fund

The net position of the Alcoholic Beverage Services Fund remained unchanged from the prior year as net 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. The current year net profit of \$142.096 million exceed the prior year by \$7.270 million as retail sales increased 4.08 percent.

CAPITAL ASSET AND LONG-TERM DEBT ADMINISTRATION

Capital Assets

The State's capital assets increased by a net \$910.429 million during the year. The significant changes consisted of net increases in the following: (1) infrastructure (i.e., state roads and bridges) of \$901.740 million; (2) land and related assets of \$136.644 million; and (3) intangible assets-software of \$170.671 million. The increases are offset by net decreases in construction in progress of \$248.791 million. Significant projects include the following:

- Completion of the I-15 express lanes from Layton Parkway to I-84
- Completion of a new four-lane highway of the Mountain View Corridor
- Completion of a new bridge over railroad tracks and reconfiguring the 5600 West and I-80 Interchange
- Completion of an additional lane to I-15 South bound from SR-201 to 12300 South

The State implemented Governmental Accounting Standard Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, during fiscal year 2023, which introduced subscription based software as a new capital asset category. Implementation of this standard resulted in additions of beginning balances of subscription based software totaling \$6.254 million for governmental activities and \$4.093 million for business-type activities. See [Note 2](#), [Note 8](#), and [Note 9](#) for more information on leased assets.

Several buildings financed by the State are actually owned by the colleges and universities, which are discrete component units of the State. Therefore, while the capital assets are on the discrete component unit's financial statements, any outstanding debt issued by the State to finance 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, 2023, the State had \$63.765 million of outstanding debt related to capital assets of discretely presented component units.

At June 30, 2023, the State had commitments in capital projects funds of \$988.080 million for building projects and \$340.191 million for highway construction and improvement projects. The State also had commitments of \$425.868 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 2022 indicated that 95.50 percent of roads were in "fair" or better condition. These results reflect maintaining roads above target percentages and are consistent with calendar year 2021, when 95.10 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 new National Bridge Inventory (NBI) rating completed in fiscal year 2023 indicated that 24.10 percent and 0.70 percent of bridges were in "good" and "poor" condition, respectively. These results reflect bridge maintenance was at a lower condition level than reported in fiscal year 2022, using the Structure Inventory System rating, when 61.10 percent of the bridges were assessed as "good" and 2.90 percent assessed were in "poor" condition.

During fiscal year 2023, the State spent \$482.625 million and \$85.169 million to maintain and preserve roads and bridges, respectively. These combined amounts were 15.58 percent below the estimated amounts of \$571.704 million and \$100.889 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, 2023, the general obligation indebtedness of the State was \$9.009 billion below the constitutional debt limit and \$1.823 billion below the statutory debt limit.

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

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

	Governmental Activities		Business-type Activities		Total Primary Government		Percentage Change 2022 to 2023
	2023	2022	2023	2022	2023	2022	
General Obligation Bonds	\$ 1,922	\$ 2,314	\$ —	\$ —	\$ 1,922	\$ 2,314	(16.94)%
Revenue Bonds:							
State Building Ownership Authority	150	163	116	126	266	289	(7.96)%
Water Loan Programs	—	—	—	7	—	7	(100.00)%
Total Bonds Payable	\$ 2,072	\$ 2,477	\$ 116	\$ 133	\$ 2,188	\$ 2,610	(16.17)%

Total general obligation bonds payable net of premiums and discounts decreased \$392.382 million. Revenue bonds payable net of premiums and discounts decreased \$29 million for an overall net decrease of \$421 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 2024 are 2.76 percent higher than actual fiscal year 2023 revenues. Original revenue estimates of the Income Tax Fund for fiscal year 2024 are 1.92 percent higher than actual fiscal year 2023 revenues. The Legislature balanced the 2024 budget using projected revenue growth, prior year reserves, and fund balances.

Preliminary data for fiscal year 2024 show tax revenues to be in line with estimates. The State’s overall unemployment rate is expected to be 2.60 percent in 2023, an increase from the average 2022 rate of 2.30 percent. Taxable retail sales are expected to decrease (0.40) percent in 2023 and increase 3.00 percent in 2024. Personal income is expected to increase 6.40 percent in 2023, and 5.50 percent in 2024. 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 2024. The Governor and Legislature will review the fiscal year 2024 budget again during the upcoming 2024 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 discrete component units each issue separate audited financial statements that include their respective management’s discussion and analysis. Discrete component unit statements may be obtained from their respective administrative offices or from the Office of the State Auditor, Utah State Capitol Complex, East Office Building, Suite E310, Salt Lake City, UT 84114. You may also visit their website at auditor.utah.gov.

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**BASIC FINANCIAL
STATEMENTS**

2023
STATE OF UTAH
★
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

★
For the fiscal year ended June 30, 2023

Photo by Carly Christensen

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Statement of Net Position
(expressed in thousands)

June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 345,846	\$ 1,154,251	\$ 1,500,097	\$ 2,084,585
Pooled Cash and Investments	12,710,926	962,665	13,673,591	—
Investments	3,568,747	170,108	3,738,855	5,460,013
Taxes Receivable, net	1,807,618	5,788	1,813,406	—
Accounts and Interest Receivable, net	1,491,907	174,484	1,666,391	1,302,623
Amounts Due From:				
Component Units	76,014	—	76,014	—
Primary Government	—	—	—	1,269
Prepaid Items	208,485	3,552	212,037	44,435
Inventories	62,244	40,752	102,996	201,576
Internal Balances	28,087	(28,087)	—	—
Restricted Cash and Cash Equivalents	121,845	78,662	200,507	1,855,987
Restricted Pooled Cash and Investments	32,277	96,049	128,326	—
Restricted Investments	—	—	—	1,145,826
Restricted Receivables	—	—	—	94,869
Notes/Leases/Loans/Mortgages/Pledges Receivable, net	75,815	1,555,959	1,631,774	216,349
Other Assets	82,914	—	82,914	219,825
Net Pension Asset	859	—	859	6,010
Net Other Postemployment Benefit Asset	18,240	201	18,441	182
Capital Assets:				
Land and Other Non-depreciable Assets	2,614,956	39,759	2,654,715	995,011
Infrastructure	17,177,762	—	17,177,762	—
Construction in Progress	1,896,662	9,592	1,906,254	933,536
Buildings, Equipment, and Other Depreciable Assets	4,911,288	156,903	5,068,191	17,003,852
Less Accumulated Depreciation	(2,023,361)	(63,713)	(2,087,074)	(7,719,143)
Total Capital Assets	24,577,307	142,541	24,719,848	11,213,256
Total Assets	45,209,131	4,356,925	49,566,056	23,846,805
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	456,347	9,366	465,713	308,948
LIABILITIES				
Accounts Payable and Accrued Liabilities	1,791,543	94,697	1,886,240	725,968
Amounts Due to:				
Component Units	2,627	—	2,627	—
Primary Government	—	—	—	76,302
Other Governments	468	—	468	—
Securities Lending	76,297	—	76,297	2,254
Unearned Revenue	886,815	6,169	892,984	397,876
Deposits	77,705	7,497	85,202	276,326
Long-term Liabilities:				
Due Within One Year	546,944	63,537	610,481	741,458
Due in More Than One Year	2,677,982	330,690	3,008,672	6,375,197
Total Liabilities	6,060,381	502,590	6,562,971	8,595,381
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	37,161	424	37,585	223,517
NET POSITION				
Net Investment in Capital Assets	22,351,002	51,914	22,402,916	6,791,886
Restricted for:				
Transportation	667,618	—	667,618	—
Public Education – Expendable	5,330,646	—	5,330,646	—
Public Education – Nonexpendable	2,053,859	—	2,053,859	—
Higher Education – Expendable	36,087	—	36,087	1,909,735
Higher Education – Nonexpendable	99,771	—	99,771	1,369,234
Capital Projects	1,989	—	1,989	—
Unemployment Compensation and Insurance Programs	15,571	1,241,223	1,256,794	382,651
Loan Programs	—	742,848	742,848	—
Other Post Employment Benefits	—	412	412	—
Transit Services	—	—	—	44,161
Other Purposes – Expendable	477,514	—	477,514	54,851
Other Purposes – Nonexpendable	45,877	—	45,877	—
Unrestricted	8,488,002	1,826,880	10,314,882	4,784,337
Total Net Position	\$ 39,567,936	\$ 3,863,277	\$ 43,431,213	\$ 15,336,855

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, 2023

Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental:				
General Government	\$ 1,336,723	\$ 683,923	\$ 386,467	\$ 150
Health and Human Services	6,110,674	539,104	4,140,398	—
Corrections	430,734	3,197	6	—
Public Safety	505,607	89,948	184,725	3,105
Courts	195,907	59,750	8,400	—
Environmental Quality	80,236	16,718	84,388	—
Higher Education	1,742,559	—	18,300	—
Employment and Family Services	1,568,934	9,780	1,384,449	—
Natural Resources	381,099	139,625	105,898	—
Cultural and Community Engagement	75,018	3,499	11,541	—
Business, Labor, and Agriculture	161,471	132,675	16,696	—
Public Education	5,577,397	109,227	1,061,666	—
Transportation	1,152,821	278,806	484,422	115,254
Interest and Other Charges on Long-term Debt	52,921	—	—	—
Total Governmental Activities	19,372,101	2,066,252	7,887,356	118,509
Business-type:				
Student Assistance Programs	146,354	129	49,634	—
Unemployment Compensation	209,626	335,999	5,772	—
Water Loan Programs	17,227	366	19,417	—
Community and Economic Loan Programs	24,855	5,924	28,524	—
Liquor Retail Sales	383,789	523,992	235	—
Other Business-type Activities	47,159	56,492	—	—
Total Business-type Activities	829,010	922,902	103,582	0
Total Primary Government	\$ 20,201,111	\$ 2,989,154	\$ 7,990,938	\$ 118,509
Component Units:				
Public Employees Health Program	\$ 1,013,839	\$ 982,025	\$ 26,060	\$ —
University of Utah	7,298,992	6,057,068	1,129,401	103,163
Utah State University	1,022,794	296,216	513,829	23,402
Utah Transit Authority	669,621	518,446	215,064	81,643
Nonmajor Colleges and Universities	1,727,416	575,209	465,879	127,125
Nonmajor Component Units	306,183	26,127	14,153	11,805
Total Component Units	\$ 12,038,845	\$ 8,455,091	\$ 2,364,386	\$ 347,138

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, 2023

Continued

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Governmental:				
General Government	\$ (266,183)	\$ —	\$ (266,183)	\$ —
Health and Human Services	(1,431,172)	—	(1,431,172)	—
Corrections	(427,531)	—	(427,531)	—
Public Safety	(227,829)	—	(227,829)	—
Courts	(127,757)	—	(127,757)	—
Environmental Quality	20,870	—	20,870	—
Higher Education	(1,724,259)	—	(1,724,259)	—
Employment and Family Services	(174,705)	—	(174,705)	—
Natural Resources	(135,576)	—	(135,576)	—
Cultural and Community Engagement	(59,978)	—	(59,978)	—
Business, Labor, and Agriculture	(12,100)	—	(12,100)	—
Public Education	(4,406,504)	—	(4,406,504)	—
Transportation	(274,339)	—	(274,339)	—
Interest and Other Charges on Long-term Debt	(52,921)	—	(52,921)	—
Total Governmental Activities	<u>(9,299,984)</u>	<u>0</u>	<u>(9,299,984)</u>	<u>0</u>
Business-type:				
Student Assistance Programs	—	(96,591)	(96,591)	—
Unemployment Compensation	—	132,145	132,145	—
Water Loan Programs	—	2,556	2,556	—
Community and Economic Loan Programs	—	9,593	9,593	—
Liquor Retail Sales	—	140,438	140,438	—
Other Business-type Activities	—	9,333	9,333	—
Total Business-type Activities	<u>0</u>	<u>197,474</u>	<u>197,474</u>	<u>0</u>
Total Primary Government	<u>(9,299,984)</u>	<u>197,474</u>	<u>(9,102,510)</u>	<u>0</u>
Component Units:				
Public Employees Health Program	—	—	—	(5,754)
University of Utah	—	—	—	(9,360)
Utah State University	—	—	—	(189,347)
Utah Transit Authority	—	—	—	145,532
Nonmajor Colleges and Universities	—	—	—	(559,203)
Nonmajor Component Units	—	—	—	(254,098)
Total Component Units	<u>0</u>	<u>0</u>	<u>0</u>	<u>(872,230)</u>
General Revenues:				
Taxes:				
Sales and Use Tax	4,421,474	56,034	4,477,508	—
Individual Income Tax Imposed for Education	6,045,283	—	6,045,283	—
Corporate Tax Imposed for Education	895,504	—	895,504	—
Motor and Special Fuel Taxes Imposed for Transportation	608,188	—	608,188	—
Other Taxes	578,763	—	578,763	—
Total Taxes	<u>12,549,212</u>	<u>56,034</u>	<u>12,605,246</u>	<u>0</u>
Investment Income (Loss)	288,384	83,176	371,560	—
State Funding for Colleges and Universities	—	—	—	1,560,105
State Funding for Other Component Units	—	—	—	82,542
Gain (Loss) on Sale of Capital Assets	56,374	60	56,434	3,147
Gain (Loss) on Lease Remeasurement	—	—	—	1,287
Miscellaneous	144,946	298	145,244	91,635
Permanent Endowments Contributions	—	—	—	72,591
Special Items (See Note 2)	—	—	—	(18,000)
Transfers—Internal Activities	22,128	(22,128)	—	—
Total General Revenues, Contributions, Other and Transfers	<u>13,061,044</u>	<u>117,440</u>	<u>13,178,484</u>	<u>1,793,307</u>
Change in Net Position	<u>3,761,060</u>	<u>314,914</u>	<u>4,075,974</u>	<u>921,077</u>
Net Position—Beginning	35,537,283	3,551,198	39,088,481	14,427,336
Adjustment to Beginning Net Position	269,593	(2,835)	266,758	(11,558)
Net Position—Beginning as Adjusted	<u>35,806,876</u>	<u>3,548,363</u>	<u>39,355,239</u>	<u>14,415,778</u>
Net Position—Ending	<u>\$ 39,567,936</u>	<u>\$ 3,863,277</u>	<u>\$ 43,431,213</u>	<u>\$ 15,336,855</u>

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](#).

State of Utah

Balance Sheet
Governmental Funds
(expressed in thousands)

June 30, 2023

	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	\$ 166,950	\$ 130,023	\$ 13,012	\$ —	\$ 33,548	\$ 2,313	\$ 345,846
Pooled Cash and Investments	4,047,117	3,002,838	709,394	2,774,984	13,410	2,046,115	12,593,858
Investments	31,746	—	—	—	3,274,899	262,102	3,568,747
Receivables:							
Accounts, net	844,838	375,385	147,827	—	46,989	64,931	1,479,970
Accrued Interest	31	52	—	—	571	2,505	3,159
Accrued Taxes, net	421,575	1,200,189	84,061	88,618	—	13,175	1,807,618
Notes/Mortgages, net	331	11,719	—	—	—	63,765	75,815
Due From Other Funds	89,287	37,553	2,104	—	4,853	13,995	147,792
Due From Component Units	306	—	—	—	—	75,090	75,396
Prepaid Items	163,936	45	406	—	—	549	164,936
Inventories	43,581	—	14,540	—	—	—	58,121
Interfund Loans Receivable	33,354	—	—	—	—	—	33,354
Restricted Cash and Cash Equivalents	20,383	—	28,715	—	—	72,244	121,342
Restricted Pooled Cash and Investments	—	—	—	—	—	32,277	32,277
Other Assets	17,129	—	—	—	65,785	—	82,914
Total Assets	<u>\$ 5,880,564</u>	<u>\$ 4,757,804</u>	<u>\$ 1,000,059</u>	<u>\$ 2,863,602</u>	<u>\$ 3,440,055</u>	<u>\$ 2,649,061</u>	<u>\$ 20,591,145</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 794,939	\$ 455,995	\$ 272,511	\$ —	\$ 28,831	\$ 198,493	\$ 1,750,769
Deposits	39,409	1	—	—	—	38,290	77,700
Due To Other Funds	67,019	564	6,775	—	25,636	69,550	169,544
Due To Component Units	2,378	—	—	—	249	—	2,627
Due To Other Governments	468	—	—	—	—	—	468
Securities Lending	—	—	—	—	76,297	—	76,297
Unearned Revenue	834,866	505	13,418	—	—	13,026	861,815
Total Liabilities	<u>1,739,079</u>	<u>457,065</u>	<u>292,704</u>	<u>0</u>	<u>131,013</u>	<u>319,359</u>	<u>2,939,220</u>
Deferred Inflows of Resources:							
Unavailable Revenue	196,258	537,074	759	3,454	17,226	63,765	818,536
Total Deferred Inflows of Resources	<u>196,258</u>	<u>537,074</u>	<u>759</u>	<u>3,454</u>	<u>17,226</u>	<u>63,765</u>	<u>818,536</u>
Fund Balances:							
Nonspendable:							
Long-term Portion of Interfund Loans Receivable	18,150	—	—	—	—	—	18,150
Prepaid Items	163,936	45	406	—	—	549	164,936
Inventories	43,581	—	14,540	—	—	—	58,121
Permanent Fund Principal	—	—	—	—	2,195,279	—	2,195,279
Restricted	363,660	3,763,620	684,856	—	1,096,537	126,695	6,035,368
Committed	1,835,230	—	—	2,860,148	—	851,097	5,546,475
Assigned	1,451,406	—	6,794	—	—	1,287,596	2,745,796
Unassigned	69,264	—	—	—	—	—	69,264
Total Fund Balances	<u>3,945,227</u>	<u>3,763,665</u>	<u>706,596</u>	<u>2,860,148</u>	<u>3,291,816</u>	<u>2,265,937</u>	<u>16,833,389</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,880,564</u>	<u>\$ 4,757,804</u>	<u>\$ 1,000,059</u>	<u>\$ 2,863,602</u>	<u>\$ 3,440,055</u>	<u>\$ 2,649,061</u>	<u>\$ 20,591,145</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, 2023

Total Fund Balances – Governmental Funds		\$ 16,833,389
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	\$ 2,614,956	
Infrastructure, Non-depreciable	17,177,762	
Construction in Progress	1,896,389	
Buildings, Equipment, and Other Depreciable Assets	4,702,357	
Accumulated Depreciation	<u>(1,905,262)</u>	24,486,202
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	807,040	
Related to Pensions	(7,635)	
Related to Other Postemployment Benefits	<u>(15,641)</u>	783,764
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.		
		121,522
Deferred outflows of resources are not reported in the governmental funds:		
Amount on Refundings of Bonded Debt	4,704	
Related to Pensions	385,976	
Related to OPEB	<u>24,958</u>	415,638
Other assets not available in the current period and therefore are not reported in the governmental funds:		
Other Postemployment Benefit Asset, net	16,782	
Net Pension Asset	<u>859</u>	17,641
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	(1,956,627)	
Unamortized Bond Premiums	(115,627)	
Accrued Interest on Bonds Payable	(799)	
Pollution Remediation Obligation	(4,921)	
Settlement Obligation	(366)	
Compensated Absences	(254,992)	
Notes Payable	(3,012)	
Lease Liability	(173,023)	
Software Subscriptions	(9,506)	
Net Other Postemployment Benefits Liability	(1,610)	
Net Pension Liability	<u>(569,737)</u>	<u>(3,090,220)</u>
Total Net Position – Governmental Activities		<u>\$ 39,567,936</u>

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, 2023

	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	\$ 3,377,229	\$ 300	\$ 191	\$ 891,076	\$ —	\$ 149,157	\$ 4,417,953
Individual Income Tax	—	6,510,385	—	—	—	—	6,510,385
Corporate Tax	—	894,682	—	—	—	—	894,682
Motor and Special Fuel Taxes	—	—	608,170	—	—	—	608,170
Other Taxes	463,726	36,297	17,216	—	—	61,576	578,815
Total Taxes	3,840,955	7,441,664	625,577	891,076	0	210,733	13,010,005
Other Revenues:							
Federal Contracts and Grants	5,830,034	876,167	508,336	—	—	59,104	7,273,641
Charges for Services/Royalties	632,535	1,603	76,332	—	99,245	570,028	1,379,743
Licenses, Permits, and Fees	25,119	7,085	133,288	96,879	—	—	262,371
Federal Mineral Lease	137,559	—	—	—	—	—	137,559
Investment Income (Loss)	286,414	49,018	24,255	89,367	170,731	43,065	662,850
Miscellaneous Other:							
Liquor Sales Allocated for School Lunch	—	57,914	—	—	—	—	57,914
Miscellaneous and Other	486,627	43,828	61,736	5,000	—	53,011	650,202
Total Revenues	11,239,243	8,477,279	1,429,524	1,082,322	269,976	935,941	23,434,285
EXPENDITURES							
Current:							
General Government	721,791	—	—	—	20,496	463,161	1,205,448
Health and Human Services	6,148,317	—	—	—	—	10,496	6,158,813
Corrections	420,654	—	—	—	—	10,235	430,889
Public Safety	459,988	—	—	—	—	56,066	516,054
Courts	190,730	—	—	—	—	7,720	198,450
Environmental Quality	77,454	—	—	—	—	6,154	83,608
Higher Education – State Administration	133,320	—	—	—	—	—	133,320
Higher Education – Colleges and Universities	1,478,339	—	—	—	5,179	39,247	1,522,765
Employment and Family Services	1,559,233	—	—	—	—	8,233	1,567,466
Natural Resources	383,153	—	—	—	—	15,830	398,983
Cultural and Community Engagement	58,739	—	—	—	—	16,510	75,249
Business, Labor, and Agriculture	137,843	—	—	—	—	26,836	164,679
Public Education	—	5,577,745	—	—	—	236	5,577,981
Transportation	—	—	1,232,348	—	—	5,817	1,238,165
Capital Outlay	—	—	—	602,564	—	323,347	925,911
Debt Service:							
Principal Retirement	—	—	—	—	—	368,972	368,972
Interest and Other Charges	—	—	—	—	—	85,064	85,064
Total Expenditures	11,769,561	5,577,745	1,232,348	602,564	25,675	1,443,924	20,651,817
Excess Revenues Over (Under) Expenditures	(530,318)	2,899,534	197,176	479,758	244,301	(507,983)	2,782,468
OTHER FINANCING SOURCES (USES)							
Lease Proceeds	6,329	—	4,159	—	—	—	10,488
Sale of Capital Assets	2	—	24,489	—	41,839	915	67,245
Transfers In	2,890,303	120,646	23,098	1,024,278	26	1,601,089	5,659,440
Transfers Out	(1,877,332)	(2,955,244)	(129,232)	(358,337)	(101,803)	(234,743)	(5,656,691)
Total Other Financing Sources (Uses)	1,019,302	(2,834,598)	(77,486)	665,941	(59,938)	1,367,261	80,482
Net Change in Fund Balances	488,984	64,936	119,690	1,145,699	184,363	859,278	2,862,950
Fund Balances – Beginning	3,392,533	3,698,729	586,906	1,714,449	3,107,453	1,407,239	13,907,309
Adjustment to Beginning Fund Balances	63,710	—	—	—	—	(580)	63,130
Fund Balances – Beginning As Adjusted	3,456,243	3,698,729	586,906	1,714,449	3,107,453	1,406,659	13,970,439
Fund Balances – Ending	\$ 3,945,227	\$ 3,763,665	\$ 706,596	\$ 2,860,148	\$ 3,291,816	\$ 2,265,937	\$ 16,833,389

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, 2023

Net Change in Fund Balances – Governmental Funds \$ 2,862,950

The change in net position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. The primary government also constructs buildings for discrete component units. When the buildings are completed they are “transferred” to the respective discrete component unit and reported as expenses in its Statement of Activities. This is the amount by which capital outlays of \$1.210 billion exceeded depreciation and amortization expense of \$(156.915) million and buildings “transferred” to discrete component units of \$(86.474) million in the current period. (See Note 8)

966,587

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

(74,332)

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

(475,527)

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

9,809

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)

Bonds Transferred (see Note 2)	\$	(495)	
Premiums on Bonds Transferred (see Note 2)		(32)	
Lease Additions		(3,631)	
Software Subscription Additions		(6,857)	
Payment of Bond Principal		368,972	
Note Payments		701	
Lease Payments		17,512	
Software Subscription Payments		2,950	
		379,120	

379,120

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	262	
Settlement Obligations	95	
Compensated Absences Expense	(23,946)	
Accrued Interest on Bonds Payable	75	
Amortization of Bond Premiums	36,779	
Amortization of Deferred Amount on Refundings of Bonded Debt	(2,318)	
Other Postemployment Benefits Expense	6,870	
Pension Expense	74,636	
	92,453	

92,453

Change in Net Position – Governmental Activities \$ 3,761,060

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. Additional funds have been generated by issuing water loan recapitalization revenue bonds that are secured by pledged principal and interest payments of specific revolving water resources loan funds.

Community Impact Loan Fund

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

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, 2023

	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
ASSETS									
Current Assets:									
Cash and Cash Equivalents	\$ 224	\$ 1,152,587	\$ —	\$ —	\$ —	\$ 543	\$ 897	\$1,154,251	\$ —
Pooled Cash and Investments	55,855	8,432	383,338	309,716	5,291	—	200,033	962,665	117,068
Receivables:									
Accounts, net	—	106,009	322	—	16,345	2,986	10,899	136,561	8,722
Accrued Interest	—	—	6,247	4,086	—	—	3,645	13,978	—
Accrued Taxes, net	—	—	5,030	—	758	—	—	5,788	—
Notes/Loans/Mortgages, net	—	—	46,962	29,435	—	—	17,536	93,933	—
Due From Other Funds	—	—	7,185	—	—	53,536	255	60,976	51,428
Due From Component Units	—	—	—	—	—	—	—	—	618
Prepaid Items	—	—	—	—	—	—	3,552	3,552	13,094
Inventories	—	—	—	—	—	38,711	2,041	40,752	4,123
Total Current Assets	<u>56,079</u>	<u>1,267,028</u>	<u>449,084</u>	<u>343,237</u>	<u>22,394</u>	<u>95,776</u>	<u>238,858</u>	<u>2,472,456</u>	<u>195,053</u>
Noncurrent Assets:									
Restricted Cash and Cash Equivalents ..	—	—	74,285	—	4,377	—	—	78,662	503
Restricted Pooled Cash and Investments	—	—	18,555	64,475	—	—	13,019	96,049	—
Accounts Receivables	—	16,561	—	—	2,433	—	—	18,994	—
Investments	—	—	—	—	169,829	—	279	170,108	—
Prepaid Items	—	—	—	—	—	—	—	—	30,455
Accrued Interest Receivable	—	—	3,716	260	—	—	975	4,951	—
Notes/Loans/Mortgages Receivables, net	—	—	800,400	394,177	—	1,518	265,931	1,462,026	—
Net Other Postemployment Benefit Asset	—	—	—	—	—	156	45	201	1,458
Capital Assets:									
Land	—	—	673	—	—	38,789	297	39,759	—
Infrastructure – depreciating	—	—	—	—	—	126	—	126	—
Buildings and Improvements	—	—	2,107	—	—	119,685	18,534	140,326	4,991
Machinery and Equipment	302	—	—	—	—	8,862	5,367	14,531	193,570
Software	—	—	—	—	—	926	994	1,920	10,369
Construction in Progress	—	—	—	—	—	9,592	—	9,592	273
Less Accumulated Depreciation / Amortization	(302)	—	(146)	—	—	(58,176)	(5,089)	(63,713)	(118,100)
Total Capital Assets	<u>0</u>	<u>0</u>	<u>2,634</u>	<u>0</u>	<u>0</u>	<u>119,804</u>	<u>20,103</u>	<u>142,541</u>	<u>91,103</u>
Total Noncurrent Assets	<u>0</u>	<u>16,561</u>	<u>899,590</u>	<u>458,912</u>	<u>176,639</u>	<u>121,478</u>	<u>300,352</u>	<u>1,973,532</u>	<u>123,519</u>
Total Assets	<u>56,079</u>	<u>1,283,589</u>	<u>1,348,674</u>	<u>802,149</u>	<u>199,033</u>	<u>217,254</u>	<u>539,210</u>	<u>4,445,988</u>	<u>318,572</u>
DEFERRED OUTFLOWS OF RESOURCES									
Deferred Amount on Refundings of Bonded Debt	—	—	—	—	—	1,054	—	1,054	—
Deferred Outflows Relating to Pensions	—	—	—	—	—	3,843	3,994	7,837	38,626
Deferred Outflows Relating to Other Postemployment Benefit	—	—	—	—	—	289	186	475	2,083
Total Deferred Outflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,186</u>	<u>4,180</u>	<u>9,366</u>	<u>40,709</u>

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

Continues

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

June 30, 2023

	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>									
LIABILITIES									
Current Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 56,079	\$ 13,966	\$ 5,411	\$ 351	\$ 6,560	\$ 7,781	\$ 4,549	\$ 94,697	\$ 39,369
Deposits	—	10	6,545	935	—	—	7	7,497	—
Due To Other Funds	—	16,131	928	—	29	66,281	5,694	89,063	2,139
Interfund Loans Payable	—	—	—	—	—	—	—	—	15,205
Unearned Revenue	—	251	—	—	—	1,520	4,398	6,169	8,333
Policy Claims and Uninsured Liabilities	—	36,706	—	—	15,109	—	2,231	54,046	24,801
Notes Payable	—	—	—	—	—	—	—	—	23
Revenue Bonds Payable	—	—	—	—	—	8,323	—	8,323	—
Lease Liability	—	—	—	—	—	785	309	1,094	1,264
Subscription Software Liability	—	—	—	—	—	5	69	74	161
Total Current Liabilities	<u>56,079</u>	<u>67,064</u>	<u>12,884</u>	<u>1,286</u>	<u>21,698</u>	<u>84,695</u>	<u>17,257</u>	<u>260,963</u>	<u>91,295</u>
Noncurrent Liabilities:									
Unearned Revenue	—	—	—	—	—	—	—	—	16,667
Interfund Loans Payable	—	—	—	—	—	—	—	—	18,150
Policy Claims and Uninsured Liabilities	—	—	—	—	158,225	—	26,989	185,214	46,835
Revenue Bonds Payable	—	—	—	—	—	107,997	—	107,997	—
Lease Liability	—	—	—	—	—	14,230	12,689	26,919	677
Software Subscription Liability	—	—	—	—	—	15	185	200	337
Net Pension Liability	—	—	—	—	—	5,170	5,190	10,360	61,410
Total Noncurrent Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>158,225</u>	<u>127,412</u>	<u>45,053</u>	<u>330,690</u>	<u>144,076</u>
Total Liabilities	<u>56,079</u>	<u>67,064</u>	<u>12,884</u>	<u>1,286</u>	<u>179,923</u>	<u>212,107</u>	<u>62,310</u>	<u>591,653</u>	<u>235,371</u>
DEFERRED INFLOWS OF RESOURCES									
Deferred Inflows Relating to Pensions ..	—	—	—	—	—	83	77	160	1,049
Deferred Inflows Relating to Other Postemployment Benefit	—	—	—	—	—	137	127	264	1,339
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>220</u>	<u>204</u>	<u>424</u>	<u>2,388</u>
NET POSITION									
Net Investment in Capital Assets	—	—	2,634	—	—	42,430	6,850	51,914	91,103
Restricted for:									
Unemployment Compensation and Insurance Programs	—	1,216,525	—	—	19,110	—	5,588	1,241,223	15,571
Loan Programs	—	—	586,877	25,407	—	—	130,564	742,848	—
Other Post Employment Benefits	—	—	—	—	—	308	104	412	2,202
Unrestricted (Deficit)	—	—	746,279	775,456	—	(32,625)	337,770	1,826,880	12,646
Total Net Position	<u>\$ 0</u>	<u>\$ 1,216,525</u>	<u>\$1,335,790</u>	<u>\$ 800,863</u>	<u>\$ 19,110</u>	<u>\$ 10,113</u>	<u>\$ 480,876</u>	<u>\$3,863,277</u>	<u>\$ 121,522</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, 2023

	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	\$ 155	\$ 335,449	\$ 315	\$ —	\$ —	\$ 517,153	\$ 45,068	\$ 898,140	\$ 444,776
Fees and Assessments	27	550	—	—	2,598	4,122	11,427	18,724	—
Interest on Notes/Mortgages	(5)	—	—	—	—	26	3,314	3,335	—
Federal Reinsurance and Allowances/ Reimbursements	49,634	—	—	—	—	—	—	49,634	—
Miscellaneous	(48)	—	51	—	—	2,691	9	2,703	432
Total Operating Revenues	<u>49,763</u>	<u>335,999</u>	<u>366</u>	<u>0</u>	<u>2,598</u>	<u>523,992</u>	<u>59,818</u>	<u>972,536</u>	<u>445,208</u>
OPERATING EXPENSES									
Administration	6,535	—	—	115	184	35,287	19,363	61,484	184,646
Purchases, Materials, and Services for Resale	—	—	—	—	—	312,365	7,487	319,852	124,347
Grants	—	—	16,291	—	—	—	16,887	33,178	—
Rentals and Leases	—	—	1	—	—	232	525	758	794
Maintenance	—	—	—	—	—	5,560	769	6,329	24,576
Depreciation/Amortization	96	—	79	—	—	4,728	857	5,760	19,701
Student Loan Servicing and Related Expenses	1,187	—	—	—	—	—	—	1,187	—
Payment to Lenders for Guaranteed Claims	49,639	—	—	—	—	—	—	49,639	—
Benefit Claims and Unemployment Compensation	—	209,626	—	—	6,115	—	3,060	218,801	39,777
Supplies and Other Miscellaneous	—	—	856	134	868	21,895	15,515	39,268	65,273
Total Operating Expenses	<u>57,457</u>	<u>209,626</u>	<u>17,227</u>	<u>249</u>	<u>7,167</u>	<u>380,067</u>	<u>64,463</u>	<u>736,256</u>	<u>459,114</u>
Operating Income (Loss)	<u>(7,694)</u>	<u>126,373</u>	<u>(16,861)</u>	<u>(249)</u>	<u>(4,569)</u>	<u>143,925</u>	<u>(4,645)</u>	<u>236,280</u>	<u>(13,906)</u>
NONOPERATING REVENUES (EXPENSES)									
Investment Income	3,335	19,288	25,256	19,140	6,962	1,658	7,537	83,176	3,140
Federal Contracts and Grants	—	5,772	19,417	21,306	—	235	7,218	53,948	—
Disposal of Capital Assets	—	—	50	—	—	—	10	60	794
Tax Revenues	—	—	52,140	—	3,369	—	525	56,034	—
Interest Expense	—	—	—	—	—	(3,722)	(135)	(3,857)	(87)
Refunds Paid to Federal Government	(55,831)	—	—	—	—	—	—	(55,831)	(457)
Program Liquidation Conveyance	(33,066)	—	—	—	—	—	—	(33,066)	—
Other Revenues (Expenses)	—	—	13	282	—	—	3	298	17
Total Nonoperating Revenues (Expenses)	<u>(85,562)</u>	<u>25,060</u>	<u>96,876</u>	<u>40,728</u>	<u>10,331</u>	<u>(1,829)</u>	<u>15,158</u>	<u>100,762</u>	<u>3,407</u>
Income (Loss) before Capital Contributions and Transfers	<u>(93,256)</u>	<u>151,433</u>	<u>80,015</u>	<u>40,479</u>	<u>5,762</u>	<u>142,096</u>	<u>10,513</u>	<u>337,042</u>	<u>(10,499)</u>
Capital Contributions	—	—	—	—	—	—	—	—	929
Transfers In	—	—	13,066	34,532	1,332	—	94,336	143,266	19,892
Transfers Out	—	—	(6,434)	(876)	(89)	(138,675)	(19,320)	(165,394)	(513)
Change in Net Position	<u>(93,256)</u>	<u>151,433</u>	<u>86,647</u>	<u>74,135</u>	<u>7,005</u>	<u>3,421</u>	<u>85,529</u>	<u>314,914</u>	<u>9,809</u>
Net Position – Beginning	93,256	1,065,092	1,248,557	726,728	12,105	10,113	395,347	3,551,198	111,713
Adjustment to Beginning Net Position	—	—	586	—	—	(3,421)	—	(2,835)	—
Net Position – Beginning as Adjusted	<u>93,256</u>	<u>1,065,092</u>	<u>1,249,143</u>	<u>726,728</u>	<u>12,105</u>	<u>6,692</u>	<u>395,347</u>	<u>3,548,363</u>	<u>111,713</u>
Net Position – Ending	<u>\$ 0</u>	<u>\$ 1,216,525</u>	<u>\$1,335,790</u>	<u>\$ 800,863</u>	<u>\$ 19,110</u>	<u>\$ 10,113</u>	<u>\$ 480,876</u>	<u>\$3,863,277</u>	<u>\$ 121,522</u>

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, 2023

	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	\$ (150)	\$ 340,155	\$ 5,825	\$ —	\$ 2,444	\$ 587,428	\$ 24,271	\$ 959,973	\$ 108,663
Receipts from Loan Maturities	2,127	—	—	—	—	—	10,623	12,750	—
Receipts (Payments) Federal Reinsurance and Allowances/Reimbursements	56,508	—	—	—	—	—	—	56,508	—
Receipts from State Departments and Component Unit Customers	—	—	—	—	—	—	35,292	35,292	675,139
Payments to Suppliers/Claims/Grants	(6,304)	(203,622)	(6,180)	(632)	(14,932)	(336,068)	(26,350)	(594,088)	(581,477)
Disbursements for Loans Receivable	—	—	—	—	—	—	(22,620)	(22,620)	—
Payments on Loan Guarantees	(54,710)	—	—	—	—	—	—	(54,710)	—
Payments for Employee Services and Benefits	(1,297)	—	—	(115)	(184)	(38,609)	(20,213)	(60,418)	(188,747)
Payments to State Suppliers and Grants	—	—	(3)	(134)	(462)	(10,501)	(20,308)	(31,408)	(20,880)
Payments of Sales Tax and School Lunch Collections	—	—	—	—	—	(63,674)	—	(63,674)	—
Net Cash Provided (Used) by Operating Activities	(3,826)	136,533	(358)	(881)	(13,134)	138,576	(19,305)	237,605	(7,302)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Borrowings Under Interfund Loans	—	—	—	—	—	64,596	—	64,596	4,102
Repayments Under Interfund Loans	—	—	—	—	—	(51,377)	—	(51,377)	—
Payments of Bonds, Notes, Deposits, and Refunds	—	—	(584)	—	—	—	—	(584)	(58)
Payments to Utah System of Higher Education	(26,571)	—	—	—	—	—	—	(26,571)	—
Interest Paid on Bonds, Notes, and Financing Costs	(71)	—	—	—	—	—	—	(71)	(3)
Federal Contracts and Grants and Other Revenues	—	5,843	19,430	21,588	—	235	7,234	54,330	—
Restricted Sales Tax	—	—	52,147	—	3,301	—	525	55,973	—
Transfers In from Other Funds	—	—	13,066	34,532	1,332	—	94,336	143,266	18,885
Transfers Out to Other Funds	—	—	(6,434)	(876)	(89)	(142,096)	(18,749)	(168,244)	(513)
Net Cash Provided (Used) by Noncapital Financing Activities	(26,642)	5,843	77,625	55,244	4,544	(128,642)	83,346	71,318	22,413
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Borrowings Under Interfund Loans	—	—	—	—	—	—	—	—	28,828
Repayments Under Interfund Loans	—	—	—	—	—	—	—	—	(16,965)
Proceeds from Disposition of Capital Assets	—	—	598	—	—	—	1,269	1,867	2,270
Federal Grants and Other Revenues	—	—	—	—	—	—	—	—	929
Principal Paid on Debt and Contract Maturities	—	—	—	—	—	(7,423)	(439)	(7,862)	(3,348)
Acquisition and Construction of Capital Assets	—	—	—	—	—	(111)	(3,106)	(3,217)	(29,825)
Interest Paid on Bonds, Notes, and Capital Leases	—	—	—	—	—	(3,710)	(157)	(3,867)	(84)
Transfers In from Other Funds	—	—	—	—	—	—	—	—	1,007
Transfers Out to Other Funds	—	—	—	—	—	—	(571)	(571)	—
Net Cash Provided (Used) by Capital and Related Financing Activities	0	0	598	0	0	(11,244)	(3,004)	(13,650)	(17,188)

Continues

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

Continued

State of Utah

Statement of Cash Flows Proprietary Funds (expressed in thousands)

For the Fiscal Year Ended June 30, 2023

	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 INVESTING ACTIVITIES									
Proceeds from the Sale and Maturity of Investments	\$ —	\$ —	\$ —	\$ —	\$ 236,231	\$ —	\$ —	\$ 236,231	\$ —
Receipts of Interest and Dividends	3,335	19,288	15,829	13,060	7,756	1,658	5,376	66,302	3,140
Receipts from Loan Maturities	—	—	47,817	32,088	—	—	6,288	86,193	—
Receipts of Interest from Loans	—	—	7,381	6,398	—	—	1,851	15,630	—
Payments to Purchase Investments	—	—	—	—	(279,610)	—	—	(279,610)	—
Disbursements for Loans Receivable	—	—	(116,858)	(25,917)	—	—	(11,003)	(153,778)	—
Net Cash Provided (Used) by Investing Activities	3,335	19,288	(45,831)	25,629	(35,623)	1,658	2,512	(29,032)	3,140
Net Cash Provided (Used) – All Activities	(27,133)	161,664	32,034	79,992	(44,213)	348	63,549	266,241	1,063
Cash and Cash Equivalents – Beginning	83,212	999,355	443,558	294,199	53,881	195	150,400	2,024,800	116,508
Adjustment to Beginning Cash and Cash Equivalents	—	—	586	—	—	—	—	586	—
Cash and Cash Equivalents – Beginning As Adjusted	83,212	999,355	444,144	294,199	53,881	195	150,400	2,025,386	116,508
Cash and Cash Equivalents – Ending	\$ 56,079	\$ 1,161,019	\$ 476,178	\$ 374,191	\$ 9,668	\$ 543	\$ 213,949	\$ 2,291,627	\$ 117,571
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES									
Operating Income (Loss)	\$ (7,694)	\$ 126,373	\$ (16,861)	\$ (249)	\$ (4,569)	\$ 143,925	\$ (4,645)	\$ 236,280	\$ (13,906)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:									
Depreciation/Amortization Expense	96	—	79	—	—	4,720	857	5,752	19,701
Pension and OPEB Expense Accruals	(94)	—	—	—	—	(375)	(880)	(1,349)	(5,899)
Miscellaneous Gains, Losses, and Other Items	70	—	—	—	—	340	—	410	(440)
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:									
Accounts Receivable/Due From Other Funds	6,647	7,101	5,459	—	—	(238)	822	19,791	2,232
Notes/Accrued Interest Receivables	2,116	—	—	—	(154)	(119)	(12,388)	(10,545)	—
Inventories	—	—	—	—	—	(6,751)	160	(6,591)	(137)
Prepaid Items/Deferred Charges	1,520	—	—	—	—	6,548	(3,484)	4,584	(29,567)
Accrued Liabilities/Due to Other Funds	(6,487)	3,224	10,965	(632)	204	(9,593)	(97)	(2,416)	(9,031)
Unearned Revenue/Deposits	—	—	—	—	—	—	(698)	(698)	24,995
Policy Claims Liabilities	—	(165)	—	—	(8,615)	—	1,048	(7,732)	4,750
Net Cash Provided (Used) by Operating Activities	\$ (3,826)	\$ 136,533	\$ (358)	\$ (881)	\$ (13,134)	\$ 138,457	\$ (19,305)	\$ 237,486	\$ (7,302)
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES									
Increase (Decrease) in Fair Value of Investments	\$ —	\$ —	\$ 1,224	\$ (793)	\$ (794)	\$ —	\$ —	\$ (363)	\$ —
Total Noncash Investing, Capital, and Financing Activities	\$ 0	\$ 0	\$ 1,224	\$ (793)	\$ (794)	\$ —	\$ 0	\$ (363)	\$ —

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, 2023

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Funds	Custodial Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,250,587	\$ 2,730	\$ 396,657
Pooled Cash and Investments	53,308	315,367	453,413
Receivables:			
Accounts	264	4,253	39,555
Contributions	73,714	—	—
Investments	453,030	—	—
Accrued Interest	—	24,860	96,990
Leases	—	317	—
Loans	—	36	—
Due From Other Funds	—	91	515
Prepaid Items	—	48	281
Restricted Cash and Cash Equivalents	8,256	23,166	407
Restricted Pooled Cash and Investments	—	—	708
Investments:			
Debt Securities	9,247,474	5,691,918	15,447,164
Equity Investments	17,998,655	15,118,340	—
Absolute Return	7,530,815	—	—
Private Equity	5,529,627	—	—
Real Assets	8,896,905	—	—
Private Debt	9,639	4,270	—
Private Equity	—	2,679	—
Invested Securities Lending Collateral	1,392,142	—	—
Total Investments	<u>50,605,257</u>	<u>20,817,207</u>	<u>15,447,164</u>
Other Assets	—	90	91,746
Capital Assets:			
Land	1,780	686	—
Infrastructure	—	236	—
Buildings and Improvements	21,518	11,486	—
Machinery and Equipment	5,435	1,630	—
Intangible Assets	25,680	814	—
Less Accumulated Depreciation	(36,112)	(8,331)	—
Total Capital Assets	<u>18,301</u>	<u>6,521</u>	<u>0</u>
Total Assets	<u>52,462,717</u>	<u>21,194,686</u>	<u>16,527,436</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Relating to Pensions	0	396	0

Continues

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

June 30, 2023

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Funds	Custodial Funds
<i>Continued</i>			
LIABILITIES			
Accounts Payable	\$ 617,557	\$ 1,685	\$ 315,532
Securities Lending Liability	1,392,142	—	—
Disbursements in Excess of Cash Balance	54,799	—	—
Deposits	43,906	—	708
Due To Other Funds	—	56	—
Due To Other Governments	—	—	239,274
Unearned Revenue	—	—	268
Leave/Postemployment Benefits	22,289	—	—
Policy Claims Liabilities/Insurance Reserves	5,672	—	—
Real Estate Liabilities	100,001	—	—
Net Pension Liability	—	14	—
Total Liabilities	2,236,366	1,755	555,782
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Relating to Leases	—	317	—
Deferred Inflows Relating to Pensions	—	20	—
Total Deferred Inflows of Resources	0	337	0
NET POSITION			
Restricted for:			
Pension Benefits	42,074,517	—	—
Other Postemployment Benefits	277,009	—	—
Other Employee Benefits	99,545	—	—
Defined Contribution	7,775,280	—	—
Pool Participants	—	—	15,646,252
Individuals, Organizations, and Other Governments	—	21,192,990	325,402
Total Net Position	\$ 50,226,351	\$ 21,192,990	\$ 15,971,654

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, 2023

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Funds	Custodial Funds
ADDITIONS			
Contributions:			
Member	\$ 576,586	\$ 1,762,299	\$ 24,596
Employer	1,466,182	—	—
Court Fees and Fire Insurance Premiums	24,073	—	—
Total Contributions	<u>2,066,841</u>	<u>1,762,299</u>	<u>24,596</u>
Pool Participant Deposits	—	—	<u>16,554,374</u>
Investment Income:			
Net Increase (Decrease) in Fair Value of Investments	(4,413,574)	1,560,863	63,804
Interest, Dividends, and Other Investment Income	873,976	465,733	1,160,028
Total Income (Loss) From Investment Activity	<u>(3,539,598)</u>	<u>2,026,596</u>	<u>1,223,832</u>
Less Investment Expenses	(135,411)	—	(835)
Net Income (Loss) from Investment Activity	<u>(3,675,009)</u>	<u>2,026,596</u>	<u>1,222,997</u>
Income from Security Lending Activity	5,466	—	—
Less Security Lending Expenses	(437)	—	—
Net Income from Security Lending Activity	<u>5,029</u>	<u>—</u>	<u>—</u>
Net Investment Income (Loss)	<u>(3,669,980)</u>	<u>2,026,596</u>	<u>1,222,997</u>
Transfers From Affiliated Systems	<u>69,499</u>	<u>—</u>	<u>—</u>
Other Additions:			
Escheats	—	—	69,798
Royalties and Rents	—	4,406	—
Fees, Assessments, and Revenues	—	726	70,725
Collections for Individuals and Other Organizations	—	—	299,606
Tax and Fee Collections for Other Governments	—	—	2,785,212
Federal Grants	—	—	81,656
Miscellaneous	—	1	—
Total Other	<u>0</u>	<u>5,133</u>	<u>3,306,997</u>
Total Additions	<u>(1,533,640)</u>	<u>3,794,028</u>	<u>21,108,964</u>

Continues

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

For the Fiscal Year Ended June 30, 2023

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Funds	Custodial Funds
<i>Continued</i>			
DEDUCTIONS			
Pension Benefits	\$ 2,091,063	\$ —	\$ —
Retiree Healthcare Benefits	30,926	—	—
Member Distributions	—	—	24,321
Refunds/Plan Distributions	495,169	—	—
Earnings Distribution	—	—	1,151,395
Pool Participant Withdrawals	—	—	15,697,651
Transfers To Affiliated Systems	69,499	—	—
Trust Operating Expenses	—	1,937	596
Distributions and Benefit Payments	—	1,103,969	29,062
Payment of Taxes and Fees to Other Governments	—	—	2,785,992
Distributions to Individuals and Other Organizations	—	—	354,564
Pass Through of Federal Grants	—	—	81,659
Administrative and General Expenses	22,428	17,787	4,321
Total Deductions	2,709,085	1,123,693	20,129,561
Change in Net Position Restricted for:			
Pension Benefits	(2,978,218)	—	—
Other Postemployment Benefits	(16,811)	—	—
Other Employee Benefits	21,309	—	—
Defined Contributions	(1,269,005)	—	—
Pool Participants	—	—	919,166
Individuals, Organizations, and Other Governments	—	2,670,335	60,237
Net Position – Beginning	54,469,076	18,522,655	15,020,146
Adjustment to Beginning Net Position	—	—	(27,895)
Net Position – Beginning as Adjusted	54,469,076	18,522,655	14,992,251
Net Position – Ending	\$ 50,226,351	\$ 21,192,990	\$ 15,971,654

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

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Public Employees Health Program

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

University of Utah and Utah State University

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

Utah Transit Authority

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

Nonmajor Component Units

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

State of Utah

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

June 30, 2023	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	\$ 115,962	\$ 672,808	\$ 135,159	\$ 340,511	\$ 820,145	\$ 2,084,585
Restricted Cash and Cash Equivalents	—	—	—	25,974	10,861	36,835
Investments	9,412	1,023,992	137,564	195,866	263,718	1,630,552
Receivables:						
Accounts, net	47,720	692,187	109,350	113,250	80,107	1,042,614
Notes/Leases/Loans/Mortgages/Pledges, net	—	18,486	1,226	2,372	5,495	27,579
Accrued Interest	2,492	21,879	—	—	1,186	25,557
Due From Primary Government	—	—	267	267	735	1,269
Prepaid Items	21,691	—	6,362	1,666	14,716	44,435
Inventories	—	143,570	7,625	39,451	10,930	201,576
Other Assets	—	163,369	—	—	437	163,806
Total Current Assets	<u>197,277</u>	<u>2,736,291</u>	<u>397,553</u>	<u>719,357</u>	<u>1,208,330</u>	<u>5,258,808</u>
Noncurrent Assets:						
Restricted Cash and Cash Equivalents	—	1,004,272	94,600	88,462	631,818	1,819,152
Investments	391,412	2,270,458	461,432	—	706,159	3,829,461
Restricted Investments	—	815,892	312,729	—	17,205	1,145,826
Accounts Receivables, net	—	—	39,351	—	195,101	234,452
Restricted Receivables, net	—	70,895	5,323	18,651	—	94,869
Notes/Leases/Loans/Mortgages/Pledges Receivables, net	—	142,021	12,888	—	33,861	188,770
Net Pension Asset	3,213	1,582	338	—	877	6,010
Net Other Postemployment Benefit Asset	—	—	—	—	182	182
Other Assets	—	6,713	—	31,898	17,408	56,019
Capital Assets (net of Accumulated Depreciation)	6,260	4,617,576	1,137,676	2,889,621	2,562,123	11,213,256
Total Noncurrent Assets	<u>400,885</u>	<u>8,929,409</u>	<u>2,064,337</u>	<u>3,028,632</u>	<u>4,164,734</u>	<u>18,587,997</u>
Total Assets	<u>598,162</u>	<u>11,665,700</u>	<u>2,461,890</u>	<u>3,747,989</u>	<u>5,373,064</u>	<u>23,846,805</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Amount on Refundings of Bonded Debt	—	4,924	6,546	93,512	589	105,571
Deferred Outflows Relating to Pensions	7,035	42,494	14,313	67,975	46,888	178,705
Deferred Outflows Relating to Other Postemployment Benefits	535	23,797	—	—	340	24,672
Total Deferred Outflows of Resources	<u>7,570</u>	<u>71,215</u>	<u>20,859</u>	<u>161,487</u>	<u>47,817</u>	<u>308,948</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	17,226	439,173	82,924	50,869	113,343	703,535
Securities Lending Liability	2,254	—	—	—	—	2,254
Deposits	—	239,508	72	—	2,450	242,030
Due To Primary Government	—	59,422	—	1,846	15,034	76,302
Unearned Revenue	3,188	155,826	40,502	71,940	125,387	396,843
Current Portion of Long-term Liabilities	109,112	412,916	54,806	93,026	71,598	741,458
Total Current Liabilities	<u>131,780</u>	<u>1,306,845</u>	<u>178,304</u>	<u>217,681</u>	<u>327,812</u>	<u>2,162,422</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, 2023	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	\$ 12,496	\$ —	\$ 4,891	\$ 4,398	\$ 648	\$ 22,433
Unearned Revenue	—	—	—	—	1,033	1,033
Deposits	—	32,998	1,249	49	—	34,296
Net Pension Liability	—	3,213	715	166,225	33,838	203,991
Net Other Postemployment Benefit Liability ..	48	—	—	—	—	48
Long-term Liabilities	68,047	2,249,024	447,951	2,297,100	1,109,036	6,171,158
Total Noncurrent Liabilities	80,591	2,285,235	454,806	2,467,772	1,144,555	6,432,959
Total Liabilities	212,371	3,592,080	633,110	2,685,453	1,472,367	8,595,381
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows Relating to Beneficial Interests	—	—	4,370	—	12,017	16,387
Deferred Amount on Refundings of Bonded Debt	—	5,171	—	5,169	262	10,602
Deferred Inflows Relating to Pensions	12,923	1,673	471	523	2,811	18,401
Deferred Inflows Relating to Other Postemployment Benefits	174	—	—	—	348	522
Deferred Inflows Relating to Leases	—	131,583	15,447	2,529	28,046	177,605
Total Deferred Inflows of Resources	13,097	138,427	20,288	8,221	43,484	223,517
NET POSITION						
Net Investment in Capital Assets	6,260	3,166,018	794,140	666,553	2,158,915	6,791,886
Restricted for:						
Nonexpendable:						
Higher Education	—	862,239	203,485	—	303,510	1,369,234
Expendable:						
Higher Education	—	844,117	401,774	—	663,844	1,909,735
Insurance Plan	374,004	8,647	—	—	—	382,651
Transit Services	—	—	—	44,161	—	44,161
Other	—	—	—	—	54,851	54,851
Unrestricted	—	3,125,387	429,952	505,088	723,910	4,784,337
Total Net Position	<u>\$ 380,264</u>	<u>\$ 8,006,408</u>	<u>\$ 1,829,351</u>	<u>\$ 1,215,802</u>	<u>\$ 3,905,030</u>	<u>\$15,336,855</u>

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

State of Utah

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


For the Fiscal Year Ended June 30, 2023

	Public Employees Health Program	University of Utah	Utah State University	Utah Transit Authority	Nonmajor Component Units	Total Component Units
Expenses	\$ 1,013,839	\$ 7,298,992	\$ 1,022,794	\$ 669,621	\$ 2,033,599	\$ 12,038,845
Program Revenues:						
Charges for Services:						
Tuition and Fees	—	573,447	256,098	—	667,221	1,496,766
Scholarship Allowances	—	(118,805)	(87,692)	—	(212,745)	(419,242)
Sales, Services, and Other Revenues (net of University of Utah patient services allowance of \$140,495)	982,025	5,602,426	127,810	518,446	146,860	7,377,567
Operating Grants and Contributions	26,060	1,129,401	513,829	215,064	480,032	2,364,386
Capital Grants and Contributions	—	103,163	23,402	81,643	138,930	347,138
Total Program Revenues	<u>1,008,085</u>	<u>7,289,632</u>	<u>833,447</u>	<u>815,153</u>	<u>1,220,298</u>	<u>11,166,615</u>
Net (Expenses) Revenues	<u>(5,754)</u>	<u>(9,360)</u>	<u>(189,347)</u>	<u>145,532</u>	<u>(813,301)</u>	<u>(872,230)</u>
General Revenues:						
State Appropriations	—	434,846	315,692	—	892,109	1,642,647
Gain (Loss) on Sale of Capital Assets	—	—	—	3,229	(82)	3,147
Gain (Loss) on Lease Remeasurement	—	—	—	—	1,287	1,287
Miscellaneous	—	—	—	40,318	51,317	91,635
Permanent Endowments Contributions	—	45,065	10,404	—	17,122	72,591
Special Items (See Note 2)	—	—	—	—	(18,000)	(18,000)
Total General Revenues, Contributions and Other	<u>0</u>	<u>479,911</u>	<u>326,096</u>	<u>43,547</u>	<u>943,753</u>	<u>1,793,307</u>
Change in Net Position	<u>(5,754)</u>	<u>470,551</u>	<u>136,749</u>	<u>189,079</u>	<u>130,452</u>	<u>921,077</u>
Net Position – Beginning	386,018	7,512,635	1,689,084	1,026,421	3,813,178	14,427,336
Adjustment to Beginning Net Position	—	23,222	3,518	302	(38,600)	(11,558)
Net Position – Beginning as Adjusted	<u>386,018</u>	<u>7,535,857</u>	<u>1,692,602</u>	<u>1,026,723</u>	<u>3,774,578</u>	<u>14,415,778</u>
Net Position – Ending	<u>\$ 380,264</u>	<u>\$ 8,006,408</u>	<u>\$ 1,829,351</u>	<u>\$ 1,215,802</u>	<u>\$ 3,905,030</u>	<u>\$ 15,336,855</u>

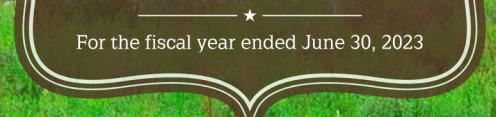
The Notes to the Financial Statements are an integral part of this statement.



NOTES TO THE FINANCIAL STATEMENTS



2023
STATE OF UTAH
★
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**



For the fiscal year ended June 30, 2023

For the Fiscal Year Ended June 30, 2023

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

Except where noted below, the State's discrete component units issue their own separately audited financial statements as special-purpose governments engaged only in business-type activities. 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 part of the general fund.

Discrete Component Units

Discretely presented component units are organizations that are legally separate and do not exist to provide services exclusively to the primary government. Financial information for discretely presented component units is segregated on the financial statements and the notes to emphasize that they are legally separate from the State.

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

The State also has fiscal accountability through the ability to approve and modify the budgets of the 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 discrete component unit is "major" is based on the nature and significance of its relationship to the primary government. The State's major discrete component units are:

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

University of Utah and Utah State University – 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 Dore Eccles Endowment for Medical School Excellence. Utah State University includes the following blending 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 discrete component units are:

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

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

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 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. The Utah Board of Higher Education (UBHE) is the governing board of the institutions of higher education and is funded primarily through state appropriations. No financial statements are required or issued for UBHE.

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

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

Heber Valley Historic Railroad Authority – This Authority is an independent state agency that maintains and operates a scenic and historic railroad in and around the Heber Valley.

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.

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 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.

Fiduciary Component Units

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

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

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

Related Organization (Excluded from Financial Statements)

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

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

Government-wide Financial Statements

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

Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are

considered to be available when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. For this purpose, the State generally considers taxes and other revenues to be available if the revenues are collected within 45 days after yearend. An exception to this policy is federal grant revenues, which generally are considered to be available if collection is expected within 12 months after yearend.

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

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

- **General Fund.** This fund is the principal operating fund of the State. It accounts for all financial resources not accounted for and reported in another fund.
- **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, and Medicaid expansion funding. The capital projects funds account for resources used for capital outlays, including the acquisition, construction, or improvement of capital facilities other than those financed by the Transportation Investment Fund, proprietary funds, or assets held

in trust. The debt service funds account for resources used for the payment of principal and interest on general long-term debt obligations.

Proprietary Fund Financial Statements

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

Proprietary funds distinguish operating revenues and expenses from non-operating 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 non-operating 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, the Petroleum Storage Tank program, and Medical Cannabis funds.

Internal Service Funds – The State reports the internal service fund type in the proprietary funds statements. The activities accounted for in internal service funds include technology services, general services, fleet operations, risk management, property management, human resource management, and attorney

general legal services. In the government-wide financial statements, internal service funds are included with governmental activities.

Fiduciary Fund Financial Statements

The fiduciary funds account for assets held by the State in a trustee 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, the Utah Educational Savings Plan Trust and the Higher Education Student Success 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.

Discrete Component Unit Financial Statements

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

D. Fiscal Yearends

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

- The defined benefit pension plans and defined contribution plans (fiduciary funds) administered by Utah Retirement Systems.
- The Public Employees Health Program (major discrete component unit).
- The Utah Transit Authority (major discrete component unit).
- The State Fair Park Authority (nonmajor discrete component unit).

- The Utah Dairy Commission (nonmajor enterprise fund).
- The Heber Valley Historic Railroad Authority (nonmajor discrete component unit).
- The University of Utah Health Insurance Plans and Community Nursing Services (blended component units of the University of Utah, a major discrete component unit).
- The Utah Capital Investment Corporation 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 State 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 (discrete 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 discrete component unit are reasonably assured; accordingly, no allowance for uncollectible accounts has been established.

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

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

Inventories, Prepaid Items, and Other Assets

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

Governmental fund consumable items are recorded as expenditures when purchased except for General Fund state park merchandise inventory, General Fund personal protective

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

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

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

Capital Assets

Capital assets include land and related assets, buildings, equipment, intangible assets (software), leased 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

Leased assets and SBITAs are amortized over the shorter of the lease term or subscription arrangement term, respectively, or the useful life of the underlying asset using the effective interest 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 discrete component units are reported in detail in their respective fund statements.

Accrued Liabilities

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

Unearned Revenue

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

Policy Claims Liabilities

Policy claims liabilities are for insurance claims incurred prior to the reporting date and are based on actuarial estimates; however, policy claims liabilities for Unemployment Insurance are for claims filed as of the reporting date. A substantial portion of policy claims liabilities is long-term in nature. Therefore, claims liabilities are reported as long-term liabilities on the Statement of Net Position. See [Note 10](#) for additional information about policy claims liabilities.

Long-term Debt

Long-term debt, such as the net pension liability (NPL), net OPEB liability (NOL), revenue bonds, 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 compensated absences and have no liability for leave benefits once their contributions have been made. The total liability of the governmental activities for compensated absences is recorded in the government-wide Statement of Net Position as part of long-term liabilities. However, in accordance with GAAP, the liability is not recorded in the governmental fund financial statements. See [Note 10](#) for additional information about the liability.

Compensatory time for overtime 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 expensed when earned for budgetary purposes.

Vacation earnings, sick leave earnings, and termination policies vary among discrete component units and from the primary government's policies, but usually vacation leave is expended when earned and sick leave is expended when used.

Pensions

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

Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources and expenses, information about the fiduciary net positions of the State Employee Other Postemployment Benefit Plan and the Elected Official OPEB Plan (Plans), and additions to/deductions from the Plans'

fiduciary net positions have been determined on the same basis as they are reported by the Plans. For this purpose, the Plans recognize benefit payments when due and payable in accordance with the benefit terms. The Plans' proportionate share of OPEB amounts were further allocated to proprietary funds (business-type activities) based on the amount of employer contributions paid by each proprietary fund. OPEB investments for the Plans are reported at fair value.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net 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 discrete component units column on the government-wide Statement of Net Position. See [Note 11](#) for a disaggregation of deferred inflows. Deferred inflows of resources of governmental funds, proprietary funds, and discrete component units are reported in detail in their respective fund statements.

Net Position/Fund Balances

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

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted balances represent those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislature, such as dedicated revenues or legislation. Assigned fund balance is constrained by the Legislature's intent to be used for specific purposes, by directive of the Executive Appropriations Committee of the Legislature or in some cases by legislation. See [Note 12](#) for additional information about fund balances.

The State maintains three stabilization accounts: (1) the General Fund Budget Reserve Account in the General Fund (the "Rainy Day Fund") reported as committed fund balance; (2) the Medicaid Growth Reduction and Budget Stabilization Restricted Account in the General Fund ("the Medicaid Budget Stabilization Account") reported as committed fund balance; and (3) the 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, 2023, the State reported revenues and expenditures of \$30.084 million and \$29.546 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 \$7.616 million of interest and dividend income, of which \$5.104 million was reported in the General Fund and \$2.512 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. BEGINNING NET POSITION
ADJUSTMENTS AND OTHER CHANGES
AND INFORMATION**

Implementation of New Governmental Accounting Standards

During the fiscal year ended June 30, 2023, the State adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)* provides guidance for governmental entities on accounting and financial reporting related to subscription-based IT arrangements. The new standard requires a software subscription asset and a corresponding subscription liability to be recognized for SBITA arrangements a government has with software vendors.

This new accounting standard requires entities to record a subscription liability and corresponding software subscription asset at the net present value of the future payments of the agreement over the term of the agreement, including any options for renewal that are reasonably certain will be exercised.

Implementation of this standard resulted in additions of beginning balances of subscription assets and a corresponding subscription payable for those assets, with no affect on beginning net position. This change also resulted in a decrease to beginning net position

for governmental activities as previously capitalized software was determined to be a SBITA. See the schedule of changes to capital assets’ beginning balances in the schedule on the following page. When implementing GASB 96, previously capitalized software (including amounts recorded as software work-in-progress) was determined to be a subscription-based arrangement that did not qualify to be capitalized. This resulted in a prior period adjustment of \$42.845 million to remove the software balances and \$18.051 million to remove software work-in-progress, decreasing beginning net position for governmental activities. Software totaling \$1.407 million and an equal amount of accumulated amortization was removed from the beginning balances of business type activities. Software work-in-progress of \$3.421 million was removed from the beginning balance of the Alcoholic Beverage Services Fund, a business type activities. The State also added \$6.254 million and \$349 thousand of subscription-based software and a corresponding subscription-based software liability for governmental and business type activities, respectively.

The following GASB statements were implemented and had little or no effect on the State’s financial activities:

- **GASB Statement No. 91, *Conduit Debt Obligations***
- **GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements***

Other Beginning Net Position Adjustments

The Department of Transportation (UDOT) and the Department of Facilities and Construction Management (DFCM) reviewed their listing of construction-in-progress (CIP) and determined various projects or portions of projects expensed in prior years should have been included as CIP. This resulted in an increase to CIP beginning balances of \$18.132 million and \$214.299 million, for DFCM and UDOT, respectively, with corresponding increases in beginning net position in the Statement of Activities for governmental activities.

Adjustments to capital assets beginning balances and related liability accounts were as follows:

Capital Asset Beginning Balance Adjustments
(expressed in thousands)

	Beginning Balance	Addition (Deletion) SBITAs	Construction in Progress / Infrastructure Corrections	Beginning Balance as Adjusted
Governmental Activities:				
Construction in Progress	\$ 1,939,089	\$ (18,051)	\$ 232,431	\$ 2,153,469
Intangible Assets—Software	\$ 349,626	\$ (42,845)	\$ —	\$ 306,781
Subscription Software	\$ —	\$ 6,254	\$ —	\$ 6,254
Accumulated Depreciation/Amortization for Intangible Assets—Software	\$ (314,323)	\$ 34,758	\$ —	\$ (279,565)
Business-type Activities:				
Construction in Progress	\$ 4,997	\$ (3,421)	\$ —	\$ 1,576
Intangible Assets—Software	\$ 5,500	\$ (1,407)	\$ —	\$ 4,093
Subscription Software	\$ —	\$ 349	\$ —	\$ 349
Accumulated Depreciation/Amortization for Intangible Assets - Software	\$ (5,017)	\$ 1,407	\$ —	\$ (3,610)

Long-term Debt and Other Long-term Liabilities Beginning Balance Adjustments

(expressed in thousands)

	Beginning Balance		Addition of SBITAs		Beginning Balance as Adjusted
Governmental Activities:					
Software Subscriptions	\$	—	\$ 6,254	\$	6,254
Business-type Activities:					
Software Subscriptions	\$	—	\$ 349	\$	349

The beginning fund balance of the Utah Public Treasurers' Investment Fund (see [Note 4](#)) was reduced by \$55.078 million to properly reflect the treatment of prior year interest receivable. This also resulted in a corresponding proportional decrease of \$27.895 million of the external portion of the fund represented in the External Investment Pool, a custodial fund.

After closing out the 2010C Water Bonds and transferring remaining funding in the debt service fund back to the Water Loan Program Fund (major enterprise fund), 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. This error resulted in a prior period adjustment of \$580 thousand and a corresponding decrease in net position in the General Government Debt Service Fund (nonmajor governmental fund), as well as a prior period adjustment of \$586 thousand and a corresponding increase in net position in the Water Loan Program Funds to reflect this correction.

During fiscal year 2023, the Utah Correctional Industries Fund (nonmajor enterprise fund) paid its remaining portion of the Lease Revenue Refunding, Series 2015 Bonds earlier than scheduled. The remaining balance of the bond and associated premium, totaling \$495 thousand and \$32 thousand, respectively, was transferred back to the general government debt service fund.

Other Changes

During fiscal year 2023, the Student Assistance Programs' (major enterprise fund) Student Loan Purchase Program ceased operations. The Program transferred \$6.482 million of office space and equipment to the Utah Board of Higher Education (UBHE) (nonmajor discrete component unit) and \$18.987 million in additional funding for the creation of an endowment fund for Utah Students.

On March 1, 2023, the Student Assistance Programs' (major enterprise fund) Loan Guarantee Program transferred all of its outstanding guarantees and its post-claim portfolio to Educational Credit Management Corporation, which was designated as the successor guarantor for the State. On June 30, 2023, the Program terminated its operation and transferred \$7.590 million of remaining assets and liabilities not due to the Federal government to UBHE. Funds due to the Federal Government in the amount of \$55.831 million will be transferred when directed by the U.S. Department of Education.

New Component Unit – Capital Investment Corporation

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. The Utah Capital Investment Corporation (UCIC), an independent quasi-public nonprofit corporation, is the sole member and manager of UFOF. Effective fiscal year 2023, the legislature changed the composition and purpose of UFOF for its eventual dissolution, resulting in the UCIC becoming a blended component unit of the State reported as part of the General Fund. The addition of this blended component unit resulted in an increase in the beginning fund balance of \$63.710 million for the General Fund.

The passage of House Bill 365 during the 2021 General Session, combined the Department of Health and the Department of Human Services into the Department of Health and Human Services beginning fiscal year 2023. The functional expenditure and expense lines in the fund statements and government wide statements, respectively, were updated to reflect this change.

Discrete Component Units

For the year ended June 30, 2023, the University of Utah (major discrete component unit) recognized modifications to leases according to GASB Statement No. 87, *Leases*, resulting in a decrease to beginning net position of \$200 thousand. Additionally, certain previously expensed contracts totaling \$27.100 million were determined to be prepayments, increasing assets and beginning net position. The University of Utah Research Foundation (UURF), a discrete component unit of the University of Utah, paid department distributions related to fiscal year 2022 during fiscal year 2023 totaling a \$3.400 million decrease to beginning net position. UURF also reevaluated lease renewals related to GASB Statement No. 87, *Leases*, decreasing beginning net position by \$100 thousand. Overall, these adjustments resulted in a net increase in the beginning net position of the University of Utah totaling \$23.222 million.

Utah State University (major discrete component unit) implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and as a result, the University's beginning net position was increased \$3.518 million. As a lessee, the University has recorded a subscription liability of \$3.812 million and an intangible right-to-use subscription asset of \$7.331 million.

Utah Transit Authority (major discrete component unit) implemented GASB Statement No. 87, *Leases*, resulting in a net increase in beginning net position of \$302 thousand. Implementation of the lessor requirements of this standard resulted in additions of beginning balance of other current assets, long-term lease receivable and related deferred inflows of resources. Additionally, this implementation led to a change in some of the asset categories and intangible assets for right to use leased buildings and land of \$473.030 million and \$868.481 million, respectively, and were recorded for assets identified as

right-to-use lease assets in accordance with GASB Statement No. 87.

The Military Installation Development Authority (nonmajor discrete component unit) identified prior year errors resulting in a decrease in accrued interest of \$499 thousand and a decrease in construction in process of \$35.007 million. The correction of these errors culminated in a total reduction to net position of \$35.506 million.

Utah Inland Port Authority (nonmajor discrete component unit) identified an error in the classification of certain expenditures previously capitalized as Construction in Progress (CIP). As a result of this reevaluation, the Authority recorded a prior period adjustment to remove the entire CIP balance of \$6.510 million. Additionally, the Authority recorded its portion of pension activity, which resulted in a prior period adjustment decreasing net position of \$169 thousand.

Utah Valley University (nonmajor discrete component unit) and Utah Tech University (nonmajor discrete component unit) implemented GASB 96, *Subscription-Based Information Technology Arrangements*, which resulted in an increase of beginning net position of \$2.179 million and \$1.407 million, respectively.

Dixie Technical College (nonmajor discrete component unit) reviewed leases and determined that three leases were notes payable under GASB 87. This resulted in an increase of beginning notes payable totaling \$8.419 million and a corresponding decrease in leases payable.

Senate Bill 187 of the 2023 General Session dissolved the Utah State Fair Corporation and created the State Fair Park Authority as the successor entity. This had no effect on the financial activity of the entity.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits and investments for the primary government and its discrete 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), 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). The discrete component units exempt from the MMA are Public Employees Health Program and the Colleges' and Universities' endowment funds, including the Higher Education Success Endowment (fiduciary fund).

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, 2023, including those of Utah Retirement Systems (URS) (pension trust and defined contribution plans) and Trust Lands (permanent fund), were \$611.819 million. Of this amount, \$569.322 million were exposed to custodial credit risk as uninsured and uncollateralized.

FDIC-insured account owner funds totaling \$1.929 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 plus, 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 (private purpose trust) is permitted to invest in the Utah Public Treasurers' Investment Fund; mutual funds, securities, or other investments registered with the United State 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

Utah Educational Savings Plan 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 (fiduciary fund).

The primary government’s investments at June 30, 2023, 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.

The following table presents the recurring fair value measurements at June 30, 2023, for the primary government, with the exception of URS and Trust Lands:

(Table on next page)

Primary Government
(except Utah Retirement Systems and Trust Lands)
Investments and Derivative Instruments Measured at Fair Value
At June 30, 2023
(expressed in thousands)

Investment Type	Fair Value	Fair Value Measurements Using	
		Level 1	Level 2
Investments by Fair Value Level			
Debt Securities			
U.S. Treasuries	\$ 6,919,845	\$ 6,919,845	\$ —
Corporate Debt	25,002,115	—	25,002,115
Money Market Mutual Funds	1,002,249	1,002,249	—
Bond Mutual Funds	4,853,480	4,853,480	—
Stable Value Funds	1,258,837	1,258,837	—
Total Debt Securities	<u>39,036,526</u>	<u>14,034,411</u>	<u>25,002,115</u>
Equity Securities			
Domestic Equity	9,819,753	9,819,753	—
International Equity	3,508,412	3,508,412	—
Equity Securities	1,928,878	1,928,878	—
Total Equity Securities	<u>15,257,043</u>	<u>15,257,043</u>	<u>0</u>
Total Investments by Fair Value Level	<u>54,293,569</u>	<u>\$ 29,291,454</u>	<u>\$ 25,002,115</u>
Investments Measured at the Net Asset Value (NAV)			
Private Real Estate	14,539		
Private Debt	35,117		
Private Equity	14,955		
Venture Capital	20,232		
Total Investments Measured at NAV	<u>\$ 84,843</u>		
Total Investments Measured at Fair Value	<u>\$ 54,378,412</u>		

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

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

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

Investments Measured at the Net Asset Value (NAV)

- **Private Real Estate** – The following funds have an investment in an open-end real estate fund measured at the NAV. The fair values of the investments have been determined using the NAV per share (or its equivalent) of the fund's ownership interest in partners' capital.

Investments Measured at the Net Asset Value (NAV)

Private Real Estate

At June 30, 2023

(expressed in thousands)

Fund	Amount
State Endowment (nonmajor governmental fund) ...	\$ 7,231
Post-Retirement Benefits Trust (fiduciary funds-pension and other employee benefit trust funds) ...	7,308
Total invested in Private Real Estate NAV	<u>\$ 14,539</u>

The real estate fund is structured as a limited partnership and invests in commercial real estate located in the United States. The fund invests in income-producing properties as well as properties that are near core properties with short-term challenges with the intent to sell the properties to core funds when the challenges have been addressed. The fair values of the investments have been determined using the NAV per share (or its equivalent) of the fund's ownership interest in partners' capital. The fund is open-end and allows for quarterly redemptions with 90 days' notice subject to the discretion of the general partner based on the fund's liquidity position and other factors. If redemption requests are greater than available cash, the redemptions are fulfilled on a pro-rata basis each quarter, until all redemption requests have been fulfilled.

- **Private Debt** – The following funds have an investment in an investment grade private debt strategy measured at the NAV. The fair values of the investments have been determined using the NAV per share (or its equivalent) of the fund's ownership interest in partners' capital.

(Notes continue on next page.)

Investments Measured at the Net Asset Value (NAV)**Private Debt****At June 30, 2023***(expressed in thousands)*

Fund	Amount
State Endowment (nonmajor governmental fund).....	\$ 14,305
Post-Retirement Benefits Trust (fiduciary funds- pension and other employee benefit trust funds).....	9,640
Employers' Reinsurance Fund (major enterprise fund) ..	5,972
Utah Navajo Trust Fund (private purpose trust fund)...	3,549
Higher Education Student Success Fund (private purpose trust fund).....	721
Radioactive Waste Perpetual Care Fund (general fund).....	387
Utah State Developmental Center Fund (nonmajor governmental fund).....	543
Total invested in Private Debt NAV.....	<u>\$ 35,117</u>

The investment grade private debt strategy invests primarily in debt securities issued by companies registered under the Investment Company Act and invests, acquires, owns, holds, manages, and disposes of certain private notes issued by closed end fund companies (CEFs) and business development company (BDCs). The fair values of the investments have been determined using the NAV per share (or its equivalent) of the fund's ownership interest in partners' capital. Approximately \$31.900 million of the private debt is invested in a Cayman feeder fund utilizing a master-feeder structure and has a one-year hard lock-up and 50 percent level gate. After the one-year lock-up, redemptions requests are allowed semi-annually with 90 days written notice. Approximately \$3.250 million of the private debt consists of a co-investment opportunity that matures on March 31, 2024.

- **Private Equity** – The following funds have an investment in a private equity allocations. The fair values of the investments have been determined using the NAV per share (or its equivalent) of the fund's ownership interest in partners' capital.

Investments Measured at the Net Asset Value (NAV)**Private Equity****At June 30, 2023***(expressed in thousands)*

Fund	Amount
State Endowment (nonmajor governmental fund).....	\$ 2,494
Post-Retirement Benefits Trust (fiduciary funds- pension and other employee benefit trust funds).....	
Employers' Reinsurance Fund (major enterprise fund) ..	
Utah Navajo Trust Fund (private purpose trust fund)....	601
Higher Education Student Success Fund (private purpose trust fund).....	2,078
Radioactive Waste Perpetual Care Fund (general fund).	63
Utah State Developmental Center Fund (nonmajor governmental fund).....	211
Utah Capital Investment Corporation (blended component unit).....	9,508
Total invested in Private Equity NAV.....	<u>\$ 14,955</u>

The private equity allocation consists of two funds structured as limited partnerships whereby the fair values of the investments have been determined using the NAV per share (or its equivalent) of the fund's ownership interest in partners' capital. The strategy of the first fund involves seeking control-oriented investment opportunities, primarily in financial and information services, healthcare, and technology companies, while emphasizing companies that are data-rich and growth-focused. The second fund seeks opportunities to invest in companies at the seed-stage that focus on software beyond the screen, including B2B technology companies that utilize smart hardware or machine learning to solve problems, and companies transforming real-world physical problems into the domain of software.

- **Venture Capital** – The Utah Capital Investment Corporation, a blended component unit, has investments in closed-end venture capital investment funds of \$20.232 million. These investments are measured using the net asset value of the respective private investment fund based on the partnerships' audited financial statements.

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, 2023, for the primary government, with the exception of URS and Trust Lands.

(Notes continue on next page.)

Primary Government
(except Utah Retirement Systems and Trust Lands)
Debt Investments at Fair Value
At June 30, 2023
(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	\$ 6,919,845	\$ 6,919,845	\$ —	\$ —	\$ —
Corporate Debt	25,002,115	25,002,115	—	—	—
Money Market Mutual Funds	1,002,249	1,002,249	—	—	—
Bond Mutual Funds	4,853,480	—	37,928	4,815,552	—
Stable Value Funds	1,258,837	—	1,258,837	—	—
Total	39,036,526	\$32,924,209	\$ 1,296,765	\$ 4,815,552	\$ 0
Discrete Component Units Investment in Primary Government's Investment Pool	(2,315,382)				
Total Debt Investments	\$36,721,144				

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, 2023
(expressed in thousands)

Investment Type	Amount	Percent of Total
Bond Mutual Funds	\$ 4,411,262	21.22 %
Stable Value Funds	1,258,837	6.05 %
International Equity	3,467,743	16.68 %
Domestic Equity	9,716,513	46.73 %
Equity Securities	1,928,878	9.28 %
Utah Public Treasurers' Investment Fund	8,341	0.04 %
Total Investments	\$ 20,791,574	

Post-Retirement Benefits Trust Funds and Other Employee Benefits Trust Funds
Mix of Investments
At June 30, 2023
(expressed in thousands)

Investment Type	Amount	Percent of Total
U.S. Treasuries	\$ 111,715	29.82 %
Bond Mutual Funds	187,634	50.09 %
International Equity	1,954	0.52 %
Domestic Equity	3,067	0.82 %
Private Real Estate	7,308	1.95 %
Private Debt	9,640	2.57 %
Utah Public Treasurers' Investment fund	53,308	14.23 %
Total Investments	\$ 374,626	

State Endowment Fund
Mix of Investments
At June 30, 2023
(expressed in thousands)

Investment Type	Amount	Percent of Total
Bond Mutual Funds	\$ 117,821	36.71 %
International Equity	29,962	9.34 %
Domestic Equity	89,535	27.90 %
Private Real Estate	7,231	2.25 %
Private Debt	14,305	4.46 %
Private Equity	2,494	0.78 %
Utah Public Treasurers' Investment fund	59,614	18.57 %
Total Investments	\$ 320,962	

Employers' Reinsurance Fund
Mix of Investments
At June 30, 2023
(expressed in thousands)

Investment Type	Amount	Percent of Total
U.S. Treasuries	\$ 43,000	24.55 %
Bond Mutual Funds	110,439	63.06 %
International Equity	3,984	2.28 %
Domestic Equity	6,434	3.67 %
Private Debt	5,972	3.41 %
Utah Public Treasurers' Investment fund	5,291	3.02 %
Total Investments	\$ 175,120	

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, 2023, 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, 2023***(expressed in thousands)*

Debt Investments	Fair Value	Quality Ratings				
		AAA	AA	A	BBB	Not Rated
Corporate Debt	\$ 25,002,115	\$ 54,540	\$ 12,870,617	\$ 10,982,235	\$ 1,094,723	\$ —
Money Market Mutual Funds	1,002,249	—	—	—	—	1,002,249
Bond Mutual Funds	4,853,480	—	—	—	—	4,853,480
Stable Value Funds	1,258,837	—	—	—	—	1,258,837
Subtotal	32,116,681	\$ 54,540	\$ 12,870,617	\$ 10,982,235	\$ 1,094,723	\$ 7,114,566
U.S. Treasuries	6,919,845					
Total Debt Investments	\$ 39,036,526					

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, 2023, 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, 2023, with more than 5 percent of the total investments in a single issuer:

- Federal Home Loan Bank, \$11.062 billion or 21.10 percent
- Federal Farm Credit Bank, \$3.975 billion or 5.20 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:

At Primary Government
(except Utah Retirement Systems and Trust Lands)

Foreign Currency Risk**At June 30, 2023***(expressed in thousands)*

Fund	Amount
Radioactive Waste Perpetual Care Fund	\$ 1,155
State Endowment Fund	29,962
Employers' Reinsurance Fund	3,984
Utah Educational Savings Plan Trust	3,467,743
Post-Retirement Benefits Trust Funds and Other Employee Benefits Trust Fund	1,954
Utah Navajo Trust	3,615
Total	\$ 3,508,413

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, 2022
(expressed in thousands)

Investment Type	Defined Benefit	Defined Contribution	Total All Systems and Plans
Short-term Securities Pools	\$ 1,220,889	\$ —	\$ 1,220,889
Debt Securities	5,516,139	2,488,501	8,004,640
Equity Securities	12,742,259	4,922,950	17,665,209
Absolute Return	7,530,815	—	7,530,815
Private Equity	5,529,627	—	5,529,627
Real Assets	8,613,641	275,953	8,889,594
Investments Held by Broker-dealers under Securities Lending Program:			
Equity Securities	328,422	—	328,422
Debt Securities	943,486	—	943,486
Total	<u>42,425,278</u>	<u>7,687,404</u>	<u>50,112,682</u>
Securities Lending Collateral Pool	1,392,143	—	1,392,143
Total Investments	<u>\$43,817,421</u>	<u>\$ 7,687,404</u>	<u>\$51,504,825</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 1 are valued using prices quoted in active markets for those securities. 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, 2022
(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	\$ 1,220,889	\$ 1,146,128	\$ 74,761	\$ —	\$ —	\$ —	\$ —	\$ —
Debt Securities								
Asset-backed Securities	237,122	—	232,143	4,979	36,639	—	36,639	—
Commercial Mortgage-backed	116,031	—	104,426	11,605	1,682	—	1,166	516
Corporate Bonds	1,447,514	—	1,447,511	3	445,036	—	445,036	—
Funds – Other Fixed Income	36,121	—	25,566	10,555	68,953	—	68,953	—
Government Agencies	59,782	—	59,782	—	27,535	—	27,535	—
Government Bonds	1,665,964	—	1,665,964	—	299,882	—	299,882	—
Government Mortgage-backed Securities	1,310,485	—	1,299,512	10,973	397,964	—	360,300	37,664
Index-linked Government Bonds	1,576,750	—	1,576,750	—	118,218	—	118,218	—
Non-government Backed C.M.O.s	15,299	—	8,207	7,092	2,419	—	1,758	661
Total Debt Securities	6,465,068	0	6,419,861	45,207	1,398,328	0	1,359,487	38,841
Equity Investments								
Consumer Goods	2,574,223	2,573,647	233	343	461,344	461,344	—	—
Energy	509,700	509,223	—	477	107,729	107,729	—	—
Equity Other	671	135	—	536	21,369	21,369	—	—
Financials	1,568,016	1,567,501	65	450	259,577	259,577	—	—
Health Care	1,481,496	1,475,799	—	5,697	397,288	397,288	—	—
Industrials	1,509,570	1,509,381	—	189	188,300	188,300	—	—
Information Technology	2,034,762	2,034,742	—	20	679,167	679,167	—	—
Materials	539,230	538,904	3	323	55,978	55,953	25	—
Real Estate Investment Trusts	415,979	415,296	—	683	67,789	67,789	—	—
Telecommunication Services	741,966	741,164	—	802	201,844	201,844	—	—
Utilities	314,918	314,832	—	86	57,969	57,969	—	—
Total Equity Investments	11,690,531	11,680,624	301	9,606	2,498,354	2,498,329	25	0
Real Assets								
Real Estate	4,023,145	—	—	4,023,145	—	—	—	—
Total Real Assets	4,023,145	0	0	4,023,145	0	0	0	0
Total Investments by Fair Value Level	\$ 23,399,633	\$12,826,752	\$ 6,494,923	\$ 4,077,958	\$ 3,896,682	\$ 2,498,329	\$ 1,359,512	\$ 38,841

Continues

Utah Retirement Systems
(pension trust and defined contribution plans)
Investments and Derivative Instruments Measured at Fair Value
December 31, 2022
(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		
<i>Continued</i>								
Investments Measured at the Net Asset Value (NAV)								
Equity Investments								
Co-mingled Equity Fund	\$ 1,380,150				\$ 2,148,643			
Absolute Return								
Directional	1,632,106				—			
Equity Long/Short	762,990				—			
Event Driven	1,551,729				—			
Multistrategy	7,597				—			
Relative Value	1,851,765				—			
Plus	1,724,628				—			
Total Absolute Return Measured at the NAV ..	7,530,815				0			
Private Equity – Private Equity Partnerships	5,529,627				0			
Real Assets								
Co-mingled Real Estate Fund	—				275,953			
Agriculture	414,545				—			
Energy	1,683,476				—			
Esoteric	129,901				—			
Minerals	369,806				—			
Infrastructure	200,949				—			
Real Estate	1,399,146				—			
Royalty	77,262				—			
Timber	315,411				—			
Total Real Assets Measured at the NAV	4,590,496				275,953			
Total Investments Measured at the NAV	19,031,088				2,424,596			
Total Investments Measured at Fair Value	\$ 42,430,721				\$ 6,321,278			
Synthetic Guaranteed Investments Contracts Measured at Contract Value	\$ 0				\$ 1,090,657			
Investment Derivative Instruments								
Debt Securities								
Options	\$ (791)	\$ (791)	\$ —	\$ —	\$ (282)	\$ —	\$ (282)	\$ —
Swaptions	(3,642)	—	(3,642)	—	(301)	—	(301)	—
Swaps	(1,010)	—	(1,010)	—	99	—	99	—
Total Debt Security Derivative Instruments	(5,443)	(791)	(4,652)	0	(484)	0	(484)	0
Total Investment Derivative Instruments	\$ (5,443)	\$ (791)	\$ (4,652)	\$ 0	\$ (484)	\$ 0	\$ (484)	\$ 0
Invested Securities Lending Collateral								
Short-Term Securities	\$ 202,464	\$ 163,501	\$ 1,689	\$ 37,274	\$ —	\$ —	\$ —	\$ —
Debt Securities	162,147	—	144,565	17,582	—	—	—	—
Equity Investments	1,027,532	1,027,532	—	—	—	—	—	—
Total Invested Securities Lending Collateral	\$ 1,392,143	\$ 1,191,033	\$ 146,254	\$ 54,856	\$ 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, 2022
(expressed in thousands)

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Equity Investments				
Co-mingled Equity fund	\$ 1,380,150	\$ —	Daily	None
Total Equity Investments	<u>1,380,150</u>	<u>—</u>		
Absolute Return				
Directional	1,632,106	—	Monthly, quarterly	3–60 days
Equity Long/Short	762,990	—	Monthly, quarterly, annually	30–60 days
Event Driven	1,551,729	32,715	Monthly, quarterly, semi-annually, annually, bi-annually	45–120 days
Multistrategy	7,597	—	Monthly, quarterly, semi-annually, annually	45–90 days
Relative Value	1,851,765	—	Monthly, quarterly, semi-annually, annually	Not applicable
Plus	1,724,628	899,899	Not Applicable	N/A
Total Absolute Return	<u>7,530,815</u>	<u>932,614</u>		
Private Equity – Partnerships	<u>5,529,627</u>	<u>847,229</u>	Not eligible	N/A
Real Assets				
Agriculture	414,545	50,183	Not eligible	N/A
Energy	1,683,476	552,121	Not eligible	N/A
Esoteric	129,901	46,891	Not eligible	N/A
Minerals	369,806	167,348	Not eligible	N/A
Real Estate ¹	1,399,146	559,254	Not eligible	N/A
Royalty	77,262	—	Not eligible	N/A
Timber ¹	315,411	—	Not eligible	N/A
Infrastructure	200,949	148,332	Not eligible	N/A
Total Real Assets	<u>4,590,496</u>	<u>1,524,129</u>		
Total Investments Measured at the NAV	<u>\$ 19,031,088</u>	<u>\$ 3,303,972</u>		

¹ 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 nine funds that attempt to generate returns by identifying momentum or trends across a variety of markets. *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. *Event driven funds* include investments in twelve 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 \$1.200 million over the next year. *Multi-strategy funds* include investments in four funds. Investments in these funds represent a mix of the other absolute return strategies. One fund is in the process of redemption totaling \$38.800 million 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. *Plus funds* include 24 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, 2022, 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, 2022, 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 and Timber 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, 2022
(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	\$ 2,148,643	\$ —	Daily	None
Total Equity Securities	<u>2,148,643</u>	<u>0</u>		
Real Assets				
Co-mingled Real Estate Equity Fund	275,953	—	Quarterly	N/A
Total Real Asset	<u>275,953</u>	<u>0</u>		
Total Investments Measured at the NAV	<u>\$ 2,424,596</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, 2022, was 4.63 to 7.71 percent for domestic debt securities, 5.02 to 8.36 percent for global debt securities, and 7.46 to 11.18 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 duration range as of December 31, 2022, was 4.63 to 7.71 percent for domestic debt securities, 5.75 to 8.63 percent for international debt securities, and 3.76 to 5.64 percent for inflation-linked debt securities.

As of December 31, 2022, no individual debt securities investment manager's portfolio was outside of the policy guidelines.

As of December 31, 2022, 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, 2022					
<i>(dollars expressed in thousands)</i>					
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	\$ 237,122	2.09	\$ 36,639	1.52	\$ 273,761
Commercial Mortgage-backed	116,031	3.39	1,682	0.03	117,713
Corporate Bonds	1,447,514	7.42	445,036	6.20	1,892,550
Fixed Income Other	30,678	0.70	68,469	—	99,147
Government Agencies	59,783	7.58	27,535	5.62	87,318
Government Bonds	1,665,964	9.91	299,882	9.63	1,965,846
Government Mortgage-backed Securities	1,310,484	6.70	397,965	4.68	1,708,449
Index Linked Bonds	1,576,750	9.58	118,218	4.45	1,694,968
Non-government Backed C.M.O.s	15,299	5.87	2,418	3.25	17,717
Synthetic Guaranteed Investment Contracts – measured at contract value	—	—	1,090,657	—	1,090,657
Total Debt Securities Investments	\$ 6,459,625	6.55	\$ 2,488,501	5.66	\$ 8,948,126

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, 2022, URS had \$18.569 million of cash and cash equivalents exposed to custodial credit risk and \$734.541 million of other assets where exposure to custodial credit risk is not determined. The \$18.569 million frictional cash and cash equivalents subject to custodial credit risk are in foreign banks in URS's name. Because it is in foreign banks, it is subject to custodial credit risk. URS does not have an investment policy regarding custodial credit risk for frictional cash in foreign banks.

Concentration of Credit Risk

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

- **AAA/Aaa Debt Securities** – No more than 5 percent of an investment manager's assets at market with a single issuer.
- **AA/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.
- **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, 2022, 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, 2022, was BBB+, and the fair value of below grade investments was \$126.530 million or 1.41 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, 2022:

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

At December 31, 2022

(expressed in thousands)

Defined Benefit Plans

Quality Rating	Total	Asset-backed	Commercial Mortgage-backed	Corporate Bonds	Fixed Income Other	Government Agencies	Government Bonds	Government Mortgage-backed	Index-linked Bonds	Non-Government Backed C.M.O.s
AAA	\$ 453,358	\$ 218,151	\$ 101,094	\$ 4,260	\$ —	\$ 8,816	\$ 21,720	\$ —	\$ 90,981	\$ 8,336
AA+	69,707	18	—	42,102	—	25,712	1,862	—	—	13
AA	135,067	546	3,775	18,583	—	6,114	10,564	—	95,485	—
AA-	367,748	—	1,022	52,598	—	—	29,029	—	285,065	34
A+	191,921	—	—	105,774	—	313	46,699	—	39,135	—
A	185,751	13,845	—	168,882	—	—	2,265	—	—	759
A-	355,239	—	2,591	342,135	—	6,757	3,756	—	—	—
BBB+	280,951	1,023	533	240,321	—	1,202	28,414	—	9,458	—
BBB	272,113	—	—	241,871	—	715	29,527	—	—	—
BBB-	280,855	—	—	213,971	—	—	3,376	—	63,499	9
BB+	16,362	—	—	8,023	—	865	7,190	—	—	284
BB	11,101	—	—	2,151	—	—	8,818	—	—	132
BB-	86	79	—	—	—	—	—	—	—	7
B+	2,741	21	—	2,720	—	—	—	—	—	—
B	1,711	—	—	1,560	—	—	—	—	—	151
CCC	554	293	—	—	—	—	—	—	—	261
CCC-	429	325	—	—	—	—	—	—	—	104
D	108	108	—	—	—	—	—	—	—	—
NR	2,041,406	2,713	7,016	2,563	30,678	9,288	561,040	1,101,902	320,997	5,209
Subtotal	4,667,208	\$ 237,122	\$ 116,031	\$1,447,514	\$ 30,678	\$ 59,782	\$ 754,260	\$1,101,902	\$ 904,620	\$ 15,299
N/A	1,792,417									
Total Debt Securities Investments	\$ 6,459,625									

Defined Contribution Plans

Quality Rating	Total	Asset-backed	Commercial Mortgage-backed	Corporate Bonds	Fixed Income Other	Government Agencies	Government Bonds	Government Mortgage-backed	Index-linked Bonds	Non-Government Backed C.M.O.s
AAA	\$ 11,877	\$ 1,633	\$ 294	\$ —	\$ —	\$ 1,777	\$ 6,799	\$ —	\$ 502	\$ 872
AA+	31,125	27,355	—	510	—	1,233	2,027	—	—	—
AA	992	—	—	992	—	—	—	—	—	—
AA-	14,544	—	—	3,245	—	—	11,299	—	—	—
A+	3,033	656	—	2,377	—	—	—	—	—	—
A	5,777	1,285	—	4,492	—	—	—	—	—	—
A-	38,806	—	—	36,670	—	2,136	—	—	—	—
BBB+	118,178	—	—	106,865	—	—	11,313	—	—	—
BBB	150,710	—	—	128,678	—	22,032	—	—	—	—
BBB-	62,817	—	—	62,276	—	—	541	—	—	—
BB+	55,821	—	—	53,244	—	—	2,577	—	—	—
BB	3,644	—	—	1,138	—	—	2,506	—	—	—
BB-	23,181	—	—	23,181	—	—	—	—	—	—
B+	10,792	—	—	10,792	—	—	—	—	—	—
NR	671,845	5,710	1,388	10,576	68,469	357	168,116	355,427	60,256	1,546
Subtotal	1,203,142	\$ 36,639	\$ 1,682	\$ 445,036	\$ 68,469	\$ 27,535	\$ 205,178	\$ 355,427	\$ 60,758	\$ 2,418
N/A	194,702									
Synthetic Guaranteed Investment Contracts	1,090,657									
Total Debt Securities Investments	\$ 2,488,501									

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.

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, 2022
(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	\$ 1,313	\$ 21,093	\$ 161,743	\$ —	\$ 930	\$ —	185,079	\$ 7,314	\$ 51,727	\$ 59,041	\$ 244,120
Brazilian real	226	3,426	103,145	—	—	—	106,797	1,062	—	1,062	107,859
British pound sterling	1,458	382,026	543,659	37,255	56,731	—	1,021,129	34,006	109,834	143,840	1,164,969
Canadian dollar	1,486	43,699	422,667	—	—	—	467,852	15,402	74,605	90,007	557,859
Chilean peso	1,484	—	37,117	—	—	—	38,601	—	1,676	1,676	40,277
Chinese yuan renminbi	4	11,683	3,180	—	—	—	14,867	6,168	79,063	85,231	100,098
Colombian peso	57	—	1,852	39,592	—	—	41,501	—	346	346	41,847
Czech koruna	84	—	1,139	—	—	—	1,223	—	362	362	1,585
Danish krone	27	2,127	45,608	—	—	—	47,762	211	17,777	17,988	65,750
Egyptian pound	13	—	655	—	—	—	668	—	303	303	971
Euro	9,009	613,827	1,044,178	552,481	242,162	22,804	2,484,461	137,343	190,952	328,295	2,812,756
Hong Kong dollar	902	24,408	668,934	—	—	—	694,244	14,524	18,093	32,617	726,861
Hungarian forint	53	—	14,660	—	—	—	14,713	—	468	468	15,181
Iceland krona	23	—	172	—	—	—	195	—	—	—	195
Indian rupee	178	—	142,362	—	—	—	142,540	—	40,454	40,454	182,994
Indonesian rupiah	47	2,980	17,668	—	—	—	20,695	1,583	5,434	7,017	27,712
Japanese yen	2,499	103,946	671,130	—	—	—	777,575	50,413	146,291	196,704	974,279
Kuwaiti dinar	83	—	9,039	—	—	—	9,122	—	2,642	2,642	11,764
Malaysian ringgit	157	3,427	28,920	—	—	—	32,504	1,994	4,744	6,738	39,242
Mexican peso	393	20,191	62,833	48,966	—	—	132,383	6,564	6,437	13,001	145,384
Moroccan dirham	16	—	—	—	—	—	16	—	—	—	16
New Israeli shekel	26	—	15,331	—	—	—	15,357	—	6,336	6,336	21,693
New Romanian leu	24	—	698	—	—	—	722	—	—	—	722
New Taiwan dollar	171	—	122,463	—	—	—	122,634	—	39,698	39,698	162,332
New Zealand dollar	96	16,838	7,998	—	—	—	24,932	3,283	2,219	5,502	30,434
Norwegian krone	31	—	18,683	—	—	—	18,714	—	6,310	6,310	25,024
Pakistani rupee	—	—	—	—	—	—	—	—	2	2	2
Peruvian nuevo sol	22	—	—	—	—	—	22	—	611	611	633
Philippine peso	76	—	44,682	—	—	—	44,758	—	2,154	2,154	46,912
Polish zloty	33	—	52,457	—	—	—	52,490	—	2,102	2,102	54,592
Qatar riyal	—	—	—	—	—	—	—	—	2,684	2,684	2,684
Russian ruble	—	—	—	—	—	—	—	—	4	4	4
Saudi riyal	105	—	39,499	—	—	—	39,604	—	10,768	10,768	50,372
Singapore dollar	154	2,130	30,140	—	—	—	32,424	1,335	10,001	11,336	43,760
South African rand	487	8,818	34,415	—	—	—	43,720	2,506	10,065	12,571	56,291
South Korean won	347	14,619	121,126	—	—	—	136,092	7,349	31,792	39,141	175,233
Swedish krona	124	11,839	133,569	—	—	—	145,532	2,338	22,904	25,242	170,774
Swiss franc	407	3,607	206,486	14,038	—	—	224,538	2,289	57,798	60,087	284,625
Thai baht	32	2,147	22,995	—	—	—	25,174	1,257	6,798	8,055	33,229
Turkish lira	509	—	10,006	—	—	—	10,515	—	2,331	2,331	12,846
United Arab Emirates dirham	60	—	14,863	—	—	—	14,923	—	3,447	3,447	18,370
Total Securities Subject to Foreign Currency Risk	\$ 22,216	\$ 1,292,831	\$ 4,856,072	\$ 692,332	\$ 299,823	\$ 22,804	\$7,186,078	\$ 296,941	\$ 969,232	\$ 1,266,173	\$8,452,251

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, 2023	
<i>(expressed in thousands)</i>	
Investment Category	Fair Value (with accruals)
Growth.....	\$ 1,366,232
Real Assets	565,932
Income	901,002
Defensive	373,685
Total Investments	<u>\$ 3,206,851</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 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, 2023, Trust Lands had the following recurring fair value measurements:

Trust Lands (permanent fund)				
Investments Measured at Fair Value				
June 30, 2023				
<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	\$ 785,119	\$ 784,382	\$ 505	\$ 232
Total Growth	<u>785,119</u>	<u>784,382</u>	<u>505</u>	<u>232</u>
Real Assets				
Public Real Assets	132,542	132,491	51	—
Total Real Assets	<u>132,542</u>	<u>132,491</u>	<u>51</u>	<u>0</u>
Income				
Public Income	221,836	165,839	54,526	1,471
Private Income	4,817	—	(3)	4,820
Total Income	<u>226,653</u>	<u>165,839</u>	<u>54,523</u>	<u>6,291</u>
Defensive				
GRIPs	125,943	125,909	34	—
Cash and Cash Equivalents	24,138	24,265	(127)	—
Total Defensive	<u>150,081</u>	<u>150,174</u>	<u>(93)</u>	<u>0</u>
Total Investments by Fair Value Level	<u>\$ 1,294,395</u>	<u>\$ 1,232,886</u>	<u>\$ 54,986</u>	<u>\$ 6,523</u>
<u>Investments Measured at the Net Asset Value (NAV)</u>				
Growth				
Public Equity	251,552			
Private Equity	329,561			
Real Assets				
Public Real Assets	67,331			
Private Real Assets	366,059			
Income				
Public Income	427,881			
Private Income	246,468			
Defensive				
Systematic Convexity	223,605			
Total Investments Measured at the NAV	<u>1,912,457</u>			
Total Investments Measured at Fair Value	<u>\$ 3,206,852</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, 2023				
<i>(expressed in thousands)</i>				
Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Growth				
Public Equity	\$ 251,552	\$ —	30-90 Days	90 Days
Private Equity	329,561	187,451	Limited	N/A
Total Growth	<u>581,113</u>	<u>187,451</u>		
Real Assets				
Public Real Assets	67,331	—	90 Days	60 Days
Private Real Estate	366,059	233,636	Limited	N/A
Total Real Assets	<u>433,390</u>	<u>233,636</u>		
Income				
Public Income	427,881	18,331	Monthly - Semiannually; Limited	30-180 Days
Private Income	246,468	131,353	Limited	N/A
Total Income	<u>674,349</u>	<u>149,684</u>		
Defensive				
Systematic Convexity	223,605	—	5 Days	4 Days (30% investor gate)
Total Defensive	<u>223,605</u>	<u>0</u>		
Total Investments Measured at NAV	<u>\$ 1,912,457</u>	<u>\$ 570,771</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 six (6) 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 forty-eight (48) investments in private equity limited partnerships. Generally speaking, the types of strategies included in this portfolio include venture capital, growth 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, 2023, 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. The fair value of the investment 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 sixteen (16) investments in private real estate limited partnerships and twenty-eight (28) investments in other real asset limited partnerships. Generally speaking, the types of strategies included in this portfolio include value added, opportunistic property interests, infrastructure/power generation, farmland and opportunistic natural resource investments, including co-investments. 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, 2023, 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 eight (8) investments in pooled investment funds. The fair value of the investment in this type have been determined using the NAV per share (or its equivalent) of the Trust Funds' ownership interest in partners' capital.

Income - Private Income: Consists of twenty-six (26) investments in limited partnerships and three (3) investments in collateralized loan obligations. 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, 2023, it is probable that all the investments in this type would be sold at an amount different from the NAV per share (or its equivalent) of Trust Lands' ownership interest in partners' capital.

Defensive - Systematic Convexity: Consists of one (1) investment in a limited partnership 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, 2023, 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, 2023
(expressed in thousands)

Investment Category	Fair Value	Weighted Average Maturity (Years)
Asset Backed Securities	\$ 3,875	9.93
Bank Loans	9,067	4.42
Commercial Mortgage-Backed	75	7.30
Corporate Bonds	38,741	4.72
Corporate Convertible Bonds	2,039	14.84
Funds – Corporate Bond	35,235	4.68
Funds – Government Bond	50,497	8.50
Funds – Short Term Investments	50,041	1.53
Government Bonds	60,106	24.94
Index Linked Government Bonds	65,550	2.66
Funds – Other Fixed Income	54,559	4.10
Other Fixed Income	6,563	0.33
Total Debt Securities Investments ...	<u>\$ 376,348</u>	7.61

As of June 30, 2023, Trust Lands held \$412.610 million in sixteen (16) 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, 2023, 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, 2023
(expressed in thousands)

Quality Rating	Total	AAA	AA	A	BBB	BB	B	CCC	NR
Asset Backed Securities	\$ 3,875	\$ —	\$ 1,126	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,749
Bank Loans	9,067	—	—	—	353	1,959	5,441	159	1,155
Commercial Mortgage-Backed	75	—	—	75	—	—	—	—	—
Corporate Bonds	38,741	—	113	833	2,695	13,424	13,195	3,523	4,958
Corporate Convertible Bonds	2,039	—	—	37	530	504	—	—	968
Funds – Corporate Bond	35,235	—	—	—	—	—	—	—	35,235
Funds – Government Bond	50,497	—	—	—	—	—	—	—	50,497
Funds – Short Term Investment	50,041	—	—	—	—	—	—	—	50,041
Index Linked Government Bonds	7,294	7,294	—	—	—	—	—	—	—
Funds – Other Fixed Income	54,559	—	—	—	—	—	—	—	54,559
Other Fixed Income	6,563	—	—	—	—	—	—	—	6,563
Subtotal	257,986	\$ 7,294	\$ 1,239	\$ 945	\$ 3,578	\$ 15,887	\$ 18,636	\$ 3,682	\$206,725
U.S. Treasuries	118,362	—	—	—	—	—	—	—	—
Total Debt Securities	\$ 376,348	—	—	—	—	—	—	—	—

* As of June 30, 2023, the Trust Funds held \$26.959 million in the Northern Trust Institutional Funds Treasury Portfolio - Premier Class, an AAAm 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, 2023, the following investments, including accrued income/expense, have custodial credit risk:

- Cash and Cash Equivalents – The \$970 thousand frictional cash and cash equivalents subject to custodial credit risk are in foreign banks in the Trust Lands' name. Because it is in foreign banks, it is subject to custodial credit risk. Trust Lands does not have an investment policy regarding custodial credit risk for frictional cash in foreign banks.
- Other Assets – The \$663.745 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, 2023, Trust Lands does not hold any credit positions exceeding 5.00 percent of the total portfolio.

Foreign Currency Risk

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

(Notes continue on next page.)

Trust Lands' exposure to foreign currency (inclusive of pending foreign exchange purchases and sales) as of June 30, 2023, is as follows:

Trust Lands (permanent fund)					
Foreign Currency Risk					
June 30, 2023					
(expressed in thousands)					
Currency	Alternative Investments	Debt	Short-term	Equity	Total
Australian dollar	\$ —	\$ —	\$ 9	\$ 11,325	\$ 11,334
British pound sterling	—	132	(91)	11,347	11,388
Canadian dollar	—	—	163	10,562	10,725
Chinese yuan renminbi	—	—	530	6,013	6,543
Danish krone	—	—	89	5,581	5,670
Euro	90,123	192	519	48,008	138,842
HK offshore Chinese Yuan Renminbi	—	—	505	6,371	6,876
Hong Kong dollar	—	—	45	4,997	5,042
Japanese yen	—	—	118	16,932	17,050
New Israeli shekel	—	—	25	2,326	2,351
New Zealand dollar	—	—	2	1,135	1,137
Norwegian krone	—	—	27	2,617	2,644
Singapore dollar	—	—	6	2,309	2,315
Swedish krona	—	—	9	5,354	5,363
Swiss franc	—	—	216	11,435	11,651
Total Securities Subject to Foreign Currency Risk	<u>\$ 90,123</u>	<u>\$ 324</u>	<u>\$ 2,172</u>	<u>\$ 146,312</u>	<u>\$ 238,931</u>

D. Discrete Component Units

Custodial Credit Risk – Deposits

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

The discrete component units follow the Utah Money Management Act by making deposits only in qualified depository institutions or in foreign depository institutions in accordance with rules of the State Money Management Council. Deposits with qualified depository institutions in excess of FDIC insurance limits amount are uninsured and uncollateralized. Deposits are neither collateralized nor are they required to be by state statute. The deposits for the discrete component units at June 30, 2023, were \$443.107 million. Of these, \$342.626 million were exposed to custodial credit risk as uninsured and uncollateralized and \$87.035 million were exposed to custodial credit risk as uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the discrete component units' names.

Investments

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

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

College and university funds from gifts, private grants, and the corpus of funds functioning as endowments are invested according to the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and 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 discrete component units' investments at June 30, 2023, 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, 2023, for the discrete component units:

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

At June 30, 2023

(expressed in thousands)

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level				
Debt Securities				
U.S. Treasuries	\$ 990,385	\$ 35,654	\$ 954,731	\$ —
U.S. Agencies	2,682,479	—	2,682,479	—
Government Mortgage-backed Securities	126,268	—	112,167	14,101
Corporate Debt / Commercial Paper	731,067	—	731,067	—
Negotiable Certificates of Deposit	21,883	—	21,883	—
Money Market Mutual Funds	543,917	22,373	521,544	—
Municipal/Public Bonds	19,964	—	19,964	—
Asset-backed Securities	26,009	—	26,009	—
Bond Mutual Funds	291,805	8,729	245,665	37,411
Exchange Traded Products	6,748	—	6,748	—
Non-government-backed CMOs	143	—	—	143
Utah Public Treasurers' Investment Fund	2,315,382	—	2,315,382	—
Total Debt Securities	<u>7,756,050</u>	<u>66,756</u>	<u>7,637,639</u>	<u>51,655</u>
Equity Securities				
Domestic Equity	978,054	37,118	863,236	77,700
Equity Securities	120,910	100,348	9,281	11,281
Total Equity Securities	<u>1,098,964</u>	<u>137,466</u>	<u>872,517</u>	<u>88,981</u>
Other Investments				
Real Estate	6,486	—	—	6,486
Total Other Investments	<u>6,486</u>	<u>0</u>	<u>0</u>	<u>6,486</u>
Total Investments by Fair Value Level	<u>8,861,500</u>	<u>\$ 204,222</u>	<u>\$ 8,510,156</u>	<u>\$ 147,122</u>
Investments Measured at the Net Asset Value (NAV)				
Core Real Estate	2,515			
Credit Sensitive Fixed Income	108,273			
Diversifying Strategies	213,448			
Environment Sustainability	1,367			
Global Distressed	21			
Hedge Funds	77,476			
Other Real Assets	126,511			
Private Debt	721			
Private Equity	90,278			
Private Equity Core Real Estate	8,622			
Private Equity Natural Resources	17,000			
Private Equity Partnerships	36,112			
Private Equity Real Estate	29,066			
Private Infrastructure	14,557			
Private Real Estate	7,323			
Real Estate Opportunity	5,359			
Secondary Partners	5,867			
Venture Capital Funds	124,715			
Total Investments Measured at the NAV	<u>869,231</u>			
Total Investments Measured at Fair Value	<u>\$ 9,730,731</u>			
Invested Securities Lending Collateral				
Debt Securities	<u>\$ 2,254</u>	<u>\$ 0</u>	<u>\$ 2,254</u>	<u>\$ 0</u>

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, 2023, fair value factor, as calculated by the Utah State Treasurer, to the June 30, 2023 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, (discrete 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.)

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

At June 30, 2023

(expressed in thousands)

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Core Real Estate	\$ 2,515	\$ —	N/A	N/A
Credit Sensitive Fixed Income	108,273	17,412	Quarterly	90 days
Diversifying Strategies	213,448	2,414	Daily, quarterly, annually	0 – 90 Days
Global Distressed	21	76	N/A	N/A
Hedge Funds	19,231	1,513	Quarterly	100 Days
Hedge Funds	7,944	—	Daily, monthly, quarterly	1 – 60 Days
Hedge Funds	50,301	—	Monthly, quarterly	30 – 75 Days
Other Real Assets	126,511	26,374	N/A	N/A
Private Debt	721	—	N/A	N/A
Private Equity	90,278	18,169	N/A	N/A
Private Equity Core Real Estate	8,622	—	Quarterly	60 – 90 Days
Private Equity Natural Resources	17,000	8,286	N/A	N/A
Private Equity Partnerships	1,297	—	Quarterly	45 – 60 Days
Private Equity Partnerships	34,815	19,985	N/A	N/A
Private Equity Real Estate	29,066	9,204	N/A	N/A
Private Infrastructure	14,557	8,537	N/A	N/A
Private Real Estate	7,323	3,949	N/A	N/A
Real Estate Opportunity	5,359	5,864	N/A	N/A
Secondary Partners	5,867	3,013	N/A	N/A
Venture Capital Funds	124,715	47,803	N/A	N/A
Environmental Sustainability	1,367	1,013	N/A	N/A
Total Investments Measured at NAV	<u>\$ 869,231</u>	<u>\$ 173,612</u>		

Interest Rate Risk

The following table presents the debt investments and maturities at June 30, 2023, for the discrete component units.

**Discrete Component Units
Debt Investments at Fair Value**

At June 30, 2023

(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	\$ 990,385	\$ 664,411	\$ 231,584	\$ 93,461	\$ 929	\$ —
U.S. Agencies	2,682,479	836,434	1,091,027	741,110	13,908	—
Government Mortgage-backed Securities	126,268	—	186	2,690	8,070	115,322
Corporate Debt / Commercial Paper	731,067	276,667	304,944	70,727	78,729	—
Negotiable Certificates of Deposit	21,883	4,215	17,668	—	—	—
Money Market Mutual Funds	543,917	543,917	—	—	—	—
Municipal/Public Bonds	19,964	591	5,129	3,241	11,003	—
Asset-backed Securities	26,009	—	31	—	25,978	—
Bond Mutual Funds	291,805	9,100	110,192	163,834	8,679	—
Exchange Traded Securities	6,748	—	1,035	—	5,713	—
Non-government-backed CMOs	143	—	—	—	—	143
Securities Lending Cash Collateral Pool	2,254	2,254	—	—	—	—
Utah Public Treasurers' Investment Fund	2,315,382	2,315,382	—	—	—	—
Total Debt Investments	<u>\$ 7,758,304</u>	<u>\$ 4,652,971</u>	<u>\$ 1,761,796</u>	<u>\$ 1,075,063</u>	<u>\$ 153,009</u>	<u>\$ 115,465</u>

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

The discrete component units' policy in general for managing interest rate risk is the same as described above for the primary government and endowment funds complying with the State's

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 discrete component unit) policy to manage its exposure to fair value loss arising from increasing interest rates is that the investment manager's portfolio will have an effective duration between 75 – 125 percent of the effective duration of the appropriate index.

Duration is a measure of a debt investment's exposure to fair value changes arising from changes in interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. PEHP compares an investment's effective duration against the Bloomberg U.S. Intermediate Aggregate Bond Index. The allowable duration range was 3.38 percent as of December 31, 2022 and the portfolio was within the policy guidelines.

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The discrete component units' policy for reducing its exposure to credit risk is to comply with the State's MMA, the UPMIFA, and Rule 541, as previously discussed. The discrete component units' debt investments as of June 30, 2023, 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.

Discrete Component Units Debt Investments Quality Ratings At June 30, 2023 (expressed in thousands)

Debt Investments	Fair Value	Quality Ratings						
		AAA	AA	A	BBB	BB	CCC	Not Rated
U.S. Treasuries	23,081	\$ 1,706	\$ 18,205	\$ —	\$ —	\$ —	\$ —	\$ 3,170.00
U.S. Agencies	2,682,398	260,425	421,482	52,535	12,131	—	—	1,935,825
Government Mortgage-backed Securities	126,268	—	—	—	—	—	—	126,268
Corporate Debt / Commercial Paper	731,067	1,890	59,721	421,104	224,521	10,286	—	13,545
Negotiable Certificates of Deposit	21,883	—	1,593	5,220	2,935	—	—	12,135
Money Market Mutual Funds	543,917	514,889	—	—	—	—	—	29,028
Municipal/Public Bonds	19,964	9,297	7,064	1,520	2,083	—	—	—
Asset-backed Securities	26,009	591	25,387	—	—	—	—	31
Bond Mutual Funds	291,805	1,321	—	—	—	—	—	290,484
Exchange Traded Products	6,748	—	—	—	5,510	—	193	1,045
Non-government-backed CMOs	143	—	—	—	—	—	—	143
Securities Lending Cash Collateral Pool	2,254	—	—	—	—	—	—	2,254
Utah Public Treasurers' Investment Fund	2,315,382	—	—	—	—	—	—	2,315,382
Subtotal	6,790,919	\$ 790,119	\$ 533,452	\$ 480,379	\$ 247,180	\$ 10,286	\$ 193	\$ 4,729,310
U.S. Treasuries	967,304							
U.S. Agencies	81							
Total Debt Securities	\$7,758,304							

Custodial Credit Risk

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

The various discrete component units' investments at June 30, 2023, were held by the discrete component unit or in the name of the discrete component unit by the discrete component unit's custodial bank or trustee, except the following, which were uninsured, were not registered in the name of the discrete component unit, and were held by other entities, as listed below (expressed in thousands):

Counterparty

U.S. Treasuries	\$ 858,728
U.S. Agencies	\$ 2,292,962
Corporate Debt	\$ 364,868
Municipal/Public Bonds	\$ 15,059
Debt Securities	\$ 84,129
Equity Securities	\$ 46,575

Counterparty's Trust Department or Agent

U.S. Treasuries	\$ 38,363
U.S. Agencies	\$ 122,310
Corporate Debt	\$ 101,101

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Except for Public Employees Health Program (PEHP) (major

discrete component unit), the discrete component units' policy for reducing this risk of loss is the same as described above for the primary government funds complying with the State's 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 discrete 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 13.90, 11.80, and 5.70 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 13.50 and 6.03 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, 2022. A concentration of credit risk does exist with the Federal Farm Credit Bank and Federal Home Loan Bank investments, in US Agencies, which represent 10.58 and 10.89 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 Home Loan Mortgage Corporation, and Federal Farm Credit Bank. These investments represent 20.10, 10.40, and 6.30 percent, respectively, of the College's total investments.
- Utah Valley University held more than 5 percent of its total investments in US Bank (5.80 percent); Freddie Mac (5.78 percent); Toronto Dominion Bank (5.81 percent); Goldman Sachs Group (5.48 percent); and Federal Home Loan Bank (21.34 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 discrete component units do not have a formal policy to limit foreign currency risk.

The University of Utah's exposure to foreign currency risk is \$1.556 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 discrete component unit) and Trust Lands (permanent fund) participate in security lending programs as authorized by their Boards. Under these programs, securities are transferred to an independent broker or dealer in exchange for collateral in the form of cash, government securities, and for URS and Trust Lands, irrevocable bank letters of credit equal to approximately 102 percent of the fair value of the domestic securities on loan and 105 percent of the fair value of the international securities on loan, and for PEHP 102 percent of the fair value of the domestic securities on loan, with simultaneous agreements to return the collateral for the same securities in the future. For all three state entities, their custodial bank is the agent for each of their securities lending programs. URS securities under loan are maintained in the financial records, and corresponding liabilities are recorded for the market value of the collateral received. PEHP and Trust Lands securities are classified as investments. For the state entities, a corresponding liability is recorded for the market value of the collateral received. For PEHP and Trust Lands, under provision of GASB Statement 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 \$2.254 million and \$81.145 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 \$1.270 billion for URS, \$2.210 million for PEHP, and \$151.825 million for Trust Lands. Collateral received for those securities on loan was \$1.392 million for URS, \$2.254 million for PEHP, and \$157.442 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 195 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, 2022, 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, 2022, 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, 2022
(expressed in thousands)

	<u>Defined Benefit Plans</u>	<u>Defined Contribution Plans</u>
Cash and Cash Equivalent		
Long	\$ —	\$ —
Short	(109,183)	—
Equity		
Long	13,209	—
Short	(52,075)	(28,378)
Fixed Income		
Long	690,937	101,089
Short	(412,660)	(158,403)
Total Futures	<u>\$ 130,228</u>	<u>\$ (85,692)</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, 2022, 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, 2022

(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	\$ (21,335)	\$ 2,521	\$ (24,032)	\$ (21,511)	Australian dollar	\$ (7,448)	\$ 490	\$ (8,024)	\$ (7,534)
Brazilian real	(3,278)	—	(3,319)	(3,319)	Brazilian real	(1,016)	—	(1,029)	(1,029)
British pound sterling	(386,835)	31,209	(418,130)	(386,921)	British pound sterling	(34,548)	928	(35,298)	(34,370)
Canadian dollar	(44,544)	2,246	(46,925)	(44,679)	Canadian dollar	(9,314)	300	(9,676)	(9,376)
Czech koruna	2,325	7,074	(4,734)	2,340	Czech koruna	721	2,196	(1,475)	721
Danish krone	(2,292)	2,194	(4,588)	(2,394)	Danish krone	(200)	336	(548)	(212)
Euro	(626,422)	46,019	(682,483)	(636,464)	Euro	(145,489)	22,920	(169,840)	(146,920)
Chinese yuan renminbi	(35,663)	—	(35,957)	(35,957)	HK offshore Chinese yuan renminbi	(20,321)	—	(20,489)	(20,489)
Hong Kong dollar	1,103	1,103	(3)	1,100	Indian rupee	(1)	594	(594)	—
Indian rupee	(4)	1,905	(1,905)	—	Indonesian rupiah	(1,497)	—	(1,511)	(1,511)
Indonesian rupiah	(2,857)	—	(2,884)	(2,884)	Japanese yen	(53,753)	23	(56,153)	(56,130)
Japanese yen	(101,932)	279	(106,695)	(106,416)	Malaysian ringgit	(1,991)	—	(1,994)	(1,994)
Malaysian ringgit	(3,493)	—	(3,499)	(3,499)	Mexican peso	(6,439)	60	(6,599)	(6,539)
Mexican peso	(19,987)	713	(21,014)	(20,301)	New Taiwan dollar	(1)	1,887	(1,887)	—
New Taiwan dollar	(2)	6,096	(6,096)	—	New Zealand dollar	(3,224)	1,497	(4,726)	(3,229)
New Zealand dollar	(16,739)	4,847	(21,697)	(16,850)	Singapore dollar	(1,310)	—	(1,329)	(1,329)
Norwegian krone	2	189	(186)	3	South African rand	(2,416)	—	(2,499)	(2,499)
Singapore dollar	(2,163)	—	(2,195)	(2,195)	South Korean won	(7,532)	781	(8,617)	(7,836)
South African rand	(8,802)	—	(9,101)	(9,101)	Swedish krona	(2,421)	20	(2,445)	(2,425)
South Korean won	(15,592)	2,528	(18,756)	(16,228)	Swiss franc	(851)	2,271	(3,122)	(851)
Swedish krona	(12,123)	104	(12,286)	(12,182)	Thai baht	(1,208)	—	(1,220)	(1,220)
Swiss franc	902	7,346	(6,430)	916	United States dollar	300,259	327,302	(27,043)	300,259
Thai baht	(2,066)	—	(2,087)	(2,087)	Total Forwards Subject to Foreign Currency Risk	<u>\$ 0</u>	<u>\$ 361,605</u>	<u>\$ (366,118)</u>	<u>\$ (4,513)</u>
United States dollar	1,301,797	1,394,951	(93,155)	1,301,796					
Total Forwards Subject to Foreign Currency Risk	<u>\$ 0</u>	<u>\$ 1,511,324</u>	<u>\$ (1,528,157)</u>	<u>\$ (16,833)</u>					

(Notes continue on next page.)

At December 31, 2022, 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, 2022 (expressed in thousands)			
	Defined Benefit Plans		Defined Contribution Plans
Fixed Income			
Call	\$ 588	\$	144
Put	(1,379)		(426)
Swaptions			
Call	(704)		(58)
Put	(2,937)		(243)
Total Options	<u>\$ (4,432)</u>	<u>\$</u>	<u>(583)</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. The real estate interest rate swaps allowed URS to effectively convert most of its long-term variable interest rate credit facility loans into fixed interest rate loans, thereby mitigating some of its interest rate risk. All swap instruments contain collateral clauses.

Gains and losses on swaps are determined based on fair values and are recorded in the Combining Statement of Fiduciary Net Position-Pension. Swap fair values are determined by an independent third party. As of December 31, 2022, 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, 2022 (expressed in thousands)			
	Fair Value		
	Defined Benefit		Defined Contribution
Fixed Income Portfolio Swaps			
Retail Price Index			
Pay Fixed Receive Variable	\$ (431)	\$	101
Pay Variable Receive Fixed	(166)		(122)
Overnight Indexed Swaps			
Pay Fixed Receive Variable	2,682		69
Pay Variable Receive Fixed	(2,883)		(153)
Other			
Total Swaps	<u>\$ (1,011)</u>	<u>\$</u>	<u>99</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, 2022, if all counterparties fail to perform as contracted, was \$7.899 million. Derivative instrument credit risk at fair value is shown in the next table.

This maximum exposure is reduced 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, 2022, 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, 2022 (expressed in thousands)				
Quality Rating	Forwards	Options	Swaps	Total
AA	\$ (1)	\$ —	\$ —	\$ (1)
AA-	(2,180)	—	—	(2,180)
A+	(9,326)	(827)	—	(10,153)
A	(3)	97	—	94
A-	(7,028)	(4,189)	(618)	(11,835)
BBB+	(3,007)	(285)	—	(3,292)
BBB	199	7	—	206
NA	—	182	—	182
Total Subject to Credit Risk	<u>\$ (21,346)</u>	<u>\$ (5,015)</u>	<u>\$ (618)</u>	<u>\$ (26,979)</u>

(Notes continue on next page.)

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, 2022, was \$1.091 million and the market value was \$1.023 million. 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, 2022

(dollars expressed in thousands)

	1-5 Yr. Government/Credit Bond				Intermediate Government/Credit Bond				MetLife Separate Account				Total Underlying Investments	
	Fair Value	Market Value	Duration	Credit Rating	Fair Value	Market Value	Duration	Credit Rating	Fair Value	Market Value	Duration	Credit Rating	Fair Value	Market Value
Asset-backed Securities	\$ 49,313	\$ 46,269	1.33	AAA	\$ 32,077	\$ 30,097	1.68	AAA	\$ 6,763	\$ 6,345	2.29	AA+	\$ 88,152	\$ 82,711
Agencies	34,651	32,512	1.10	AA+	18,583	17,436	2.42	AA+	—	—	—	AA+	53,234	49,948
Corporates	232,112	217,785	2.40	A-	212,445	199,331	4.41	A-	39,614	37,168	5.44	A-	484,171	454,284
Non Corporate	5,116	4,800	2.60	AA3	12,747	11,960	3.64	AA3	684	642	6.66	AA3	18,547	17,402
Government Mortgage-backed Securities	25,105	23,555	2.85	AA+	69,710	65,407	4.91	AA+	24,392	22,887	5.43	AA+	119,207	111,848
U.S. Treasuries	150,153	140,885	1.67	AA+	82,877	77,761	3.14	AA+	19,884	18,656	9.93	AA+	252,914	237,302
Commercial Mortgage-backed Securities	28,797	27,019	1.52	AA+	36,933	34,653	1.39	AAA	4,422	4,149	2.79	AA+	70,151	65,821
Cash	2,162	2,029	—	—	1,541	1,446	—	—	578	542	—	—	4,281	4,017
Total	<u>\$ 527,409</u>	<u>\$ 494,854</u>			<u>\$466,913</u>	<u>\$438,091</u>			<u>\$ 96,337</u>	<u>\$ 90,389</u>			<u>\$1,090,657</u>	<u>\$1,023,333</u>

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

At December 31, 2022

(dollars expressed in thousands)

Contract Issuer	Fair Value	Market Value	Rate	Duration	Quality Ratings
American General	\$ 218,131	\$ 204,667	2.55%	3.19	A+
Lincoln National Life	109,066	102,333	2.55%	3.19	A+
MetLife	109,065	102,334	2.55%	3.19	AA-
Pacific Life	109,066	102,333	2.55%	3.19	AA-
Prudential	109,066	102,333	2.55%	3.19	AA-
Royal Bank of Canada	109,065	102,334	2.55%	3.19	AA-
RGA Reinsurance	109,066	102,333	2.55%	3.19	AA-
State State Bank	109,066	102,333	2.55%	3.19	A+
Transamerica	109,066	102,333	2.55%	3.19	AA-
Total	<u>\$ 1,090,657</u>	<u>\$ 1,023,333</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, 2023, 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, 2023
(expressed in thousands)

Risk Type	Gross Notional Value	Asset Fair Market Value	Liability Fair Market Value	Earnings (Losses)
Equity Rights/ Warrants.....	\$ 18	\$ 1	\$ —	\$ (28)
Currency Forwards.....	701	1	(2)	(57)
Swaps.....	—	—	—	(214)
Futures.....	(711)	—	—	3,557
Total.....	<u>\$ 8</u>	<u>\$ 2</u>	<u>\$ (2)</u>	<u>\$ 3,258</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 discrete 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". Discrete 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, 2023, are shown in the tables below:

Utah Public Treasurers' Investment Fund Statement of Net Position June 30, 2023 <i>(expressed in thousands)</i>		Utah Public Treasurers' Investment Fund Statement of Changes in Net Position For the Fiscal Year Ended June 30, 2023 <i>(expressed in thousands)</i>	
Assets		Additions	
Cash and Cash Equivalents	\$ 804,036	Pool Participant Deposits	\$ 22,842,592
Investments	31,816,684	Investment Income:	
Interest Receivable	199,773	Investment Earnings	1,229,204
Receivable for Unsettled Trades	36,254	Fair Value Increases (Decreases)	119,763
Total Assets	<u>32,856,747</u>	Total Investment Income	<u>1,348,967</u>
Liabilities		Less Administrative Expenses	(935)
Payable for Unsettled Trades	<u>630,000</u>	Net Investment Income	<u>1,348,032</u>
Net Position		Total Additions	<u>24,190,624</u>
External Participant Account Balances:		Deductions	
External Participants	15,669,815	Pool Participant Withdrawals	19,873,495
Unrealized Gains/(Losses)	(23,563)	Earnings Distributions	1,169,381
Total External Participants	<u>15,646,252</u>	Total Deductions	<u>21,042,876</u>
Internal Participant Account Balances:		Net Increase/(Decrease) From Operations	<u>3,147,748</u>
Primary Government	14,484,831	Net Position	
Discrete Component Units	2,120,634	Beginning of Year	29,134,077
Unrealized Gains/(Losses)	(24,970)	Adjustment to Beginning Net Position	(55,078)
Total Internal Participants	<u>16,580,495</u>	Beginning of Year as adjusted	<u>29,078,999</u>
Total Net Position	<u>\$ 32,226,747</u>	Net Position – End of Year	<u>\$ 32,226,747</u>
Participant Account Balance:			
Net Position Valuation Factor	1.00007516		

Utah Public Treasurers' Investment Fund
Portfolio Statistics
At June 30, 2023

	Range of Yields	Weighted Average Maturity
U.S. Treasuries	4.50% – 5.32%	64.04 days
Money Market Mutual Funds	5.00% – 5.02%	3 days
U.S. Agencies	4.63% – 5.60%	204.32 days
Corporate Bonds and Notes	2.33% – 7.25%	48.26 days
Commercial Paper	4.85% – 5.10%	56.10 days
	Weighted Average Yield	Weighted Average Maturity
Total Investment Fund	5.12%	120.30 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, 2023.

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, 2023, for the PTIF:

Utah Public Treasurers' Investment Fund
Investments Measured at Fair Value

At June 30, 2023

(expressed in thousands)

Investments by Fair Value Level	Fair Value	Fair Value Measurements Using	
		Level 1	Level 2
Debt Securities			
U.S. Treasuries	\$ 6,765,130	\$ 6,765,130	\$ —
Corporate Bonds and Notes	25,002,115	—	25,002,115
Money Market Mutual Funds	1,002,249	1,002,249	—
Total Debt Securities	<u>\$32,769,494</u>	<u>\$ 7,767,379</u>	<u>\$25,002,115</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

Utah Public Treasurers' Investment Fund
Rated Debt Investments

At June 30, 2023

(expressed in thousands)

	Fair Value	Quality Ratings				
		AAA	AA	A	BBB	Not Rated
Corporate Bonds and Notes	\$ 25,002,115	\$ 54,540	\$ 12,870,617	\$ 10,982,235	\$ 1,094,723	\$ —
Money Market Mutual Funds	1,002,249	—	—	—	—	1,002,249
Subtotal	26,004,364	<u>54,540</u>	<u>12,870,617</u>	<u>10,982,235</u>	<u>1,094,723</u>	<u>1,002,249</u>
U.S. Treasuries	6,765,130					
Total Debt Securities	<u>\$32,769,494</u>					

Custodial Credit Risk

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

The PTIF's investments at June 30, 2023, were held by the State or in the State's name by the State's custodial bank.

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, 2023, are presented on the following table:

Utah Public Treasurers' Investment Fund		
At June 30, 2023		
(expressed in thousands)		
Investment Type	Fair Value	Investment Maturities (in years) Less Than 1
Debt Securities		
U.S. Treasuries	\$ 6,765,130	\$ 6,765,130
Corporate Bonds and Notes	25,002,115	25,002,115
Money Market Mutual Funds	1,002,249	1,002,249
Total Debt Securities	<u>\$ 32,769,494</u>	<u>\$ 32,769,494</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, 2023, 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.

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, 2023, 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 \$117.436 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.

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

Aggregated receivables for major and nonmajor discrete component units at June 30, 2023, were \$1.298 billion and

\$315.750 million, respectively. These receivables are net of an allowance for doubtful accounts of \$684.327 million and \$15.761 million, respectively.

As of June 30, 2023, the State has notes receivables due from the University of Utah (major discrete component unit) for \$63.130 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 discrete component unit) for an administration and training building (2011 lease revenue bond series) totaling \$635 thousand. The State has energy efficiency loans due from Utah State University totaling \$348 thousand.

The State has interest receivable of \$250 thousand and a related infrastructure note receivable of \$15.301 million due from the Military Installation Development Authority (nonmajor discrete component unit).

Receivables as of June 30, 2023, consisted of the following (expressed in thousands):

	Accounts Receivable					Notes/ Mortgages
	Federal	Customer	Other	Interest	Taxes	
Governmental Activities:						
General Fund	\$ 442,346	\$ 307,165	\$ 222,068	\$ 31	\$ 429,857	\$ 1,261
Income Tax Fund	372,810	2,239	336	52	1,432,291	11,719
Transportation Fund	132,038	4,966	11,023	—	84,616	—
Transportation Investment Fund	—	—	—	—	90,772	—
Trust Lands Fund	—	—	46,989	571	—	—
Nonmajor Funds	4,050	60,855	26	2,505	13,175	63,765
Internal Service Funds	—	9,651	—	—	—	—
Adjustments:						
Fiduciary Funds	—	—	56	—	—	—
Total Receivables	<u>\$ 951,244</u>	<u>\$ 384,876</u>	<u>\$ 280,498</u>	<u>\$ 3,159</u>	<u>\$ 2,050,711</u>	<u>\$ 76,745</u>
Less Allowance for Uncollectibles:						
General Fund	—	(126,741)	—	—	(8,282)	(930)
Income Tax Fund	—	—	—	—	(232,102)	—
Transportation Fund	—	(200)	—	—	(555)	—
Transportation Investment Fund	—	—	—	—	(2,154)	—
Internal Service Funds	—	(929)	—	—	—	—
Receivables, net	<u>\$ 951,244</u>	<u>\$ 257,006</u>	<u>\$ 280,498</u>	<u>\$ 3,159</u>	<u>\$ 1,807,618</u>	<u>\$ 75,815</u>
Current Receivables	\$ 951,244	\$ 210,156	\$ 148,794	\$ 3,159	\$ 1,632,570	\$ 8,418
Noncurrent Receivables	—	46,850	131,704	—	175,048	67,397
Total Receivables, net	<u>\$ 951,244</u>	<u>\$ 257,006</u>	<u>\$ 280,498</u>	<u>\$ 3,159</u>	<u>\$ 1,807,618</u>	<u>\$ 75,815</u>
Business-type Activities:						
Unemployment Compensation	\$ —	\$ 191,604	\$ —	\$ —	\$ —	\$ —
Water Loan Programs	—	322	—	9,963	5,030	847,362
Community Impact Loan Fund	—	—	—	4,346	—	423,612
Employers' Reinsurance Fund	—	36,678	—	—	758	—
Alcoholic Beverage Services	—	2,986	—	—	—	1,518
Nonmajor Funds	5	10,894	—	4,620	—	283,467
Total Receivables	<u>5</u>	<u>242,484</u>	<u>0</u>	<u>18,929</u>	<u>5,788</u>	<u>1,555,959</u>
Less Allowance for Uncollectibles:						
Unemployment Compensation	—	(69,034)	—	—	—	—
Employers' Reinsurance Fund	—	(17,900)	—	—	—	—
Total Receivables, net	<u>\$ 5</u>	<u>\$ 155,550</u>	<u>\$ 0</u>	<u>\$ 18,929</u>	<u>\$ 5,788</u>	<u>\$ 1,555,959</u>

NOTE 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities as of June 30, 2023, consisted of the following (in thousands):

	Salaries/ Benefits	Service Providers	Vendors/ Other	Government	Tax Refunds/ Credits	Interest	Total
Governmental Activities:							
General Fund	\$ 114,238	\$ 463,171	\$ 80,274	\$ 126,140	\$ 11,116	\$ —	\$ 794,939
Income Tax Fund	3,015	1,002	17,345	341,765	92,868	—	455,995
Transportation Fund	10,815	19	204,322	56,243	1,112	—	272,511
Trust Lands Fund	—	—	28,831	—	—	—	28,831
Nonmajor Governmental Funds	755	282	149,423	8,406	662	38,965	198,493
Internal Service Funds	12,392	—	26,520	457	—	—	39,369
Adjustments:							
Fiduciary Funds	—	—	—	606	—	—	606
Other	—	—	—	—	—	799	799
Total Governmental Activities	<u>\$ 141,215</u>	<u>\$ 464,474</u>	<u>\$ 506,715</u>	<u>\$ 533,617</u>	<u>\$ 105,758</u>	<u>\$ 39,764</u>	<u>\$ 1,791,543</u>
Business-type Activities:							
Student Assistance Programs	\$ 187	\$ —	\$ —	\$ 55,892	\$ —	\$ —	\$ 56,079
Unemployment Compensation Fund	—	13,661	305	—	—	—	13,966
Water Loan Programs	—	70	5,021	320	—	—	5,411
Community Impact Loan Fund	—	—	195	156	—	—	351
Employers' Reinsurance Fund	—	—	6,560	—	—	—	6,560
Alcoholic Beverage Services Fund	2,369	—	4,806	—	—	606	7,781
Nonmajor Enterprise Funds	1,514	328	2,638	5	64	—	4,549
Total Business-type Activities	<u>\$ 4,070</u>	<u>\$ 14,059</u>	<u>\$ 19,525</u>	<u>\$ 56,373</u>	<u>\$ 64</u>	<u>\$ 606</u>	<u>\$ 94,697</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, 2023, consisted of the following (expressed in thousands):

Due to General Fund from:

Income Tax Fund	\$ 425
Transportation Fund	1,630
Trust Lands Fund	95
Nonmajor Governmental Funds	5,996
Unemployment Compensation Fund	15,601
Water Loan Programs	134
Nonmajor Enterprise Funds	226
Alcoholic Beverage Services Fund	64,694
Internal Service Funds	486
Total due to General Fund from other funds	<u>\$ 89,287</u>

Due to Income Tax Fund from:

General Fund	\$ 11,572
Unemployment Compensation Fund	530
Trust Lands Fund	25,451
Total due to Income Tax Fund from other funds	<u>\$ 37,553</u>

Due to Transportation Fund from:

General Fund	\$ 1,658
Income Tax Fund	30
Nonmajor Governmental Funds	149
Internal Service Funds	267
Total due to Transportation Fund from other funds	<u>\$ 2,104</u>

Due to Trust Lands from:

Nonmajor Enterprise Funds	\$ 4,853
Total due to Trust Lands from other funds	<u>\$ 4,853</u>

Due to Nonmajor Governmental Funds from:

General Fund	\$ 12,203
Transportation Fund	344
Water Loan Programs	794
Alcoholic Beverage Services Fund	582
Internal Service Funds	34
Fiduciary Funds	38
Total due to Nonmajor Governmental Funds from other funds	<u>\$ 13,995</u>

Due to Water Loan Programs from:

Trust Lands Fund	\$ 90
Nonmajor Governmental Funds	7,095
Total due to Water Loan Programs from other funds	<u>\$ 7,185</u>

Due to Alcoholic Beverage Services Fund from:

Nonmajor Governmental Funds	\$ 53,533
Internal Service Funds	3
Total due to Alcoholic Beverage Services Fund from other funds	<u>\$ 53,536</u>

Due to Nonmajor Enterprise Funds from:

General Fund	\$ 46
Nonmajor Enterprise Funds	209
Total due to Nonmajor Enterprise Funds from other funds	<u>\$ 255</u>

Due to Internal Service Funds from:

General Fund	\$ 41,361
Income Tax Fund	109
Transportation Fund	4,801
Employers' Reinsurance Fund	29
Nonmajor Governmental Funds	2,350
Nonmajor Enterprise Funds	406
Alcoholic Beverage Services Fund	1,005
Internal Service Funds	1,349
Fiduciary Funds	18
Total due to Internal Service Funds from other funds	<u>\$ 51,428</u>

Due to Fiduciary Funds from:

General Fund	\$ 179
Nonmajor Governmental Funds	427
Total due to Fiduciary Funds from other funds	<u>\$ 606</u>
Total Due to / Due from	<u>\$ 260,802</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, 2023, interfund loans receivable/payable balances consist of \$33.354 million revolving loans payable to the General Fund from Internal Service Funds. The balance payable to the General Fund from Internal Service Funds of \$33.354 million includes \$18.150 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, 2023, was as follows (expressed in thousands):

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets Not Depreciated/Amortized:				
Land and Related Assets	\$ 2,478,205	\$ 143,387	\$ (6,636)	\$ 2,614,956
Infrastructure	16,274,901	959,686	(56,825)	17,177,762
Construction in Progress ²	2,153,469	783,861	(1,040,668)	1,896,662
Total Capital Assets Not Depreciated/Amortized	20,906,575	1,886,934	(1,104,129)	21,689,380
Capital Assets Depreciated/Amortized:				
Buildings and Improvements	3,478,195	30,542	(6,983)	3,501,754
Leased Buildings	205,194	5,994	(8,946)	202,242
Infrastructure	90,715	1,749	—	92,464
Machinery and Equipment	583,649	66,061	(35,713)	613,997
Leased Machinery and Equipment	10,148	35	(48)	10,135
Intangible Assets—Software ¹	306,781	198,219	(27,416)	477,584
Subscription Based—Software ¹	6,254	6,857	—	13,111
Total Capital Assets Depreciated/Amortized	4,680,936	309,457	(79,106)	4,911,287
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	(1,205,736)	(86,505)	952	(1,291,289)
Leased Buildings	(18,289)	(17,532)	6,578	(29,243)
Infrastructure	(46,668)	(2,714)	—	(49,382)
Machinery and Equipment	(355,820)	(37,814)	31,007	(362,627)
Leased Machinery and Equipment	(5,015)	(3,205)	48	(8,172)
Intangible Assets—Software ¹	(279,565)	(25,766)	25,789	(279,542)
Subscription Based—Software ¹	—	(3,107)	—	(3,107)
Total Accumulated Depreciation/Amortization	(1,911,093)	(176,643)	64,374	(2,023,362)
Total Capital Assets Depreciated/Amortized, Net	2,769,843	132,814	(14,732)	2,887,925
Capital Assets, Net	\$ 23,676,418	\$ 2,019,748	\$ (1,118,861)	\$ 24,577,305
Business-type Activities:				
Capital Assets Not Depreciated/Amortized:				
Land and Related Assets	\$ 39,866	\$ —	\$ (107)	\$ 39,759
Construction in Progress ²	1,576	8,016	—	9,592
Total Capital Assets Not Depreciated/Amortized	41,442	8,016	(107)	49,351
Capital Assets Depreciated/Amortized:				
Buildings and Improvements	124,409	2,577	(16,641)	110,345
Leased Buildings	17,768	12,760	(547)	29,981
Infrastructure	430	—	(304)	126
Machinery and Equipment	18,085	1,429	(4,983)	14,531
Intangible Assets—Software ¹	4,093	—	(2,522)	1,571
Subscription Based—Software ¹	349	—	—	349
Total Capital Assets Depreciated/Amortized	165,134	16,766	(24,997)	156,903
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	(53,588)	(3,833)	8,292	(49,129)
Leased Buildings	(1,258)	(1,257)	547	(1,968)
Infrastructure	(198)	(10)	158	(50)
Machinery and Equipment	(14,923)	(485)	4,159	(11,249)
Intangible Assets—Software ¹	(3,610)	(101)	2,468	(1,243)
Subscription Based—Software ¹	—	(74)	—	(74)
Total Accumulated Depreciation/Amortization	(73,577)	(5,760)	15,624	(63,713)
Total Capital Assets Depreciated/Amortized, Net	91,557	11,006	(9,373)	93,190
Capital Assets, Net	\$ 132,999	\$ 19,022	\$ (9,480)	\$ 142,541

¹ Subscription-based software was added during fiscal year 2023 as a new capital asset category with the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. Additionally, the beginning balances for various assets related to SBITAs were reclassified to subscription-based software. See [Note 2](#) for additional information.

² Construction in Progress was re-evaluated in 2023 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 discrete component units that are funded by state appropriations or state bond proceeds. As the buildings are completed, the applicable amounts are deleted from construction in progress of governmental activities and "transferred" to the colleges and universities and other discrete component units. For

fiscal year 2023, \$86.475 million of buildings were completed for colleges and universities. On the government-wide statement of activities, the building "transfers" are reported as higher education expenses of governmental activities and as program revenues of discrete component units.

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

General Government.....	\$ 16,758
Health and Human Services	25,383
Corrections	30,281
Public Safety	22,669
Courts	12,123
Environmental Quality	2,154
Employment and Family Services	12,529
Natural Resources	11,129
Cultural and Community Engagement	512
Business, Labor, and Agriculture	1,863
Public Education	663
Transportation	20,851
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	19,728
Total Depreciation and Amortization Expense	<u>\$ 176,643</u>

Discrete Component Units

The following table summarizes net capital assets reported by the discrete 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	\$ —	\$ 111,717	\$ 75,886	\$ 416,305	\$ 183,786	\$ 787,694
Art and Special Collections	—	116,526	69,984	—	20,807	207,317
Construction in Progress	6,260	505,943	30,681	242,275	148,377	933,536
Total Capital Assets Not Depreciated/Amortized	<u>6,260</u>	<u>734,186</u>	<u>176,551</u>	<u>658,580</u>	<u>352,970</u>	<u>1,928,547</u>
Capital Assets Depreciated/Amortized:						
Building and Improvements	—	5,081,230	1,491,663	197,885	2,914,123	9,684,901
Infrastructure	—	579,058	—	2,826,546	141,336	3,546,940
Machinery and Equipment	446	1,671,396	312,005	903,255	403,073	3,290,175
Leased Land and Improvements	—	78	229	868	65,569	66,744
Leased Buildings	—	120,006	41,110	473	53,636	215,225
Leased Machinery and Equipment	—	14,610	1,978	—	1,610	18,198
Intangible Assets	—	—	—	66,538	1,132	67,670
Subscription Based—Software	—	65,320	13,381	—	35,298	113,999
Total Capital Assets Depreciated/Amortized	<u>446</u>	<u>7,531,698</u>	<u>1,860,366</u>	<u>3,995,565</u>	<u>3,615,777</u>	<u>17,003,852</u>
Less Accumulated Depreciation/Amortization	<u>(446)</u>	<u>(3,648,308)</u>	<u>(899,241)</u>	<u>(1,764,524)</u>	<u>(1,406,624)</u>	<u>(7,719,143)</u>
Total Capital Assets Depreciated/Amortized, Net	<u>0</u>	<u>3,883,390</u>	<u>961,125</u>	<u>2,231,041</u>	<u>2,209,153</u>	<u>9,284,709</u>
Capital Assets, Net	<u>\$ 6,260</u>	<u>\$ 4,617,576</u>	<u>\$ 1,137,676</u>	<u>\$ 2,889,621</u>	<u>\$ 2,562,123</u>	<u>\$ 11,213,256</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, leased 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 \$21.929 million in principal and \$2.399 million in interest for fiscal year 2023. The primary government's software subscription liability payments

were \$3.180 million in principal and \$236 thousand in interest for fiscal year 2023. See [Note 8](#) for additional information on leased 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			
<i>(expressed in thousands)</i>			
Fiscal Year	Total Principal Required	Total Interest Required	Total Amount Required
2024	\$ 17,705	\$ 2,540	\$ 20,245
2025	17,284	2,361	19,645
2026	17,167	2,185	19,352
2027	15,897	2,005	17,902
2028	15,212	1,838	17,050
2029-2033	54,828	6,933	61,761
2034-2038	28,975	4,073	33,048
2039-2043	13,717	2,450	16,166
2044-2048	9,413	1,368	10,782
2049-2053	7,078	696	7,774
2054-2058	4,718	270	4,988
2059-2063	981	9	990
Total	<u>\$ 202,975</u>	<u>\$ 26,728</u>	<u>\$ 229,703</u>

Software Subscriptions			
Principal and Interest Requirements			
Primary Government			
<i>(expressed in thousands)</i>			
Fiscal Year	Total Principal Required	Total Interest Required	Total Amount Required
2024	\$ 3,534	\$ 198	\$ 3,732
2025	2,961	119	3,080
2026	1,856	67	1,923
2027	1,458	29	1,487
2028	428	5	433
2029-2033	42	—	42
Total	<u>\$ 10,279</u>	<u>\$ 418</u>	<u>\$ 10,697</u>

Leases			
Principal and Interest Requirements			
Discrete Component Units			
<i>(expressed in thousands)</i>			
Fiscal Year	Total Principal Required	Total Interest Required	Total Amount Required
2024	\$ 25,935	\$ 5,717	\$ 31,652
2025	20,069	5,834	25,903
2026	17,707	5,592	23,299
2027	15,212	5,340	20,552
2028	11,552	5,236	16,788
2029-2033	34,964	22,289	57,253
2034-2038	23,695	20,400	44,095
2039-2043	18,916	18,634	37,550
2044-2048	11,121	18,361	29,482
2049-2053	943	15,414	16,357
2054-2058	—	16,995	16,995
2059-2063	—	18,764	18,764
2064-2068	—	20,717	20,717
2069-2073	—	22,873	22,873
2074-2078	1,336	23,918	25,254
2079-2083	16,880	11,003	27,883
2084-2088	24,350	6,434	30,784
2089-2093	15,629	928	16,557
Total	<u>\$ 238,309</u>	<u>\$ 244,449</u>	<u>\$ 482,758</u>

Software Subscriptions			
Principal and Interest Requirements			
Discrete Component Units			
<i>(expressed in thousands)</i>			
Fiscal Year	Total Principal Required	Total Interest Required	Total Amount Required
2024	\$ 22,373	\$ 1,208	\$ 23,581
2025	15,998	689	16,687
2026	7,931	303	8,234
2027	4,383	129	4,512
2028	417	30	447
2029-2033	265	13	278
Total	<u>\$ 51,367</u>	<u>\$ 2,372</u>	<u>\$ 53,739</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, 2023 are presented in the following table.

Changes for Utah Transit Authority and PEHP (major discrete component units) are included as of year ended December 31, 2022. As referenced below, certain long-term debt and other long-term liabilities are discussed in other notes to the Financial Statements.

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Long-term Debt:					
General Obligation Bonds	\$ 2,049,115	\$ —	\$ (354,925)	\$ 1,694,190	\$ 319,180
General Obligation Bonds - Direct Placement	113,600	—	(1,400)	112,200	17,700
State Building Ownership Authority (SBOA) Lease Revenue Bonds	151,864	495	(7,562)	144,797	7,497
SBOA Lease Revenue Bonds - Direct Placement	10,525	—	(5,085)	5,440	5,440
Net Unamortized Premiums	152,374	32	(36,779)	115,627	31,180
Notes Payable	3,794	—	(759)	3,035	744
Other Long-term Liabilities:					
Leases (Note 9)	192,038	3,661	(20,738)	174,961	16,611
Software Subscriptions (Note 9) ⁴	6,254	6,857	(3,107)	10,004	3,460
Compensated Absences (Note 1) ²	231,060	141,483	(117,551)	254,992	119,818
Claims Liability (Note 19) ²	66,886	39,777	(35,027)	71,636	24,801
Pollution Remediation Obligation ²	5,183	50	(312)	4,921	418
Settlement Obligations ²	461	—	(95)	366	95
Net Pension Liability (Note 17) ¹	927	630,220	—	631,147	—
Net OPEB Liability (Note 18) ¹	2,012	—	(402)	1,610	—
Total Governmental Long-term Debt and Liabilities	<u>\$ 2,986,093</u>	<u>\$ 822,575</u>	<u>\$ (583,742)</u>	<u>\$ 3,224,926</u>	<u>\$ 546,944</u>
Business-type Activities					
Long-term Debt:					
State Building Ownership Authority Lease Revenue Bonds	114,916	—	(7,718)	107,198	6,908
Water Loan Recapitalization Revenue Bonds	6,830	—	(6,830)	—	—
Net Unamortized Premiums/(Discounts)	10,711	1	(1,590)	9,122	1,415
Other Long-term Liabilities:					
Leases (Note 9)	16,510	12,760	(1,257)	28,013	1,094
Software Subscriptions (Note 9) ⁴	349	—	(74)	275	74
Claims and Uninsured Liabilities	246,992	218,801	(226,533)	239,260	54,046
Net Pension Liability (Note 17) ¹	—	10,360	—	10,360	—
Total Business-type Long-term Debt and Liabilities	<u>\$ 396,308</u>	<u>\$ 241,922</u>	<u>\$ (244,002)</u>	<u>\$ 394,228</u>	<u>\$ 63,537</u>
Discrete Component Units					
Long-term Debt:					
Revenue Bonds	\$ 4,569,539	\$ 1,158,441	\$ (151,860)	\$ 5,576,120	\$ 194,626
Net Unamortized Premiums/(Discounts)	83,943	8,666	(9,592)	83,017	1,713
Notes Payable / Annuities Payable ³	362,869	53,336	(67,886)	348,319	50,369
Other Long-term Liabilities:					
Leases (Note 9) ³	237,316	65,374	(64,385)	238,305	25,934
Software Subscriptions (Note 9) ⁴	52,000	11,378	(12,013)	51,365	22,372
Claims Liability (Note 19)	336,394	1,667,720	(1,661,200)	342,914	274,867
Leave/Termination Benefits (Note 1)	250,206	211,965	(189,594)	272,577	171,577
Net Pension Liability (Note 17)	97,391	106,600	—	203,991	—
Net OPEB Liability (Note 18)	—	48	—	48	—
Total Discrete Component Long-term Debt and Liabilities	<u>\$ 5,989,658</u>	<u>\$ 3,283,528</u>	<u>\$ (2,156,530)</u>	<u>\$ 7,116,656</u>	<u>\$ 741,458</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. 87, *Leases*. See [Note 2](#) for more information.

⁴ 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, 2023, 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 2023, no general obligation or general obligation refunding bonds were issued. General obligation bonds payable information is presented below.

General Obligation Bonds Payable
(expressed in thousands)

Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2023
2009D Highway Issue	09/29/09	2019, 2024	4.15 % – 4.55 %	\$ 491,760	\$ 152,335
2010B Highway Issue	09/30/10	2019 – 2025	3.19 % – 3.54 %	\$ 621,980	285,005
2015 Refunding Issue	04/29/15	2019 – 2026	3.50 % – 5.00 %	\$ 220,980	78,495
2017 Highway/Prison Issue	07/10/17	2018 – 2032	3.00 % – 5.00 %	\$ 142,070	89,405
2017 Refunding Issue	12/15/17	2018 – 2028	2.21 %	\$ 118,700	112,200
2018 Highway/Prison Issue	02/28/18	2018 – 2032	3.13 % – 5.00 %	\$ 343,155	232,900
2019 Highway Issue	01/15/19	2019 – 2033	5.00 %	\$ 127,715	101,925
2020 Highway Issue	02/11/20	2020 – 2034	3.00 % – 5.00 %	\$ 448,430	391,805
2020B Highway/Prison Issue	05/14/20	2020 – 2034	3.00 % – 5.00 %	\$ 447,315	362,320
Total General Obligation Bonds Outstanding					1,806,390
Plus Unamortized Bond Premium					115,487
Total General Obligation Bonds Payable					<u>\$ 1,921,877</u>

**General Obligation Bond Issues
Debt Service Requirements to Maturity
For the Fiscal Year Ended June 30, 2023**
(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
2024	\$ 64,420	\$ 104,160	\$ 39,260	\$ 13,050	\$ 17,700	\$ 25,385	\$ 7,125
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
2029-2033	—	—	—	17,125	19,700	105,020	50,700
2034-2038	—	—	—	—	—	—	11,750
Total	<u>\$ 152,335</u>	<u>\$ 285,005</u>	<u>\$ 78,495</u>	<u>\$ 89,405</u>	<u>\$ 112,200</u>	<u>\$ 232,900</u>	<u>\$ 101,925</u>

Fiscal Year	Principal				
	2020 Highway Bonds	2020B Highway/Prison Bonds	Total Principal Required	Total Interest Required	Total Amount Required
2024	\$ 19,875	\$ 45,905	\$ 336,880	\$ 63,416	\$ 400,296
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
2029-2033	141,375	67,365	401,285	49,743	451,028
2034-2038	65,850	27,050	104,650	1,415	106,065
Total	<u>\$ 391,805</u>	<u>\$ 362,320</u>	<u>\$ 1,806,390</u>	<u>\$ 247,665</u>	<u>\$ 2,054,055</u>

C. Revenue Bonds

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

Governmental Activities

The Utah State Building Ownership Authority (SBOA) has issued bonds for the purchase and construction of facilities to be leased to state agencies and other organizations. The bonds are secured by the facilities, and repayment is made from lease income appropriated by the Legislature and is not considered pledged revenue of the State. The outstanding bonds payable at June 30, 2023, are reported as a long-term liability of the governmental activities, except for \$116.320 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. During fiscal year 2023, the Utah Correctional Industries Fund (a nonmajor enterprise fund) paid their remaining portion of the Lease Revenue Refunding Series 2015 bonds. Therefore, the remaining balance of the bond at the end of 2023 is now included as a long term liability in governmental activities.

Business-type Activities

The State’s Water Loan Programs have issued recapitalization revenue bonds to provide additional capital for the State’s

revolving water resources loan programs. The bonds are secured by and repayments are made from the pledged principal and interest payments (pledged revenues) of specific revolving water resources loan funds. These pledged revenues will not be available for other purposes until the end of fiscal year 2023 when the bonds are completely paid off. Pledged revenues were projected to produce 150 percent of debt service requirements over the life of the bonds. On July 1,2022, the final principal payment of \$6.830 million was paid. Therefore, there was no interest due, or pledged revenue recognized for the current fiscal year.

Discrete Component Units

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

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

Information on pledged revenues for discrete component units for the fiscal year ended June 30, 2023, is presented below.

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

	University of Utah	Utah State University	Utah Transit Authority	Nonmajor Component Units
Type of Revenue Pledged ¹	A, B, C	A, B	D	A
Amount of Pledged Revenue	\$3,003,527	\$588,967	\$3,184,582	\$1,357,369
Term of Commitment	Thru 2051	Thru 2056	Thru 2050	Thru 2053
Percent of Revenue Pledged	100.00%	100.00%	100.00%	100.00%
Current Year Pledged Revenue	\$281,668	\$107,254	\$414,301	\$30,178
Current Year Principal and Interest Paid	\$105,034	\$21,545	\$141,947	\$29,445

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.

(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, 2023
SBOA Lease Revenue Bonds:					
Series 2009E	09/09/09	2018 – 2030	4.62 % – 5.77 %	\$ 89,470	\$ 57,690
Series 2010	11/30/10	2011 – 2024	2.00 % – 5.00 %	\$ 24,555	2,107
Series 2011	10/25/11	2012 – 2031	2.13 % – 4.00 %	\$ 5,250	635
Series 2012A	11/20/12	2017 – 2027	1.50 % – 5.00 %	\$ 11,755	5,045
Series 2015	04/29/15	2016 – 2030	3.00 % – 5.00 %	\$ 785	520
Series 2016	04/05/16	2016 – 2038	2.25 % – 5.00 %	\$ 93,625	76,275
Series 2017 – Direct Placement	12/15/17	2020 – 2024	5.00 %	\$ 25,910	5,440
Series 2018	02/21/18	2020 – 2039	3.00 % – 5.00 %	\$ 2,920	2,525
Total Lease Revenue Bonds Outstanding					150,237
Plus Unamortized Bond Premium					140
Total Lease Revenue Bonds Payable					<u>\$ 150,377</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	\$ 11,075
Series 2010	11/30/10	2011 – 2024	2.00 % – 5.00 %	\$ 12,180	598
Series 2012A	11/20/12	2017 – 2027	1.50 % – 5.00 %	\$ 3,855	740
Series 2015	04/29/15	2016 – 2030	3.00 % – 5.00 %	\$ 29,230	18,275
Series 2016	04/05/16	2016 – 2038	2.25 % – 5.00 %	\$ 4,525	3,500
Series 2018	02/21/18	2020 – 2039	3.00 % – 5.00 %	\$ 15,545	13,420
Series 2020	02/27/20	2021 – 2039	2.00 % – 5.00 %	\$ 18,865	16,915
Series 2022	06/22/22	2022 – 2042	5.00 %	\$ 42,675	42,675
Total Lease Revenue Bonds Outstanding					107,198
Plus Unamortized Bond Premium					9,122
Total Lease Revenue Bonds Payable					<u>\$ 116,320</u>
Total Revenue/Lease Revenue Bonds Payable					<u>\$ 266,697</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	2010 Utah SBOA Bonds	2011 Utah SBOA Bonds	2012A Utah SBOA Bonds	2015 Utah SBOA Bonds	2016 Utah SBOA Bonds	2017 Utah SBOA Bonds
2024	\$ 1,605	\$ —	\$ 2,705	\$ 70	\$ 1,230	\$ 2,875	\$ 4,200	\$ 5,440
2025	1,685	6,015	—	70	2,850	3,005	4,400	—
2026	1,785	8,635	—	75	1,135	3,150	4,650	—
2027	1,890	9,145	—	80	570	3,325	4,750	—
2028	1,995	10,665	—	80	—	2,855	4,850	—
2029-2033	2,115	23,230	—	260	—	3,585	26,525	—
2034-2038	—	—	—	—	—	—	30,400	—
2039-2043	—	—	—	—	—	—	—	—
Total	<u>\$ 11,075</u>	<u>\$ 57,690</u>	<u>\$ 2,705</u>	<u>\$ 635</u>	<u>\$ 5,785</u>	<u>\$ 18,795</u>	<u>\$ 79,775</u>	<u>\$ 5,440</u>

Fiscal Year	Principal					
	2018 Utah SBOA Bonds	2020 Utah SBOA Bonds	2022 Utah SBOA Bonds	Total Principal Required	Total Interest Required	Total Amount Required
2024	\$ 720	\$ 770	\$ 230	\$ 19,845	\$ 11,260	\$ 31,105
2025	745	805	1,175	20,750	10,288	\$ 31,038
2026	785	845	1,680	22,740	9,249	\$ 31,989
2027	825	890	1,760	23,235	8,183	\$ 31,418
2028	865	935	1,850	24,095	7,068	\$ 31,163
2029-2033	4,870	5,300	10,730	76,615	20,515	\$ 97,130
2034-2038	5,845	6,080	13,690	56,015	9,243	\$ 65,258
2039-2043	1,290	1,290	11,560	14,140	1,551	\$ 15,691
Total	<u>\$ 15,945</u>	<u>\$ 16,915</u>	<u>\$ 42,675</u>	<u>\$ 257,435</u>	<u>\$ 77,357</u>	<u>\$ 334,792</u>

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

Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2023
University of Utah Revenue Bonds	1998 – 2023	2026 – 2051	0.17 % – 6.28 %	\$ 2,352,535	\$ 2,101,045
Utah State University Revenue Bonds	2007 – 2023	2026 – 2056	1.03 % – 5.25 %	\$ 435,533	384,353
Utah Transit Authority	2007 – 2021	2026 – 2056	0.35 % – 5.94 %	\$ 3,744,506	2,162,991
Nonmajor Component Units Revenue Bonds	2011 – 2022	2022 – 2053	1.87 % – 6.50 %	\$ 979,579	927,731
Total Revenue Bonds Outstanding					5,576,120
Plus Unamortized Bond Premium					83,017
Total Revenue Bonds Payable					<u>\$ 5,659,137</u>

**Revenue Bond Issues — Discrete 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
2024	\$ 103,649	\$ 11,621	\$ 67,770	\$ 11,586	\$ 194,626	\$ 218,661	\$ 413,287
2025	108,660	12,117	70,675	14,180	205,632	211,209	416,841
2026	101,496	12,644	75,675	16,909	206,724	203,583	410,307
2027	123,468	13,441	78,095	17,539	232,543	196,185	428,728
2028	124,511	14,075	85,750	18,238	242,574	188,117	430,691
2029-2033	530,579	72,374	483,496	97,069	1,183,518	821,311	2,004,829
2034-2038	519,572	72,541	595,965	117,825	1,305,903	572,738	1,878,641
2039-2043	367,187	63,405	697,065	453,590	1,581,247	366,702	1,947,949
2044-2048	72,094	61,270	8,500	88,065	229,929	63,281	293,210
2049-2053	49,829	39,660	—	92,730	182,219	20,237	202,456
2054-2058	—	11,205	—	—	11,205	999	12,204
Total	<u>\$ 2,101,045</u>	<u>\$ 384,353</u>	<u>\$ 2,162,991</u>	<u>\$ 927,731</u>	<u>\$ 5,576,120</u>	<u>\$ 2,863,023</u>	<u>\$ 8,439,143</u>

D. Conduit Debt Obligations

The Utah Charter School Finance Authority (nonmajor discrete component unit) issued conduit debt obligations on behalf of various charter schools. The debt is the responsibility of the charter schools, and neither the State nor any political subdivision of the State is obligated in any manner for repayment of the debt. Accordingly, this debt has not been reported in the accompanying financial statements. The outstanding balance at June 30, 2023, is \$517.652 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, 2023, the total amount outstanding of defeased general obligation bonds was \$78.430 million. At June 30, 2023, there were no outstanding defeased lease revenue bonds.

Discrete Component Units

In prior years, discrete component units defeased certain revenue bonds by placing the proceeds of new bonds and various bond reserves in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the component unit column on the Statement of Net Position. At June 30, 2023, \$209.120 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, 2023, the liability is \$4.921 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 a direct financing lease-purchase arrangement for the Spanish Fork Courthouse. The 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 \$701 thousand in principal and \$97 thousand interest for fiscal year 2023. 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)**

Fiscal Year	Principal	Interest	Total Amount Required
2024.....	\$ 721	\$ 76	\$ 797
2025.....	742	56	798
2026.....	763	34	797
2027.....	786	12	798
Totals	\$ 3,012	\$ 178	\$ 3,190

Discrete Component Units

The notes payable/annuities payable include \$498 thousand in life annuity contracts. The notes payable balance consists of notes issued by discrete component units for the purchase of buildings and equipment. The notes bear various interest rates and will be repaid over the next 33 years. They are secured by the related assets. The Utah Transit Authority (UTA) (major discrete 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
Discrete 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			
2024	\$ 21,251	\$ 1,494	\$ 12,805	\$ 14,819	\$ 50,369	\$ 11,203	\$ 61,572
2025	19,501	524	12,549	3,761	36,335	9,670	46,005
2026	18,796	533	12,500	3,364	35,193	8,484	43,677
2027	18,092	543	12,831	2,704	34,170	7,307	41,477
2028	19,510	339	12,445	4,605	36,899	6,679	43,578
2029-2033	18,516	52	82,106	14,320	114,994	14,765	129,759
2034-2038	13,248	—	16,817	9,544	39,609	3,500	43,109
2039-2043	22	—	—	673	695	16	711
2044-2048	21	—	—	—	21	—	21
2049-2053	20	—	—	—	20	—	20
2054-2058	12	—	—	—	12	—	12
Total	\$ 128,989	\$ 3,485	\$ 162,053	\$ 53,790	\$ 348,317	\$ 61,624	\$ 409,941

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, 2023, consisted of the following:

Deferred Outflows and Inflows of Resources
(expressed in thousands)

	Primary Government		Discrete Component Units
	Governmental Activities	Business-type Activities	
Deferred Outflows:			
Deferred Amount on Refundings of Bonded Debt	\$ 4,704	\$ 1,054	\$ 105,571
Relating to Pensions	424,602	7,837	178,705
Relating to Other Postemployment Benefits	27,041	475	24,672
Total Deferred Outflows	\$ 456,347	\$ 9,366	\$ 308,948
Deferred Inflows:			
Deferred Revenue	\$ 11,497	\$ —	\$ —
Relating to Beneficial Interests	—	—	16,387
Deferred Amount on Refundings of Bonded Debt	—	—	10,602
Relating to Pensions	8,684	160	18,401
Relating to Other Postemployment Benefits	16,980	264	522
Relating to Leases	—	—	177,605
Total Deferred Inflows	\$ 37,161	\$ 424	\$ 223,517

Of the \$456.347 million deferred outflows of resources reported in the governmental activities column on the government-wide Statement of Net Position, \$424.602 million represent deferred outflows relating to pensions, of which \$38.626 million are reported in the Internal Service Funds; and \$27.041 million represent deferred outflows relating to other postemployment, of which \$2.083 million are reported in the Internal Service Funds. The remaining \$4.704 million represent deferred amount on refundings of bonded debt.

Of the \$37.161 million deferred inflows of resources reported in the governmental activities column on the government-wide Statement of Net Position, \$8.684 million represent deferred inflows relating to pensions, of which \$1.049 million are reported in the Internal Service Funds; and \$16.980 million represent deferred inflows relating to other postemployment, of which \$1.339 million are reported in the Internal Service Funds. The remaining \$11.497 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 discrete component units are reported in detail in their respective fund statements.

Under the modified accrual basis of accounting, governmental fund financial statements reported deferred inflows of resources of \$818.536 million in unavailable revenue. This was comprised of \$558.804 million from various taxes and \$259.733 million from other sources.

The deferred outflows of resources relating to pensions for governmental activities of \$424.602 million and for business-type activities of \$7.837 million differ from the deferred outflows of resources for the primary government of \$439.203 million as reported in [Note 17](#) due to the following: Utah Schools for the

Deaf and the Blind (nonmajor discrete component unit) of \$6.420 million and the Utah Inland Port Authority (nonmajor discrete component unit) of \$348 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.

The deferred inflows of resources relating to pensions for governmental activities of \$8.684 million and for business-type activities of \$160 thousand differ from the deferred inflows of resources for the primary government of \$9.054 million in [Note 17](#) due to the following: Utah Schools for the Deaf and the Blind (nonmajor discrete component unit) of \$188 thousand and

the Utah Inland Port Authority (nonmajor discrete component unit) of \$14 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.

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, 2023, follows:

Governmental Fund Balances
(expressed in thousands)

	<u>Restricted Purposes</u>	<u>Committed Purposes</u>	<u>Assigned Purposes</u>
General Fund:			
General Government:			
Legislature	\$ —	\$ 22,452	\$ —
Elected Officials	26,372	8,380	—
Governor’s Office	16	91,408	—
Government Operations	197,428	35,667	—
Revenue Assessments and Collections	—	36,830	—
Corrections	—	5,378	—
Public Safety	14,143	66,115	—
Courts	6	16,582	—
Health and Human Services	11,976	233,739	—
Environmental Quality	—	21,885	—
Employment and Family Services	1,960	60,547	—
Natural Resources	54,708	548,811	—
Cultural and Community Engagement	48	16,711	—
Business, Labor, and Agriculture	160	71,045	—
Budget Reserve (Rainy Day) Account	—	330,285	—
Medicaid Budget Stabilization Account	—	113,862	—
Industrial Assistance	—	25,634	—
Tax Accruals and Other Liabilities	—	—	183,216
Fiscal Year 2024 Appropriations:			
Line Item Appropriations	—	—	1,266,860
Utah Fund of Funds	52,665	—	—
Other Purposes	4,178	129,899	1,330
Total	<u>\$ 363,660</u>	<u>\$ 1,835,230</u>	<u>\$ 1,451,406</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	\$ 277,534	\$ —	\$ —
State Office of Education	199,992	—	—
School Building Program	36,839	—	—
School Land Trust Program	109,884	—	—
Income Tax Budget Reserve Account	856,285	—	—
Tax Accruals and Other Purposes ¹	415,116	—	—
Fiscal Year 2024 Appropriations:			
Line Item Appropriations	1,858,945	—	—
Other Purposes	9,025	—	—
Total	<u>\$ 3,763,620</u>	<u>\$ 0</u>	<u>\$ 0</u>
Transportation Fund:			
Transportation – Construction and Maintenance	\$ 464,853	\$ —	\$ 6,794
Public Safety	66,653	—	—
Corridor Preservation	56,954	—	—
Aeronautical Programs	20,831	—	—
Tax Accruals and Other Purposes ¹	75,565	—	—
Total	<u>\$ 684,856</u>	<u>\$ 0</u>	<u>\$ 6,794</u>
Transportation Investment Fund:			
Transportation Investment Capacity Projects	\$ —	\$ 2,716,855	\$ —
Other Purposes	—	143,293	—
Total	<u>\$ 0</u>	<u>\$ 2,860,148</u>	<u>\$ 0</u>
Permanent Fund - Trust Lands:			
Public Education System ¹	\$ 1,039,699	\$ —	\$ —
Higher Education and Other Purposes	56,838	—	—
Total	<u>\$ 1,096,537</u>	<u>\$ 0</u>	<u>\$ 0</u>
Nonmajor Governmental Funds:			
Capital Projects	\$ 1,989	\$ —	\$ 1,043,570
Debt Service	—	—	238,837
State Endowment Fund	21,810	354,962	—
Environmental Reclamation	46,626	6,758	—
Rural Development	—	31,340	—
Medicaid Expansion	—	293,033	4,945
Other Purposes	56,270	165,004	244
Total	<u>\$ 126,695</u>	<u>\$ 851,097</u>	<u>\$ 1,287,596</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 19 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 \$856.285 million, respectively. For the fiscal year ended June 30, 2023, there were no transfers into the Rainy Day Fund or The Income Tax Reserve Fund because there was no revenue surplus, as defined by law.

In accordance with Section 63J-1-315 of the *Utah Code*, the State maintains the Medicaid Growth Reduction and Budget Stabilization Restricted Account (“Medicaid Budget Stabilization Account”). The account can only be used for specific purposes detailed in Section 63J-1-315, upon appropriation by the Legislature. The Legislature may appropriate money from the account only if Medicaid program expenditures are estimated to be 108 percent or more of Medicaid program expenditures for the previous year. This is not expected to occur routinely, as the state has implemented reforms in the Medicaid Program to bring Medicaid growth more in line with overall state revenue growth. In the ten years since the fund was created, there have been no appropriations from the fund. The account is funded in a fiscal year when there are savings in the Medicaid Program and a General Fund revenue surplus. For the fiscal year ended June 30, 2023, 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 \$113.862 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 \$10.713 billion of restricted net position, of which \$123.476 million is restricted by enabling legislation.

NOTE 13. DEFICIT NET POSITION AND FUND BALANCE

Funds reporting a deficit total net position at June 30, 2023, are (expressed in thousands):

Internal Service Funds:	
Human Resource Management	\$ (219)

The deficit net position in the Human Resource Management Fund is the result of recording the fund’s portion of pensions and other postemployment benefits (OPEB) as required by GASB Statements. These Statements require the recognition and reporting of the net pension liability, net OPEB liability, and related transactions, often resulting in a deficit net position. The Human Resource Management Fund also reported a \$444 thousand deficit in the unrestricted portion of its net position at June 30, 2023, primarily as a result of recording the fund’s portions of pension and OPEB.

Other than noted above, funds reporting a deficit position in the unrestricted portion of their net position at June 30, 2023, are (expressed in thousands):

Internal Service Funds:	
Fleet Operations	\$ (23,747)
Enterprise Funds:	
Alcoholic Beverage Services	\$ (32,625)

The deficit in the Fleet Operations Internal Service Fund and Alcoholic Beverage Services Fund are 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 in the unrestricted portion of their net position at June 30, 2023, of \$29.138 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, 2023, 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	\$ —	\$ 17,093	\$ 13,824	\$ 960,084	\$ 26	\$ 723,147
Income Tax Fund	2,436,369	—	—	—	—	518,875
Transportation Fund	57,259	—	—	64,194	—	7,779
Transportation Investment Fund	—	—	9,274	—	—	349,063
Trust Lands Fund	—	101,803	—	—	—	—
Nonmajor Governmental Funds	233,089	—	—	—	—	1,654
Water Loan Programs	6,434	—	—	—	—	—
Community Impact Loan Fund	876	—	—	—	—	—
Employers' Reinsurance Fund	89	—	—	—	—	—
Alcoholic Beverage Services Fund	136,925	1,750	—	—	—	—
Nonmajor Enterprise Funds	18,749	—	—	—	—	571
Internal Service Funds	513	—	—	—	—	—
Total	\$ 2,890,303	\$ 120,646	\$ 23,098	\$ 1,024,278	\$ 26	\$ 1,601,089

Transferred From	Transferred To					Total
	Enterprise Funds					
	Water Loan Programs	Community Impact Loan Fund	Employers' Reinsurance Fund	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ 13,066	\$ 34,532	\$ 1,332	\$ 94,336	\$ 19,892	\$ 1,877,332
Income Tax Fund	—	—	—	—	—	\$ 2,955,244
Transportation Fund	—	—	—	—	—	\$ 129,232
Transportation Investment Fund	—	—	—	—	—	\$ 358,337
Trust Lands Fund	—	—	—	—	—	\$ 101,803
Nonmajor Governmental Funds	—	—	—	—	—	\$ 234,743
Water Loan Programs	—	—	—	—	—	\$ 6,434
Community Impact Loan Fund	—	—	—	—	—	\$ 876
Employers' Reinsurance Fund	—	—	—	—	—	\$ 89
Alcoholic Beverage Services Fund	—	—	—	—	—	\$ 138,675
Nonmajor Enterprise Funds	—	—	—	—	—	\$ 19,320
Internal Service Funds	—	—	—	—	—	\$ 513
Total	\$ 13,066	\$ 34,532	\$ 1,332	\$ 94,336	\$ 19,892	\$ 5,822,598

Transfers from major governmental funds to nonmajor governmental funds are primarily for debt service expenditures and capital facility construction. 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 as authorized by the Legislature.

During fiscal year 2023, the Legislature authorized transfers of \$513 thousand from Internal Service Funds to the General Fund to subsidize general fund revenues. In addition, the Legislature authorized payments of \$1.643 billion to discrete component units. Payments to discrete component units are reported as expenditures in both the General Fund governmental fund statements and the governmental activities column of the Statement of Activities. They are also reported as revenues in the discrete 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 (GOUTAH): the Economic Development Tax Increment Financing (EDTIF) program, the Motion Picture Incentive Program (MPIP), and the Utah Rural Jobs Act program (URJA). These programs offer post-performance tax abatements of corporate and individual tax revenues, which would otherwise fund education, in exchange for specific actions that are intended to benefit the State or its citizens. GOUTAH also administers the New Convention Facility Development Incentives program (NCFDI). This program offers tax abatement of sales tax revenues, which would otherwise fund government services, in exchange for specific actions that are intended to benefit the State or its citizens.

The EDTIF program provides incentives in the form of a refundable tax credit to accelerate business growth, job creation, and to encourage economic development within specific

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

Each year, a business entity must apply to GOUTAH for a tax credit certificate. GOUTAH reviews the results of the commercial project for compliance before a credit is issued. A tax credit may not exceed 30 percent in urban areas and 50 percent for specific rural areas of new state tax revenues from the new project over the lesser of the life of the project or 20 years. A tax credit may not exceed 50 percent of new state tax revenues from the new project in a given year. If a business entity should fail to meet its obligations or has received more EDTIF refundable tax credits than it is entitled to, the excess amount must be returned and any future claim for credit may be denied and/or the contract may be nullified.

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

The NCFDI program was created in order to spur the development of a co-located Utah hotel and convention space to attract larger conventions that will benefit the State by bringing in tax revenue and contributing to the economy. This tax abatement provides financial incentives to a qualified, pre-approved hotel owner or host local government. Section 63N-2-503 of the *Utah Code* allows a refund of sales tax up to a maximum annual amount based on a maximum percentage specified in the agreement, and limited to \$75 million in the aggregate for the eligibility period, if the applicant develops a qualified hotel on or after July 1, 2014 that meets the following requirements: **(1)** the project requires a significant capital investment; **(2)** includes at least 85 square feet of convention, exhibit, and meeting space per guest room; and **(3)** is located within 1,000 feet of a convention center that contains at least 500,000 square feet of convention, exhibit, and meeting space. A qualified hotel owner or host local government that wishes to qualify for the convention incentive must submit a written claim that includes all required components described in 63N-2-503 of the *Utah Code*.

GOUTAH entered into an agreement with a qualified hotel owner during fiscal year 2019. While the eligibility period has commenced with beginning construction of the qualified hotel,

GOUTAH has not abated any taxes related to this project during fiscal year 2023.

The URJA program enables an eligible small business located in a rural county to expand and create high-paying jobs by providing flexible and affordable capital. This tax abatement provides financial incentives to a qualified claimant in a rural investment company that makes a credit-eligible investment of cash. Section 63N-4-304 of the *Utah Code* allows a tax credit equal to 25 percent of the claimant's total credit-eligible capital contribution in each of the taxable years that include the fourth through the seventh anniversaries of the closing date. According to Section 63N-4-303 of the *Utah Code*, a Rural Investment Company (RIC) must submit an application that includes the following: **(1)** a copy of a license as a federally licensed rural business investment company or as a federally licensed small business investment company; **(2)** evidence that before the date the application is submitted, the applicant has invested at least \$50 million in nonpublic companies located in counties in the U.S. with fewer than 50,000 inhabitants; **(3)** a signed affidavit from each claimant stating the amount of the commitment; and **(4)** the sum of all credit-eligible contribution commitments, which must equal 58 percent of the total investment authority sought by the applicant. In addition, an RIC must perform the following within 65 days of approval: **(1)** collect the total amount of committed credit-eligible capital contributions from each claimant included in the application; **(2)** collect one or more cash equity investments contributed by affiliates of the RIC; and **(3)** collect one or more cash investments when combined with collections in **(1)** and **(2)** above that is equal to the RICs investment authority; and **(4)** send sufficient documentation to the office to prove the amounts have been collected.

As authorized by 63N-4-305 of the *Utah Code*, the credit may be recaptured in the following situations: **(1)** if the RIC fails to invest 100 percent of its investment authority in growth investments in the state within three years of the closing date; **(2)** if the RIC fails to invest 100 percent of its investment authority until the seventh anniversary of the closing date; **(3)** if the RIC fails to maintain growth investments in this state equal to 100 percent of its investment authority until the 70th anniversary of the closing date; **(4)** if the RIC makes a distribution or payment that results in the RIC having less than 100 percent of its investment authority invested in growth investments in this state or available for growth investments and held in cash and other marketable securities; **(5)** if the phase one RIC fails to maintain growth investments equal to 70 percent of its investment authority in eligible small businesses that maintain their principal business operations in a rural county; **(6)** if the phase two RIC fails to maintain growth investments equal to 100 percent of the rural investment company's investment authority in eligible small business that maintain their principal business operations in a rural county; **(7)** if the RIC invests more than \$5 million from its investment authority in the same eligible small business; and **(8)** if the RIC makes a growth investment in an eligible small business that owns or has the right to acquire an ownership interest in the RIC or makes a loan to or an investment in the RIC.

Three RICs have been given investment authority of \$42 million. The applications were approved in calendar year 2017. Credits can only be claimed in taxable years that include the fourth through the seventh anniversary of the closing date. For fiscal year 2023, \$6.090 million tax credits were issued.

The gross dollar amounts, on an accrual basis, by which the State’s revenues were reduced for the fiscal year ended June 30, 2023 are:

Tax Abatement Programs
(expressed in thousands)

Program	Amount of Taxes Abated
Motion Picture Incentive Program.....	\$ 578
Economic Development Tax Increment Financing.....	24,680
Total.....	<u>\$ 25,258</u>

The State has other recently enacted tax abatement programs where tax abatement agreements have not been entered into or the total tax abatement for these programs is less than 10 percent of the total taxes abated during the fiscal year. The State has no tax abatements that are entered into by other governments that reduce the State’s tax revenues. In addition, the State has other various tax credit incentives that are not defined as tax abatements under generally accepted accounting principles and therefore are not described and included here. See [Note 16.C](#) for commitments related to the tax abatements.

NOTE 16. LITIGATION, CONTINGENCIES, AND COMMITMENTS

A. Litigation

- The State is involved in various legal actions arising in the ordinary course of business. The State is vigorously contesting all of these matters, but as of this date it is not possible to determine the outcome of these proceedings. In the opinion of the Attorney General and management, the ultimate disposition of these matters will not have a material adverse effect on the State’s financial position.
- In addition to the items above, the State and its component units are contesting other legal actions totaling over \$49.900 million and \$8.040 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, 2023, will be available in the Spring of 2024.

- 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.

- The State is self-insured for liability claims up to \$2 million per claim, plus an annual \$1 million corridor deductible, augmented by excess liability insurance with a per claim limit of \$3 million and an annual aggregate limit of \$6 million. The State purchased excess liability reinsurance with a per claim limit of \$5 million (excess of \$3 million) and an annual aggregate limit of \$10 million (excess of \$6 million). The State is self-insured for property claims up to \$1 million per occurrence, with an annual aggregate of \$3.5 million, and with sub-limits of \$525 million for earthquake and flood losses. 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, \$71.636 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 \$3.441 billion principal amount of Guaranteed Bonds outstanding at June 30, 2023, with the last maturity date being 2043. The State cannot predict the

amount of bonds that may be guaranteed in future years, but no limitation is currently imposed by the Guaranty Act.

- The Charter School Credit Enhancement Program (Program) (Sections 53A-20b-201 to 204 of the *Utah Code*) was established to reduce borrowing costs for qualifying charter schools by providing credit enhancement on bonds issued on behalf of those schools. Bonds issued under this Program are not legal obligations of the State, and neither the State nor any political subdivision of the State is obligated in any manner for repayment of the bonds. If a charter school with bonds issued under the Program draws on its debt service reserve fund, state law requires the Governor to request an appropriation from the Legislature to restore the school's debt service reserve fund to its required level or to meet any principal or interest payment deficiency. However, the Legislature is not required to make any such appropriations. A charter school is required to repay the State any appropriations it receives to restore its debt service reserves at the time and in the manner required by the Utah Charter School Finance Authority (Authority) (nonmajor discrete component unit).

When bonds are issued under the Program, the qualifying school pays up-front and ongoing fees at rates determined by the Authority. These fees are deposited into a restricted reserve account that was funded initially with a \$3 million appropriation. These monies may be appropriated by the Legislature to replenish any deficiency in the debt service reserve fund of a charter school under the Program.

The Authority is the conduit issuer of Credit Enhancement Program bonds and responsible for developing criteria by which a charter school qualifies to participate in the Program. The Authority is also charged with monitoring the financial condition of qualifying charter schools and certifying, at least annually, the amount required to restore amounts on deposit in the debt service reserve funds of charter schools participating in the Program. The total amount of charter school debt enhanced by the Program is limited by formula. As of June 30, 2023, \$475.800 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 \$30.205 million from tobacco companies in fiscal year 2023 and expects to receive approximately \$25 million in fiscal year 2024. Annual payments will be adjusted for factors, such as inflation, decreased sales volume, previously settled lawsuits, disputed payments, and legal fees.
- The Utah School Readiness Initiative (Title 35A Chapter 15 of the *Utah Code*) created the School Readiness Board (the Board) and enabled the Board to provide grants and enter into contracts with private entities in order to improve early childhood education for at-risk students. Under the terms of the contract, private investors fund the program using a social impact bond financial model. This bond offers the investors a return on investment only if students in the program meet specific education benchmarks. The maximum number of students the program will pay on is 249 per year for each of the remaining 2 years. As of June 30, 2023, the State of Utah has reserved a total of \$1.400 million to cover student evaluations and any repayment of the social impact bond. The program has repaid \$5.861 million to

investors as of June 30, 2023. The Board authorized an additional payment to investors of \$515 thousand at the September 2023 board meeting. It is anticipated the State of Utah will commit additional funds in future years as necessary.

C. Commitments

- At June 30, 2023, the Industrial Assistance Program of the General Fund had grant commitments of \$29.302 million, contingent on participating companies meeting certain performance criteria.
- At June 30, 2023, the Economic Development Tax Increment Financing incentive program had outstanding long-term contract commitments for General Fund cash rebates of \$77.442 million and Income Tax Fund tax credits (tax abatements) of \$1.119 billion. These cash rebates and tax credits are contingent on participating companies meeting certain economic development performance criteria.
- At June 30, 2023, the Motion Picture Incentive Program had outstanding contract commitments for General Fund cash rebates of \$8.732 million and Income Tax Fund tax credits (tax abatements) of \$59.893 million. These cash rebates and credits are contingent upon participating motion picture companies meeting certain within-the-state production criteria.
- At June 30, 2023, the New Convention Facilities Development Incentives program had outstanding contract commitments for General Fund tax credits (tax abatements) of \$75.000 million. These tax credits are contingent on the participating entities meeting certain statutorily required construction criteria.
- At June 30, 2023, the Utah Rural Jobs Act program had outstanding commitments for Income Tax Fund tax credits (tax abatements) of \$48.720 million. These tax credits are contingent on the participating entities meeting statutorily required construction criteria.
- At June 30, 2023, the Utah Department of Transportation had construction and other contract commitments of \$766.059 million, of which \$425.868 million is for Transportation Fund (major special revenue fund) and \$340.191 million is for projects within the Transportation Investment Fund (major capital projects fund) highway projects. These commitments will be funded with future appropriations in the Transportation Fund and through proceeds of general obligation bonds and future appropriations in the Transportation Investment Fund.
- As of June 30, 2023, the permanent Trust Lands Fund had contractual commitments of \$1.766 billion to various investments. Of this amount, an estimated \$570.772 million remained unfunded and subject to call by the funds.
- At June 30, 2023, the capital projects funds had construction commitments of \$988.080 million. These commitments will be funded with legislative appropriations, charges for services revenues, and proceeds of general obligation and lease revenue bonds.
- At June 30, 2023, the enterprise funds had loan commitments of approximately \$488.228 million and grant commitments of approximately \$357.580 million.
- As of June 30, 2023, the primary government had contractual commitments of \$15.000 million to fund various investments. Of this amount \$10.800 million remained

unfunded and subject to call by the investment manager. The amount of the commitment and the unfunded portion by fund are as follows: State Endowment Fund (nonmajor special revenue fund) \$6.869 million and \$4.946 million; Utah Navajo Trust Fund (private purpose trust fund) \$1.656 million and \$1.192 million; Higher Education Student Success Fund (fiduciary fund) \$5.721 million and \$4.120 million; Utah State Developmental Center Fund (nonmajor governmental fund) \$581 thousand and \$418 thousand; and Radioactive Waste Perpetual Care Fund (general fund) \$173 thousand and \$124 thousand.

- At its yearend December 31, 2022, 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 \$10.000 billion. Funding of \$6.700 billion had been provided by December 31, 2022, leaving an unfunded commitment of \$3.300 billion.
- At June 30, 2023, the University of Utah (major discrete component unit) had outstanding commitments for the construction and remodeling of its buildings of approximately \$259.400 million.
- The University of Utah, under the terms of various limited partnership agreements approved by the Board of Trustees or University officers, is obligated to make periodic payments for advance commitments to venture capital and private equity investments. As of June 30, 2023, the University had committed, but not paid, a total of \$110.394 million in funding for these alternative investments.
- At June 30, 2023, Utah State University (major discrete component unit) had outstanding commitments for the construction and remodeling of its buildings of approximately \$40.400 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, 2023, the University had committed, but not paid, a total of \$37.463 million in funding for these alternative investments.
- At its yearend of December 31, 2022, the Utah Transit Authority (major discrete component unit) had outstanding purchasing commitments of approximately \$177.200 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, 2022, 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 discrete component unit) does not participate in URS. See [Note 17.B](#), for a description of Utah Transit Authority pension plans.

URS operations are comprised of the following groups of systems/plans covering employees of the State and participating local government and public education entities:

- The Public Employees Noncontributory Retirement System (Noncontributory System); the Public Employees Contributory Retirement System (Contributory System); and the Firefighters Retirement System (Firefighters System), which are defined-benefit multiple-employer, cost-sharing, public employee retirement systems;
- The Public Safety Retirement System (Public Safety System), which is a defined-benefit mixed agent and cost-sharing, multiple-employer public employee retirement system;
- The Judges Retirement System (Judges System) and the Utah Governors and Legislators Retirement Plan, which are single-employer service-employee retirement systems;
- The Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); and the Tier 2 Public Safety and Firefighters Contributory System (Tier 2 Public Safety and Firefighters System), which are defined-benefit multiple-employer, cost-sharing, public employee retirement systems;
- Four defined contribution plans comprised of the 401(k) Plan, 457 Plan, and Roth and Traditional IRA Plans.

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

A. Defined Benefit Plans - Utah Retirement Systems

Retirement benefits are specified by Title 49 of the *Utah Code*. The retirement systems are defined-benefit plans wherein the benefits are based on age and/or years of service and highest average salary. Various plan options within the systems may be selected by retiring members. Some of the options require actuarial reductions based on attained age, age of spouse, and similar actuarial factors. A brief summary of eligibility for and benefits of the systems is provided in the following table:

(Table on next page)

Summary of Benefits by System

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System
Final Average Salary ...	Highest 3 Years	Highest 5 Years	Highest 3 Years	Highest 3 Years	Highest 2 Years	Highest 5 Years	Highest 5 Years
	30 years any age	30 years any age	20 years any age	25 years any age	35 years any age	25 years any age	25 years any age
Years of Service Required and/or Age Eligible for Benefit	25 years any age ¹	20 years age 60 ¹	10 years age 60	20 years age 55 ¹	20 years age 60 ¹	20 years age 60 ¹	20 years age 60 ¹
	20 years age 60 ¹	10 years age 62 ¹	4 years age 65	10 years age 62	10 years age 62 ¹	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
	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% 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 \$1,480 per month per term. Legislators with four or more years of service receive a benefit at age 65 at the rate of \$32 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.

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

At December 31, 2022, the following number of employees were covered by the State’s (primary government) single-employer plans:

Single-employer Plans Covered Employees
December 31, 2022

	Judges System	Governors and Legislators Retirement Plan
Inactive Employees or Beneficiaries Currently Receiving Benefits ..	161	244
Inactive Employees Entitled to But Not Yet Receiving Benefits	4	78
Active Employees	119	44
Total Single-employer Plans Covered Employees	284	366

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, 2023, are presented in the following table (dollars expressed in thousands):

Contributions

Systems/Plan	Employee Paid	Paid by Employer for Employee	Employer Paid	Primary Government	Discrete Component Units (except UTA)
Noncontributory Public Employees	\$ —	— %	22.19 %	\$ 124,869	\$ 51,794
Contributory:					
Contributory Public Employees	\$ —	6.00 %	17.70 %	\$ 409	\$ 555
Tier 2 Public Employees ¹	\$ —	— %	19.84 %	\$ 81,344	\$ 15,001
Public Safety:					
Contributory Public Safety	\$ —	— %	— %	\$ —	\$ —
Noncontributory Public Safety	\$ —	— %	41.35 %	\$ 43,036	\$ 1,791
Tier 2 Public Safety ¹	\$ —	2.59 %	32.54 %	\$ 22,446	\$ 568
Firefighters:					
Contributory Firefighters	\$ —	15.05 %	3.61 %	\$ 48	\$ —
Tier 2 Firefighters ¹	\$ —	2.59 %	14.08 %	\$ 159	\$ —
Judges	\$ —	— %	44.76 %	\$ 9,911	\$ —
Utah Governors and Legislators		Annual Appropriation		\$ 360	

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 discrete component units (except UTA) also paid to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements of \$2.142 million and \$223 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, 2022

(dollars expressed in thousands)

	Judges System	Utah Governors and Legislators Retirement Plan
Total Pension Liability		
Service Cost	\$ 6,667	\$ 52
Interest	19,008	872
Difference between Actual and Expected Experience	6,552	50
Benefit Payments	(17,609)	(1,010)
Net Change in Total Pension Liability	14,618	(36)
Total Pension Liability – Beginning	282,957	13,202
Total Pension Liability – Ending	A \$ 297,575	\$ 13,166
Plan Fiduciary Net Position		
Contributions – Employer	\$ 9,378	\$ 422
Court Fees ¹	1,335	—
Net Investment Income	(14,729)	(693)
Benefit Payments	(17,609)	(1,010)
Administrative Expense	(88)	(4)
Net Transfers with Affiliated Systems	1,990	(18)
Net Change in Plan Fiduciary Net Position	(19,723)	(1,303)
Plan Fiduciary Net Position – Beginning	282,030	13,425
Plan Fiduciary Net Position – Ending	B \$ 262,307	\$ 12,122
Net Pension Liability / (Asset) – Ending (A – B)	\$ 35,268	\$ 1,044
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.15 %	92.07 %
Covered Payroll	\$ 21,438	\$ 724
Net Pension Liability as a Percentage of Covered Payroll	164.51 %	144.20 %

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 discrete component units (except UTA) as well as to public education and other political subdivisions of the State. At December 31, 2022, the net pension asset and the net pension liability for all URS systems is

\$151.839 million and \$2.547 billion, respectively. The plan's fiduciary net position as a percent of the total pension liability is 43.5 percent. At December 31, 2022, the primary government's net pension asset and net pension liability is \$858.357 thousand and \$653.454 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, 2022

(dollars expressed in thousands)

System	Net Pension Asset	Net Pension Liability	Proportionate Share		
			2022	2021	Change
Noncontributory System - State and School Division ..	\$ —	\$ 515,543	23.88 %	23.39 %	0.49 %
Contributory System - State and School Division	—	4,978	38.09 %	35.91 %	2.18 %
Public Safety System - State of Utah Division	—	76,123	96.49 %	96.95 %	(0.46)%
Firefighters System - Other Division A	858	—	3.31 %	3.25 %	0.06 %
Judges System	—	35,268	100.00 %	100.00 %	0.00 %
Utah Governors and Legislators Retirement Plan	—	1,044	100.00 %	100.00 %	0.00 %
Tier 2 Public Employees System	—	18,819	17.28 %	17.32 %	(0.04)%
Tier 2 Public Safety and Firefighters System	—	1,679	20.13 %	20.59 %	(0.46)%
Total Net Pension Asset / Liability	<u>\$ 858</u>	<u>\$ 653,454</u>			

At December 31, 2022, the net pension asset and the net pension liability for the discrete component units (except UTA) is \$6.011 million and \$37.767 million, respectively. The following table summarizes the discrete component unit's net pension asset and liability by system.

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

December 31, 2022

(dollars expressed in thousands)

System	Net Pension Asset	Net Pension Liability	Proportionate Share		
			2022	2021	Change
Noncontributory System - Higher Education Division ..	\$ 1,751	\$ —	100.00 %	100.00 %	0.00 %
Noncontributory System - State and School Division ...	3,228 ¹	31,216	1.57 %	3.82 %	(2.25)%
Contributory System - Higher Education Division	924	—	100.00 %	100.00 %	0.00 %
Contributory System - State and School Division	—	35	0.26 %	0.40 %	(0.14)%
Public Safety System - State of Utah Division	—	2,766	3.50 %	3.05 %	0.45 %
Tier 2 Public Employees System	108 ¹	3,708	6.16 %	3.86 %	2.30 %
Tier 2 Public Safety and Firefighters System	—	42	0.50 %	0.47 %	0.03 %
Total Net Pension Asset / Liability	<u>\$ 6,011</u>	<u>\$ 37,767</u>			

¹ Discrete component units with December 31, 2022 yearend (measurement date of December 31, 2021)

Deferred Outflows and Inflows of Resources

The net pension asset and liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022, 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 discrete component units (except UTA).

(Notes continue on next page.)

**Primary Government and Discrete Component Units (except UTA)
Pension Expense
June 30, 2023
(expressed in thousands)**

System	Primary Government	Discrete Component Units
Noncontributory System - State and School Division	\$ 138,981	\$ 7,001
Noncontributory System - Higher Education Division	—	(54,754)
Contributory System - State and School Division	6,010	—
Contributory System - Higher Education Division	—	7,659
Public Safety System - State of Utah Division	24,571	1,108
Firefighters System - Other Division A	(250)	—
Judges System	8,356	—
Utah Governors and Legislators Retirement Plan	46	—
Tier 2 Public Employees System	36,091	7,490
Tier 2 Public Safety and Firefighters System	7,296	181
Total Pension Expense	<u>\$ 221,101</u>	<u>\$ (31,315)</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, 2023
(expressed in thousands)**

System	Source	Primary Government	
		Deferred Outflows of Resources	Deferred Inflows of Resources
Noncontributory System	Differences between Expected and Actual Experience	\$ 89,742	\$ —
	Changes in Assumptions	29,500	—
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	88,596	—
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	5,695	6,375
	Contributions Subsequent to the Measurement Date	61,990	—
	Total	<u>\$ 275,523</u>	<u>\$ 6,375</u>
Contributory System	Differences between Expected and Actual Experience	\$ —	\$ —
	Changes in Assumptions	—	—
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	997	—
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	—	—
	Contributions Subsequent to the Measurement Date	189	—
	Total	<u>\$ 1,186</u>	<u>\$ —</u>
Public Safety System	Differences between Expected and Actual Experience	\$ 4,918	\$ —
	Changes in Assumptions	1,557	—
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	24,416	—
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	161	—
	Contributions Subsequent to the Measurement Date	21,436	—
	Total	<u>\$ 52,488</u>	<u>\$ —</u>

Continues

Deferred Outflows and Inflows of Resources ¹
Related to Pensions

June 30, 2023

(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	\$ 151	\$ 4
	Changes in Assumptions	107	—
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	230	—
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	43	54
	Contributions Subsequent to the Measurement Date	26	—
	Total	<u>\$ 557</u>	<u>\$ 58</u>
Judges Retirement System	Differences between Expected and Actual Experience	\$ 7,013	\$ —
	Changes in Assumptions	2,437	—
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	4,294	—
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	—	—
	Contributions Subsequent to the Measurement Date	5,008	—
	Total	<u>\$ 18,752</u>	<u>\$ —</u>
Governor & Legislators Plan	Differences between Expected and Actual Experience	\$ —	\$ —
	Changes in Assumptions	—	—
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	123	—
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	—	—
	Contributions Subsequent to the Measurement Date	—	—
	Total	<u>\$ 123</u>	<u>\$ —</u>
Tier 2 Public Employees System	Differences between Expected and Actual Experience	\$ 6,356	\$ 747
	Changes in Assumptions	6,109	48
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	7,587	—
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	3,433	913
	Contributions Subsequent to the Measurement Date	50,006	—
	Total	<u>\$ 73,491</u>	<u>\$ 1,708</u>
Tier 2 Public Safety and Firefighters System	Differences between Expected and Actual Experience	\$ 810	\$ 557
	Changes in Assumptions	1,062	168
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	1,742	—
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	436	188
	Contributions Subsequent to the Measurement Date	13,032	—
	Total	<u>\$ 17,082</u>	<u>\$ 913</u>
Grand Total	Differences between Expected and Actual Experience	\$ 108,991	\$ 1,308
	Changes in Assumptions	40,772	216
	Net Differences between Projected and Actual Earnings on Pension Plan Investments	127,985	—
	Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	9,769	7,530
	Contributions Subsequent to the Measurement Date	151,686	—
	Total	<u>\$ 439,203</u>	<u>\$ 9,054</u>

¹ Before amounts allocated for financial statement presentation.

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

June 30, 2023

(expressed in thousands)

Source	Discrete Component Units (except UTA)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 20,544	\$ 2,112
Changes in Assumptions	4,650	19
Net Differences between Projected and Actual Earnings on Pension Plan Investments	43,307	13,437
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	1,971	2,310
Contributions Subsequent to the Measurement Date	40,260	—
Total	\$ 110,732	\$ 17,878

¹ Before amounts allocated for financial statement presentation.

The \$151.686 million and \$40.260 million reported as deferred outflows of resources by the primary government and discrete component units (except UTA), respectively, are the result of contributions subsequent to the measurement date of December 31, 2022. 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
2023	\$ 4,748	\$ (5,060)	\$ (14,271)	\$ (19)	\$ 639
2024	\$ 18,870	\$ (1,495)	\$ (4,178)	\$ 60	\$ 2,237
2025	\$ 37,084	\$ 1,220	\$ 10,122	\$ 137	\$ 3,528
2026	\$ 146,457	\$ 6,332	\$ 39,379	\$ 294	\$ 7,340
2027	\$ —	\$ —	\$ —	\$ —	\$ —
Thereafter	\$ —	\$ —	\$ —	\$ —	\$ —
			Tier 2 Public Safety and Firefighters System		
	Governors & Legislators Plan	Tier 2 Public Employees System			Grand Total
Year Ended December 31	Primary Government	Primary Government	Primary Government	Primary Government	Discrete Component Units (except UTA)
2023	\$ (210)	\$ 1,093	\$ 166	\$ (12,914)	\$ (25,455)
2024	\$ (56)	\$ 2,289	\$ 349	\$ 18,075	\$ (9,175)
2025	\$ 71	\$ 3,629	\$ 552	\$ 56,342	\$ 16,357
2026	\$ 318	\$ 6,862	\$ 1,120	\$ 208,103	\$ 69,434
2027	\$ —	\$ 1,632	\$ 111	\$ 1,743	\$ 292
Thereafter	\$ —	\$ 6,273	\$ 840	\$ 7,113	\$ 1,141

(Notes continue on next page.)

The total pension liability in the December 31, 2022, 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	01/01/22	01/01/22	01/01/22	01/01/22	01/01/22	01/01/22	01/01/22	01/01/22
Measurement Date	12/31/22	12/31/22	12/31/22	12/31/22	12/31/22	12/31/22	12/31/22	12/31/22
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	3.25–9.25%	3.25–9.25%	3.25–6.75%	3.25–8.50%	3.25%	None	3.25–9.25%	3.25–8.50%
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, 2022 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2020. 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-2019 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, 2022, 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 %	6.58 %	2.30 %
Debt Securities	20.00 %	1.08 %	0.22 %
Real Assets	18.00 %	5.72 %	1.03 %
Private Equity	12.00 %	9.80 %	1.18 %
Absolute Return	15.00 %	2.91 %	0.44 %
Cash and Cash Equivalents	0.00 %	(0.11)%	0.00 %
Total Asset Classes	<u>100.00 %</u>		<u>5.17 %</u>
Inflation			<u>2.50 %</u>
Expected Arithmetic Nominal Return			<u>7.67 %</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.....	\$ 1,288,548	\$ 515,543	\$ (131,288)
Contributory System.....	26,292	4,978	(13,365)
Public Safety System.....	286,194	76,123	(96,595)
Firefighters System.....	684	(858)	(2,110)
Judges System.....	68,698	35,268	6,909
Utah Governors and Legislators Retirement Plan.....	2,265	1,044	(1)
Tier 2 Public Employees System.....	82,228	18,819	(30,030)
Tier 2 Public Safety and Firefighters System.....	13,441	1,679	(7,669)
Total Net Pension Liability / (Asset).....	<u>\$ 1,768,350</u>	<u>\$ 652,596</u>	<u>\$ (274,149)</u>

Changes in Assumptions

There were no changes made in actuarial assumptions from the prior years's valuation.

B. Defined Benefit Plans - Utah Transit Authority

Utah Transit Authority (UTA) (major discrete component unit) offers its employees a single employer non-contributory defined benefit pension plan, The Utah Transit Authority Retirement Plan and Trust (Plan), which includes all employees of UTA who are eligible and who have completed six months 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 nine (9) members, seven (7) 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 2022, 45 participants elected to receive their benefit in the form of lump sum distribution. Lump sum distributions collectively totaled \$8.034 million for 2022. 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, 2022, the Plan’s membership consisted of:

**Utah Transit Authority Retirement Plan and Trust Membership
January 1, 2022**

Active participants	2,471
Inactive participants not receiving benefits	479
Retirees and beneficiaries receiving benefits	776
Total	3,726

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 16.30 percent for calendar year 2022. Employer contributions in calendar year 2022 totaled \$27.133 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:

Utah Transit Authority Retirement Plan and Trust Changes in Net Position Liability and Related Ratios Increases (Decreases) For the Fiscal Year Ended December 31, 2022 (expressed in thousands)	
Total Pension Liability	
Service Cost	\$ 12,294
Interest	27,444
Difference between Actual and Expected Experience	(621)
Assumption Changes	6,482
Plan provision (lump sum interest rate) change	—
Member voluntary contributions	116
Benefit Payments	(22,309)
Net Change in Total Pension Liability	23,406
Total Pension Liability – Beginning	405,251
Total Pension Liability – Ending	A \$ 428,657
Plan Fiduciary Net Position	
Member voluntary contributions	\$ 116
Contributions – Employer	27,133
Net Investment Income	(56,562)
Benefit Payments	(22,309)
Administrative Expense	(554)
Net Change in Plan Fiduciary Net Position	(52,176)
Plan Fiduciary Net Position – Beginning	314,609
Plan Fiduciary Net Position – Ending	B \$ 262,433
Net Pension Liability / (Asset) – Ending (A – B)	\$ 166,224
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.22 %
Covered Payroll	\$ 160,832
Net Pension Liability as a Percentage of Covered Payroll	103.35 %

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

At December 31, 2022, UTA reported a net pension liability of \$166.225 million. The net pension liability was measured as of December 31, 2022, and was determined by an actuarial valuation as of January 1, 2022 and rolled-forward using generally accepted actuarial procedures. For the year ended December 31, 2022, UTA recognized pension expense of \$36.908 million.

Utah Transit Authority Retirement Plan and Trust

Deferred Outflows and Inflows of Resources Related to Pensions

December 31, 2022

(expressed in thousands)

Source	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between Expected and Actual Experience	\$ (523)	\$ 11,884
Changes in Assumptions	—	11,652
Net Differences between Projected and Actual on Pension Plan Earnings	—	44,439
Total	<u>\$ (523)</u>	<u>\$ 67,975</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, 2022

(expressed in thousands)

2023	\$	11,913
2024	\$	15,879
2025	\$	18,573
2026	\$	19,042
2027	\$	1,766
Thereafter	\$	279

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, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The significant actuarial assumptions and methods used in the January 1, 2022 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 (Preretirement; 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, 2022 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 %	7.20 %
Private Equity	10.00 %	0 % – 20 %	— %
Real Assets	7.00 %	3 % – 11 %	5.30 %
Fixed Income	25.00 %	15 % – 35 %	4.90 %
Cash & Equivalents	2.00 %	0 % – 5 %	4.40 %
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, 2022, the annual money-weighted rate of return, net of investments was (17.85) 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	\$ 228,033	\$ 166,225	\$ 115,355

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 487 employers participating in the 401(k) Plan and 303 employers participating in the 457 Plan. There are 204,417 plan participants in the 401(k) Plan, 20,444 participants in the 457 Plan, 18,877 participants in the Roth IRA Plan, and 3,268 participants in the Traditional IRA Plan.

After termination of employment, benefits are paid out to individuals in lump sum, or as periodic benefit payments, at the option of the participant based on individual account balances and plan provisions. The Defined Contribution Plans account balances are fully vested to the participants at the time of deposit except for Tier 2 required employer contributions and associated earnings during the first four years of employment. Investments in the vested portion of the Defined Contribution Plans are individually directed and controlled by plan participants. Investments of the plans are reported at fair value.

Employees of the State are eligible to participate in the defined contribution 401(k), 457, and Roth and Traditional IRA Plans. Employees, who contribute to a 401(k), 457, or IRA will get a match from the State of up to 2.00 percent and \$26 per pay period. In addition, the State and participating employers are required to contribute 1.50 percent of an employee’s salary into a 401(k) for those employees who participate in the noncontributory system. The amounts contributed to the 401(k) Plan during the year ended June 30, 2023, by employees and employers are as follows: for primary government, \$47.914 million and \$39.686 million; for component units, \$7.298 million and \$9.754 million, respectively. The amounts contributed by employees to the 457, and Roth and Traditional IRA Plans (primary government and discrete component units) were \$10.774 million, \$9.630 million, and \$432 thousand, respectively.

For the Tier 2 Public Employee System, Tier 2 Public Safety System, and the Tier 2 Firefighters System, the State and participating employers are required to contribute varying amounts into a 401(k). The amounts range from 0.18 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 discrete component units paid in 401(k) defined contributions required by statute \$17.777 million and \$2.364 million, respectively. In addition to these contributions, the Tier 2 plans provide a statutory required contribution (0.08 to

18.54 percent amortization rate) to finance the unfunded actuarial accrued liability of the non-Tier 2 (defined benefit) plans.

Teachers Insurance and Annuity Association

Teachers Insurance and Annuity Association (TIAA) and Fidelity Investments, privately administered defined-contribution retirement plans, provide individual retirement fund contracts for each eligible participating employee. Eligible employees are mainly state college/university faculty and staff. Benefits to retired employees are generally based on the value of the individual contracts and the estimated life expectancy of the employee at retirement and are fully vested from the date of employment. The total current year required contribution and the amount paid is 14.20 percent of the employee’s annual salary. The State has no further liability once annual contributions are made.

The total contribution made by the colleges and universities (discrete component units) to the TIAA and Fidelity retirement systems for June 30, 2023 and June 30, 2022, were \$308.072 million and \$328.930 million, respectively.

University of Utah

University of Utah (major discrete 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 \$85.705 million and \$59.165 million, respectively, for the year ended June 30, 2023.

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 \$23.974 million for the year ended June 30, 2023.

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 \$39.011 million and 10.899 million, respectively, for the year ended June 30, 2023.

Utah Transit Authority

The Utah Transit Authority (UTA) (major discrete component unit) offers its employees a deferred compensation plan created in

accordance with Internal Revenue Code Section 457. The plan is available to all employees on a voluntary basis and permits them to defer a portion of their salaries until future years. UTA currently matches \$2 for every \$3 of employee contributions, up to 2 percent of the employee’s salary. UTA contributed \$2.377 million during calendar year 2022. 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 67-19-14.2 of the *Utah Code*. Only state employees who are entitled to receive retirement benefits are eligible to receive postemployment health and life insurance benefits, and in some situations dental coverage, from the State Employee OPEB Plan. Upon retirement, employees receive up to 25 percent of the value of their unused accumulated sick leave, earned prior to January 1, 2006, as a

mandatory employer contribution into a 401(k) account. Employees may exchange eight hours of their remaining unused accumulated sick leave for one month of paid health and life insurance coverage up to age 65. After age 65, employees may use the balance of unused accumulated sick leave, earned prior to January 1, 2006, to exchange for spouse health insurance to age 65, or Medicare supplemental insurance for employee or spouse. In addition, any full-time employees of the Utah State Board of Education and the Utah Schools for the Deaf and the Blind (nonmajor discrete component unit) hired before July 1, 2012, who have attained at least five consecutive years of service with the agency, have the option of receiving postemployment health, dental, and life insurance coverage for up to five years or until reaching age 65 regardless of their unused sick leave balance. Also, judges have their own retiree health coverage that is part of the State Employee OPEB Plan. The State Employee OPEB Plan is closed to new entrants since it is only applicable to employees eligible for retirement who have sick leave earned prior to January 1, 2006, or employees of the Utah State Board of Education hired before July 1, 2012.

Elected Official OPEB Plan Description

The Elected Official OPEB Plan is a single-employer defined benefit healthcare plan, as set forth in Section 49-20-404 of the *Utah Code*. Only governors and legislators (elected officials) who retire after January 1, 1998, and have four or more years of service can elect to receive and apply for health insurance coverage or Medicare supplemental coverage. The State will pay 40 percent of the benefit cost for four years of service and up to 100 percent for ten or more years of service for elected officials and their spouses.

To qualify for health insurance coverage, an elected official must be between 62 and 65 years of age and either be an active member at the time of retirement or have continued coverage with the program until the date of eligibility. In addition, to qualify for health insurance coverage, an elected official must have service as a legislator or governor prior to January 1, 2012.

To qualify for Medicare supplemental coverage, an elected official must be at least 65 years of age. In addition, the elected official must retire under Chapter 19, *Utah Governors’ and Legislators’ Retirement Act*, and began service as an elected official prior to July 1, 2013. The Plan is closed to new entrants.

At June 30, 2023, the following number of employees were covered by the State’s single-employer OPEB plans:

**Single-employer Plans Covered Employees
June 30, 2023**

	State Employee OPEB Plan	Elected Official OPEB Plan
Inactive Employees or Beneficiaries Currently Receiving Benefits ..	2,392	109
Inactive Employees Entitled to But Not Yet Receiving Benefits.....	—	101
Active Employees.....	4,439	35
Total Single-employer Plans Covered Employees	<u>6,831</u>	<u>245</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, 2023, retirees contributed \$1.320 million, or approximately 4.22 percent of total premiums, through their required contributions of \$0 to \$196.30 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 2023 annual budget and fund employer contributions. The State Legislature funded \$6.130 million in employer contributions, \$11.361 million more than the ADC.

Elected Official OPEB Plan Contributions

For the fiscal year ended June 30, 2023, elected officials who participated in the Elected Official OPEB Plan contributed \$62 thousand, or approximately 6.79 percent of total premiums, through their required contributions of \$0 (for 10 or more years of service) to \$848 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 2023 annual budget and fund employer contributions. For the fiscal year 2023, the State

Legislature funded \$1.249 million in employer contributions, \$826 thousand more than the ADC.

Net OPEB Liability/Asset

The net OPEB liability (Elected Official Plan) and net OPEB asset (State Employee Plan) were measured as of June 30, 2023. The total OPEB liability/asset used to calculate the net OPEB liability/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 \$16.950 million, and of that amount, the State's (primary government) net OPEB asset was \$16.768 million, and \$182 thousand was allocated to the Utah Schools for the Deaf and the Blind (nonmajor discrete component unit). Below are the changes in the net OPEB liability/asset and related ratios of the net OPEB liability/asset for the single-employer OPEB plans:

Single-employer Plans Changes in Net OPEB Liability and Related Ratios Increases (Decreases)

For the Year Ended June 30, 2023

(dollars expressed in thousands)

	State Employee OPEB Plan	Elected Official OPEB Plan
Total OPEB Liability		
Service Cost	\$ 3,960	\$ 176
Interest	6,990	1,114
Difference between Actual and Expected Experience	4,124	670
Assumption Changes	7,884	603
Benefit Payments	(29,985)	(864)
Net Change in Total OPEB Liability	(7,027)	1,699
Total OPEB Liability – Beginning	243,926	21,461
Total OPEB Liability – Ending	A \$ 236,899	\$ 23,160
Plan Fiduciary Net Position		
Contributions – Employer	\$ 6,130	\$ 1,249
Net Investment Income (Loss)	5,020	1,716
Benefit Payments	(30,062)	(864)
Net Change in Plan Fiduciary Net Position	(18,912)	2,101
Plan Fiduciary Net Position – Beginning	274,371	19,449
Plan Fiduciary Net Position – Ending	B \$ 255,459	\$ 21,550
Net OPEB Liability / (Asset) – Ending (A – B)	\$ (18,560)	\$ 1,610
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.83 %	93.05 %
Covered Payroll ¹	\$ 1,302,904	
Net OPEB Liability as a Percentage of Covered Payroll	(1.42)%	
Covered-employee Payroll ¹		\$ 837
Net OPEB Liability as a Percentage of Covered-employee Payroll		192.35 %

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.

Deferred Outflows and Inflows of Resources and OPEB Expense

For the year ended June 30, 2023, the total OPEB expense was \$(1.392) million: \$(2.846) million for the State Employee OPEB Plan, and \$1.454 million for the Elected Official OPEB Plan. Of the total OPEB expense, the State (primary government) recognized \$(1.332) million, and \$(60) thousand was allocated to the Utah Schools for the Deaf and the Blind (nonmajor discrete component unit).

Total deferred inflows of resources related to the recognition of OPEB expense was \$(17.593) million, of which \$(17.245) million

was recognized by the State, and \$(348) thousand was allocated to the Utah Schools for the Deaf and the Blind.

Total deferred outflows of resources related to the recognition of OPEB expense was \$27.855 million, of which \$27.514 million was recognized by the State, and \$340 thousand was allocated to the Utah Schools for the Deaf and the Blind.

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

Source	State Employee OPEB Plan		Elected Official OPEB Plan	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
	Differences between expected and Actual Experience	\$ 3,299	\$ (13,032)	\$ —
Changes in Assumption	6,307	(4,561)	—	—
Net Differences between Projected and Actual Earnings on OPEB Plan Investments	17,694	—	555	—
Total	<u>\$ 27,300</u>	<u>\$ (17,593)</u>	<u>\$ 555</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, 2023**
(expressed in thousands)

Fiscal Year	State Employee OPEB Plan		Elected Official OPEB Plan	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
2024	\$ 5,834	\$ (9,431)	\$ 32	\$ —
2025	\$ 9,339	\$ (6,746)	\$ 71	\$ —
2026	\$ 9,155	\$ (1,416)	\$ 589	\$ —
2027	\$ 2,973	\$ —	\$ (137)	\$ —

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	6/30/2023	6/30/2023
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	6.80% 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, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 1.21 percent for the State Employee OPEB Plan and 8.56 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, 2023, 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			2.00 %
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			2.00 %
Expected Arithmetic Nominal Return			<u>5.25 %</u>

Discount Rates

The discount rate used to measure the total OPEB liability was 3.00 percent for the State Employee OPEB Plan and 5.25 percent for the Elected Official OPEB Plan. The discount rate 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 4.13 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.

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....	\$ (7,809)	\$ (18,560)	\$ (29,096)
	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
Elected Official OPEB Plan....	\$ 4,774	\$ 1,610	\$ (984)
Total Net OPEB Liability / (Asset).....	\$ (3,035)	\$ (16,950)	\$ (30,080)

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 (5.80% decreasing to 3.14%)	Current Discount Rate (6.80% decreasing to 4.14%)	1% Increase (7.80% decreasing to 5.14%)
State Employee OPEB Plan.....	\$ (32,069)	\$ (18,560)	\$ (4,000)
Elected Official OPEB Plan	(1,032)	1,610	4,791
Total Net OPEB Liability / (Asset) ...	\$ (33,101)	\$ (16,950)	\$ 791

NOTE 19. RISK MANAGEMENT AND INSURANCE

It is the policy of the State of Utah to use a combination of commercial insurance and self-insurance to cover the risk of losses to which it may be exposed. This is accomplished by the State through the Risk Management Fund (internal service fund) and the Public Employees Health Program (PEHP) (major discrete component unit). The Risk Management Fund manages the general property, auto/physical damage, and general liability risks of the State. PEHP manages the group medical, dental, life insurance, and long-term disability programs of the State. The State is a major participant in both of these programs with all state funds and departments included. All state colleges, universities, school districts, most charter schools, and other state discrete component units participate in the Risk Management Fund. PEHP also provides insurance coverage to approximately 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 divided into higher education, school districts (including charter schools), transportation department, and other state departments risk pools. 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. Risks are also covered through commercial insurance for excessive losses. The State is self-insured for liability claims up to \$2 million per claim, plus an annual \$1 million corridor deductible, augmented by excess liability insurance with a per claim limit of \$3 million and an annual aggregate limit of \$6 million. The State purchased excess liability reinsurance with a per claim limit of \$5 million (excess of \$3 million) and an annual aggregate limit of \$10 million (excess of \$6 million). The State is self-insured for property claims up to \$1 million per occurrence, with an annual aggregate of \$3.500 million, and with sub-limits of \$525 million for earthquake and flood losses. 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 (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 discrete component units of the State paid premiums to PEHP for health and life insurance coverage in fiscal year 2023 of \$381.256 million and \$62.198 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 3.0 percent. The PEHP long-term disability benefit reserves of \$12.557 million are reported using a discount rate of (9.0) percent in year one due to unfavorable investment returns and reverting to 1.5 percent in 2023 and thereafter to calculate the present value of estimated future cash payments.

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, 2023, there were

90 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, 2023, the primary government and the discrete component units of the State paid premiums for the Long-term Disability Program of \$6.546 million and \$506 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 discrete component units) each maintain self-insurance funds to manage health/dental care and report claims liabilities if it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The University of Utah also maintains a self-insurance 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 discrete 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, 2022 and June 30, 2023. The PEHP and UTA balances are for the calendar years ended December 31, 2021 and December 31, 2022:

Changes in Claims Liabilities
(expressed in thousands)

	Beginning Balance		Current Year Claims and Changes in Estimates		Claims Payments		Ending Balance
Risk Management:							
2022	\$ 87,317	\$	11,330	\$	(31,761)	\$	66,886
2023	\$ 66,886	\$	39,777	\$	(35,027)	\$	71,636
Public Employees Health Program:							
December 31, 2021	\$ 174,153	\$	925,296	\$	(918,593)	\$	180,856
December 31, 2022	\$ 180,856	\$	935,082	\$	(938,779)	\$	177,159
Utah Transit Authority:							
December 31, 2021	\$ 1,017	\$	4,032	\$	(3,988)	\$	1,061
December 31, 2022	\$ 1,061	\$	3,590	\$	(3,084)	\$	1,567
College and University Self-Insurance:							
2022	\$ 104,442	\$	434,960	\$	(430,432)	\$	108,970
2023	\$ 108,970	\$	460,503	\$	(440,642)	\$	128,831

NOTE 20. SUBSEQUENT EVENTS

Subsequent to June 30, 2023, the Governor's Office of Economic Development Board recommended and the director approved \$35.200 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.

In October 2023, the Utah Department of Transportation settled and paid a lawsuit claim for \$21.801 million related to condemnation of property.

Component Units

In July 2023, the University of Utah (major discrete component unit) issued \$163.790 million of General Revenue Bonds, Series 2023B. Principal on the bonds is due annually commencing August 1, 2025 through August 2053. Proceeds from this bond are to be used to finance construction of West Village Family and Graduate Housing Phase Two project.

The Military Installation Development Authority (MIDA), (nonmajor discrete component unit), entered into a development contract to construct the \$26 million Frontage Road project in Wasatch County. A component unit of MIDA, MIDA Jordanelle Marina Recreation Area Public Infrastructure District, received the donation of approximately 40 acres in July 2023.

Utah Inland Port Authority (nonmajor discrete component unit) is currently in negotiations to purchase certain real property from

the Utah School and Institutional Trust Lands Administration (SITLA). On September 26, 2023 the Crossroads PID and SITLA executed a letter of intent to complete the transaction for \$31 million.

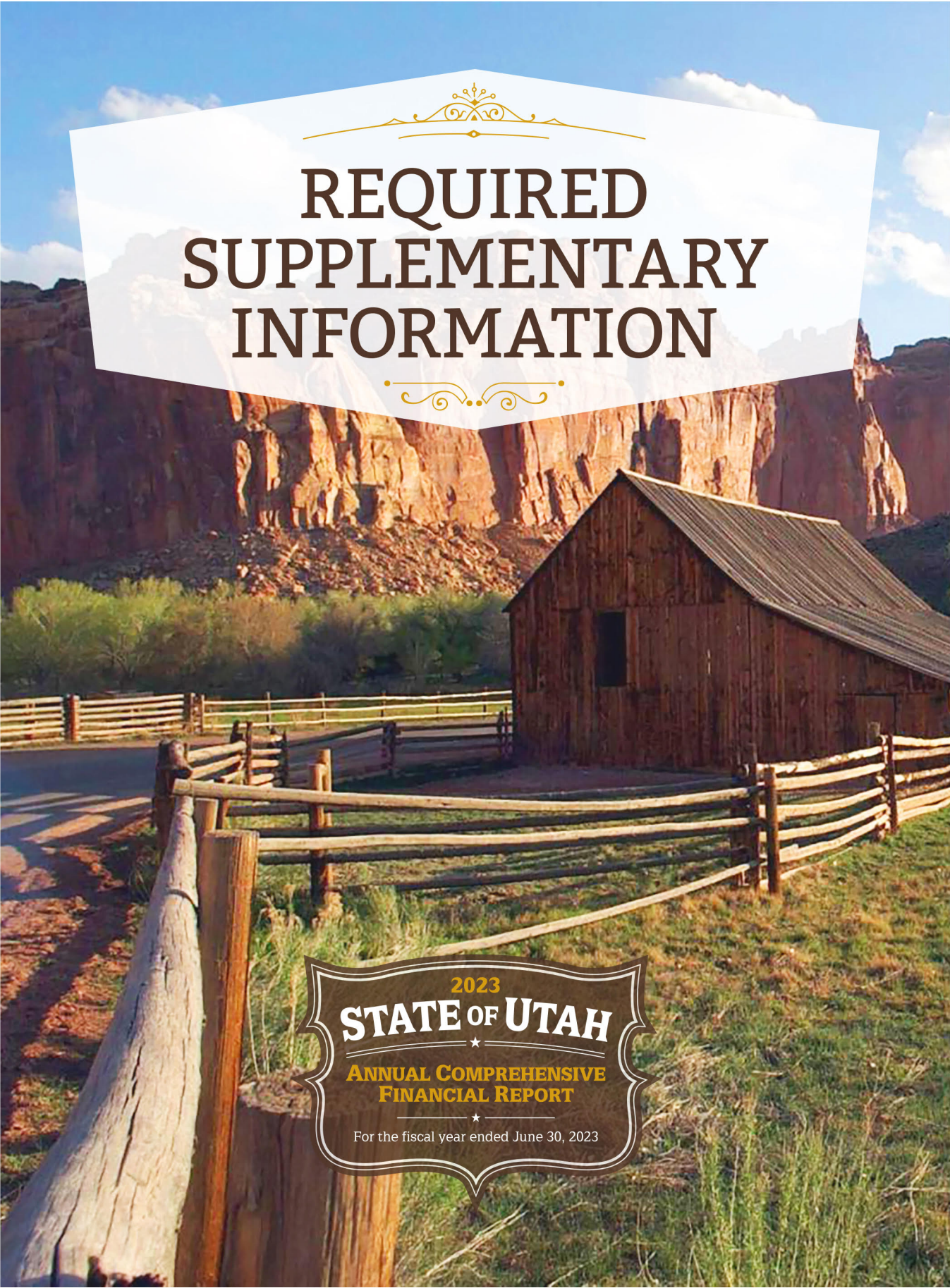
In July 2023, Salt Lake Community College (nonmajor discrete component unit) completed the construction of the new Juniper building at the Herriman Campus. The total cost for this building is estimated to be \$57.075 million, funded \$32.675 million by the State and \$24.400 million by the college. As of June 30, 2023, the college has capitalized \$22.616 million related to this building. The State-funded portion will be recognized as an increase to capital assets in the fiscal year 2024 financial statements.

Additionally, in July 2023, Salt Lake Community College exercised its termination right to end its lease agreement for the office space located at Library Square in Salt Lake City. The lease was originally scheduled to expire on June 30, 2027. The college bought out the remainder of its lease and paid \$1.719 million to the landlord, as required by the lease contract. The college will recognize a loss on lease termination in the fiscal year 2024 financial statements.

Utah Tech University (nonmajor discrete component unit) signed an agreement to purchase a fire station in October 2023 for \$1.500 million.

Mountainland Technical College (nonmajor discrete component unit) purchased 5.31 acres of vacant land in Wasatch County for \$1.814 million in July 2023.

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REQUIRED
SUPPLEMENTARY
INFORMATION

2023
STATE OF UTAH
★
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

★
For the fiscal year ended June 30, 2023

Budgetary Comparison Schedule

General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
General Revenues				
Sales and Use Tax	\$ 2,832,961	\$ 3,297,805	\$ 3,262,812	\$ (34,993)
Licenses, Permits, and Fees:				
Court Fees	19,239	32,516	14,475	(18,041)
Other Licenses, Permits, and Fees	10,951	13,620	10,419	(3,201)
Investment Income	18,943	198,833	225,215	26,382
Miscellaneous Taxes and Other:				
Beer Tax	11,830	11,079	10,995	(84)
Cigarette and Tobacco Tax	89,686	83,531	82,897	(634)
Insurance Premium Tax	177,776	193,193	192,106	(1,087)
Oil, Gas, and Mining Severance Taxes	45,713	68,330	67,419	(911)
Court Collections	3,863	4,822	19,740	14,918
Other Taxes	84,819	81,157	55,152	(26,005)
Miscellaneous Other	7,206	6,995	8,491	1,496
Total General Revenues	<u>3,302,987</u>	<u>3,991,881</u>	<u>3,949,721</u>	<u>(42,160)</u>
Department Specific Revenues				
Sales and Use Tax	36,200	117,751	117,751	—
Federal Contracts and Grants	6,141,817	5,740,731	5,740,731	—
Departmental Collections	662,445	659,995	659,995	—
Higher Education Collections	951,948	996,343	996,343	—
Federal Mineral Lease	—	137,559	137,559	—
Investment Income	1,945	23,812	23,812	—
Miscellaneous	1,190,695	1,106,380	1,106,380	—
Total Department Specific Revenues	<u>8,985,050</u>	<u>8,782,571</u>	<u>8,782,571</u>	<u>0</u>
Total Revenues	<u>12,288,037</u>	<u>12,774,452</u>	<u>12,732,292</u>	<u>(42,160)</u>
Expenditures				
General Government	798,470	778,954	601,879	177,075
Health and Human Services	8,503,712	6,876,717	6,663,148	213,569
Corrections	425,957	431,648	423,211	8,437
Public Safety	549,228	581,450	515,153	66,297
Courts	196,843	197,740	187,068	10,672
Environmental Quality	113,404	92,406	79,119	13,287
Higher Education – State Administration	157,536	133,320	133,320	—
Higher Education – Colleges and Universities	2,469,676	2,479,884	2,479,884	—
Employment and Family Services	2,053,549	1,634,977	1,584,099	50,878
Natural Resources	719,584	669,472	399,685	269,787
Cultural and Community Engagement	79,235	75,726	58,885	16,841
Business, Labor, and Agriculture	176,102	175,432	138,696	36,736
Total Expenditures	<u>16,243,296</u>	<u>14,127,726</u>	<u>13,264,147</u>	<u>863,579</u>
Excess Revenues Over (Under) Expenditures	<u>(3,955,259)</u>	<u>(1,353,274)</u>	<u>(531,855)</u>	<u>821,419</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	—	2	2	—
Transfers In	2,413,002	2,892,369	2,892,369	—
Transfers Out	(1,804,072)	(1,849,653)	(1,849,653)	—
Total Other Financing Sources (Uses)	<u>608,930</u>	<u>1,042,718</u>	<u>1,042,718</u>	<u>0</u>
Net Change in Fund Balance	<u>(3,346,329)</u>	<u>(310,556)</u>	<u>510,863</u>	<u>821,419</u>
Budgetary Fund Balance – Beginning	2,892,325	2,892,325	2,892,325	—
Budgetary Fund Balance – Ending	<u>\$ (454,004)</u>	<u>\$ 2,581,769</u>	<u>\$ 3,403,188</u>	<u>\$ 821,419</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
General Revenues				
Individual Income Tax	\$ 5,769,115	\$ 6,708,463	\$ 6,474,293	\$ (234,170)
Corporate Tax	536,977	798,788	886,939	88,151
Miscellaneous Other	15,722	49,393	72,198	22,805
Total General Revenues	<u>6,321,814</u>	<u>7,556,644</u>	<u>7,433,430</u>	<u>(123,214)</u>
Department Specific Revenues				
Federal Contracts and Grants	902,817	838,342	838,342	—
Departmental Collections	5,874	14,387	14,387	—
Federal Mineral Lease	780	—	—	—
Investment Income	(26,803)	14,323	14,323	—
Miscellaneous:				
Liquor Sales Allocated for School Lunch	51,812	57,914	57,914	—
Driver Education Fee	6,597	7,084	7,084	—
Property Tax for Charter Schools	—	30,421	30,421	—
Other	7,558	200	200	—
Total Department Specific Revenues	<u>948,635</u>	<u>962,671</u>	<u>962,671</u>	<u>0</u>
Total Revenues	<u>7,270,449</u>	<u>8,519,315</u>	<u>8,396,101</u>	<u>(123,214)</u>
Expenditures				
Public Education	7,656,263	6,015,210	5,552,729	462,481
Total Expenditures	<u>7,656,263</u>	<u>6,015,210</u>	<u>5,552,729</u>	<u>462,481</u>
Excess Revenues Over (Under) Expenditures	<u>(385,814)</u>	<u>2,504,105</u>	<u>2,843,372</u>	<u>339,267</u>
Other Financing Sources (Uses)				
Transfers In	17,019	120,646	120,646	—
Transfers Out	(2,533,964)	(2,955,244)	(2,955,244)	—
Total Other Financing Sources (Uses)	<u>(2,516,945)</u>	<u>(2,834,598)</u>	<u>(2,834,598)</u>	<u>0</u>
Net Change in Fund Balance	<u>(2,902,759)</u>	<u>(330,493)</u>	<u>8,774</u>	<u>339,267</u>
Budgetary Fund Balance – Beginning	3,339,059	3,339,059	3,339,059	—
Budgetary Fund Balance – Ending	<u>\$ 436,300</u>	<u>\$ 3,008,566</u>	<u>\$ 3,347,833</u>	<u>\$ 339,267</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
General Revenues				
Motor Fuel Tax	\$ 422,319	\$ 409,738	\$ 422,835	\$ 13,097
Special Fuel Tax	177,971	188,494	182,035	(6,459)
Licenses, Permits, and Fees:				
Motor Vehicle Registration Fees	70,789	70,894	77,947	7,053
Proportional Registration Fees	20,936	19,575	21,522	1,947
Temporary Permits	267	198	218	20
Special Transportation Permits	12,701	11,557	12,707	1,150
Highway Use Permits	13,665	12,917	14,202	1,285
Motor Vehicle Control Fees	7,216	6,144	6,754	610
Investment Income	1,300	16,424	15,162	(1,262)
Miscellaneous Other	—	—	3	3
Total General Revenues	<u>727,164</u>	<u>735,941</u>	<u>753,385</u>	<u>17,444</u>
Department Specific Revenues				
Sales and Aviation Fuel Taxes	—	7,448	7,448	—
Federal Contracts and Grants	509,890	508,336	508,336	—
Departmental Collections	72,198	78,387	78,387	—
Investment Income	386	6,392	6,392	—
Miscellaneous	49,897	71,525	71,525	—
Total Department Specific Revenues	<u>632,371</u>	<u>672,088</u>	<u>672,088</u>	<u>0</u>
Total Revenues	<u>1,359,535</u>	<u>1,408,029</u>	<u>1,425,473</u>	<u>17,444</u>
Expenditures				
Transportation	1,446,967	1,373,323	1,231,042	142,281
Total Expenditures	<u>1,446,967</u>	<u>1,373,323</u>	<u>1,231,042</u>	<u>142,281</u>
Excess Revenues Over (Under) Expenditures	<u>(87,432)</u>	<u>34,706</u>	<u>194,431</u>	<u>159,725</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	—	24,489	24,489	—
Transfers In	55,208	23,098	23,098	—
Transfers Out	(113,490)	(129,232)	(129,232)	—
Total Other Financing Sources (Uses)	<u>(58,282)</u>	<u>(81,645)</u>	<u>(81,645)</u>	<u>0</u>
Net Change in Fund Balance	<u>(145,714)</u>	<u>(46,939)</u>	<u>112,786</u>	<u>159,725</u>
Budgetary Fund Balance – Beginning	518,284	518,284	518,284	—
Budgetary Fund Balance – Ending	<u>\$ 372,570</u>	<u>\$ 471,345</u>	<u>\$ 631,070</u>	<u>\$ 159,725</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, 2023

	<u>General Fund</u>	<u>Income Tax Fund</u>	<u>Transportation Fund</u>
Revenues			
Actual total revenues (budgetary basis).....	\$ 12,732,292	\$ 8,396,101	\$ 1,425,473
Differences – Budget to GAAP:			
Intrafund revenues are budgetary revenues but are not revenues for financial reporting.....	(629,050)	—	(2,040)
Higher education and Utah Schools for the Deaf and the Blind collections are budgetary revenues but are not revenues for financial reporting.....	(1,001,545)	(14,211)	—
Blended Component Unit Activity.....	(10,162)	—	—
Revenues for financial reporting purposes but not for budgetary reporting.....	41,658	258	—
Budgetary revenues reported as transfers for financial reporting.....	(48,310)	—	—
Change in revenue accrual for nonbudgetary Medicaid claims.....	50,687	—	—
Change in tax accruals designated by law and other liabilities are revenues for financial reporting but not for budgetary reporting.....	10,943	57,117	6,091
Federal revenue related to pandemic relief moved to the Unemployment Compensation Fund for financial reporting purposes.....	(428)	—	—
American Rescue Plan Act (ARPA) funds received for local governments as pass through.....	93,158	—	—
Change in estimated federal receivables recorded as revenues for financial reporting but not for budgetary reporting.....	—	38,014	—
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	<u>\$ 11,239,243</u>	<u>\$ 8,477,279</u>	<u>\$ 1,429,524</u>
Expenditures			
Actual total expenditures (budgetary basis).....	\$ 13,264,147	\$ 5,552,729	\$ 1,231,042
Differences – Budget to GAAP:			
Intrafund expenditures for reimbursements are budgetary expenditures but are not expenditures for financial reporting.....	(629,050)	—	(2,040)
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.....	(1,001,545)	(14,211)	—
Blended Component Unit Activity.....	883	—	—
Certain budgetary transfers and other charges are reported as an increase or reduction of expenditures for financial reporting.....	(757)	—	—
Budgetary expenditures reported as transfers for financial reporting.....	(62,093)	—	—
Leave charges budgeted as expenditures when earned rather than when taken or due.....	(974)	(68)	(813)
Change in estimated liabilities recorded as expenditures for financial reporting but not for budgetary reporting.....	—	39,073	—
Change in accrual for Medicaid (incurred but not reported) claims excluded from the budget by statute.....	71,504	—	—
Budgetary expenditures related to medical personal protective equipment (PPE) that remains in inventory at yearend.....	5,654	—	—
Budgetary expenditures for unemployment insurance benefits related to pandemic relief moved to the Unemployment Compensation Fund for reporting purposes.....	(428)	—	—
Expenditures for financial reporting purposes but not for budgetary reporting.....	22,839	222	—
Change in Unemployment Claims paid by the State as the Employer.....	(106)	—	—
Capital Outlay under leases.....	6,329	—	4,159
American Rescue Plan Act (ARPA) funds passed through to local governments not in budget.....	93,158	—	—
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	<u>\$ 11,769,561</u>	<u>\$ 5,577,745</u>	<u>\$ 1,232,348</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, 2023, 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. All 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, 2023, the State was \$168.014 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.

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Required Supplementary Information
Changes in Net Pension Liability
Single-employer Plans - Utah Retirement Systems
Calendar Years ending December 31 ¹
(dollars expressed in thousands)

Judges System	Calendar Year			
	2014	2015	2016	2017
Total Pension Liability				
Service Cost	\$ 4,895	\$ 4,794	\$ 5,023	\$ 5,328
Interest	13,641	14,136	14,064	14,866
Difference between Actual and Expected Experience	2,602	171	1,995	809
Assumption Changes	(130)	—	2,885	13,067
Benefit Payments	(11,361)	(12,400)	(12,330)	(13,700)
Net Change in Total Pension Liability	9,647	6,701	11,637	20,370
Total Pension Liability – Beginning	182,638	192,285	198,986	210,623
Total Pension Liability – Ending	A \$ 192,285	\$ 198,986	\$ 210,623	\$ 230,993
Plan Fiduciary Net Position				
Contributions – Employee	\$ 317	\$ —	\$ —	\$ —
Contributions – Employer ²	5,627	6,555	7,382	7,563
Court Fees ³	1,486	1,653	1,470	1,477
Net Investment Income	11,068	2,842	13,820	23,435
Benefit Payments	(11,361)	(12,400)	(12,330)	(13,621)
Administrative Expense	(71)	(71)	(71)	(79)
Net Transfers with Affiliated Systems	1,092	1,334	1,600	4,090
Net Change in Plan Fiduciary Net Position	8,158	(87)	11,871	22,865
Plan Fiduciary Net Position – Beginning	155,676	163,834	163,747	175,618
Plan Fiduciary Net Position – Ending	B \$ 163,834	\$ 163,747	\$ 175,618	\$ 198,483
Net Pension Liability (A - B)	\$ 28,451	\$ 35,239	\$ 35,005	\$ 32,510
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.20 %	82.29 %	83.38 %	85.93 %
Covered Payroll	\$ 15,264	\$ 16,372	\$ 16,755	\$ 18,661
Net Pension Liability as a Percentage of Covered Payroll	186.39 %	215.24 %	208.92 %	174.21 %
Utah Governors and Legislators Retirement Plan				
Total Pension Liability				
Service Cost	\$ 106	\$ 99	\$ 90	\$ 67
Interest	884	890	851	879
Difference between Actual and Expected Experience	307	(105)	167	182
Assumption Changes	—	—	241	264
Refunds	—	—	—	—
Benefit Payments	(909)	(904)	(941)	(978)
Net Change in Total Pension Liability	388	(20)	408	414
Total Pension Liability – Beginning	11,879	12,267	12,247	12,655
Total Pension Liability – Ending	A \$ 12,267	\$ 12,247	\$ 12,655	\$ 13,069
Plan Fiduciary Net Position				
Contributions – Employer	\$ 411	\$ 421	\$ 421	\$ 404
Net Investment Income	717	181	849	1,353
Benefit Payments	(909)	(904)	(941)	(973)
Refunds	—	—	—	—
Administrative Expense	(5)	(5)	(4)	(5)
Net Transfers with Affiliated Systems	(14)	(20)	(12)	89
Net Change in Plan Fiduciary Net Position	200	(327)	313	868
Plan Fiduciary Net Position – Beginning	10,166	10,366	10,039	10,352
Plan Fiduciary Net Position – Ending	B \$ 10,366	\$ 10,039	\$ 10,352	\$ 11,220
Net Pension Liability (A - B)	\$ 1,901	\$ 2,208	\$ 2,303	\$ 1,849
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.50 %	81.97 %	81.80 %	85.85 %
Covered Payroll	\$ 1,045	\$ 946	\$ 799	\$ 722
Net Pension Liability as a Percentage of Covered Payroll	181.91 %	233.40 %	288.24 %	256.09 %

Continues

¹ The State of Utah adopted GASB Statement No. 68 in fiscal year 2015. This schedule will eventually include ten years of history.

² Employer-paid contributions for the Judges System include a 3.00 percent retirement increase (substantial substitute) that is not reflected in this schedule.

³ These court fees were recognized as revenue for support provided by nonemployer contributing entities.

Required Supplementary Information

Changes in Net Pension Liability
 Single-employer Plans - Utah Retirement Systems - continued
 Calendar Years ending December 31 ¹
 (dollars expressed in thousands)

Judges System	Calendar Year				
	2018	2019	2020	2021	2022
Total Pension Liability					
Service Cost	\$ 5,682	\$ 6,054	\$ 6,144	\$ 6,309	\$ 6,667
Interest	15,697	16,649	17,675	18,415	19,008
Difference between Actual and Expected Experience	7,873	7,617	548	2,789	6,552
Assumption Changes	—	—	3,588	2,928	—
Benefit Payments	(16,195)	(15,346)	(15,863)	(18,600)	(17,609)
Net Change in Total Pension Liability	13,057	14,974	12,092	11,841	14,618
Total Pension Liability – Beginning	230,993	244,050	259,024	271,116	282,957
Total Pension Liability – Ending	A \$ 244,050	\$ 259,024	\$ 271,116	\$ 282,957	\$ 297,575
Plan Fiduciary Net Position					
Contributions – Employee	\$ —	\$ —	\$ —	\$ —	\$ —
Contributions – Employer ²	8,091	8,500	8,646	8,949	9,378
Court Fees ³	1,518	1,536	1,410	1,354	1,335
Net Investment Income	(730)	27,775	27,391	41,716	(14,729)
Benefit Payments	(16,111)	(15,346)	(15,863)	(18,600)	(17,609)
Administrative Expense	(84)	(81)	(84)	(85)	(88)
Net Transfers with Affiliated Systems	4,403	2,339	2,340	4,563	1,990
Net Change in Plan Fiduciary Net Position	(2,913)	24,723	23,840	37,897	(19,723)
Plan Fiduciary Net Position – Beginning	198,483	195,570	220,293	244,133	282,030
Plan Fiduciary Net Position – Ending	B \$ 195,570	\$ 220,293	\$ 244,133	\$ 282,030	\$ 262,307
Net Pension Liability (A - B)	\$ 48,480	\$ 38,731	\$ 26,983	\$ 927	\$ 35,268
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.14 %	85.05 %	90.05 %	99.67 %	88.15 %
Covered Payroll	\$ 18,802	\$ 19,596	\$ 20,201	\$ 20,537	\$ 21,438
Net Pension Liability as a Percentage of Covered Payroll	257.84 %	197.65 %	133.57 %	4.51 %	164.51 %
Utah Governors and Legislators Retirement Plan					
Total Pension Liability					
Service Cost	\$ 65	\$ 59	\$ 104	\$ 46	\$ 52
Interest	877	882	875	892	872
Difference between Actual and Expected Experience	139	(53)	224	(144)	50
Assumption Changes	—	—	169	114	—
Refunds	—	—	(10)	—	—
Benefit Payments	(1,034)	(1,013)	(1,023)	(1,036)	(1,010)
Net Change in Total Pension Liability	47	(125)	339	(128)	(36)
Total Pension Liability – Beginning	13,069	13,116	12,991	13,330	13,202
Total Pension Liability – Ending	A \$ 13,116	\$ 12,991	\$ 13,330	\$ 13,202	\$ 13,166
Plan Fiduciary Net Position					
Contributions – Employer	\$ 392	\$ 384	\$ 369	\$ 361	\$ 422
Net Investment Income	(41)	1,481	1,396	2,042	(693)
Benefit Payments	(978)	(1,012)	(1,023)	(1,036)	(1,010)
Refunds	—	—	(10)	—	—
Administrative Expense	(5)	(4)	(4)	(4)	(4)
Net Transfers with Affiliated Systems	(51)	(42)	(17)	7	(18)
Net Change in Plan Fiduciary Net Position	(683)	807	711	1,370	(1,303)
Plan Fiduciary Net Position – Beginning	11,220	10,537	11,344	12,055	13,425
Plan Fiduciary Net Position – Ending	B \$ 10,537	\$ 11,344	\$ 12,055	\$ 13,425	\$ 12,122
Net Pension Liability (A - B)	\$ 2,579	\$ 1,647	\$ 1,275	\$ (223)	\$ 1,044
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.34 %	87.32 %	90.44 %	101.69 %	92.07 %
Covered Payroll	\$ 639	\$ 639	\$ 757	\$ 666	\$ 724
Net Pension Liability as a Percentage of Covered Payroll	403.60 %	257.75 %	168.43 %	(33.48)%	144.20 %

¹ The State of Utah adopted GASB Statement No. 68 in fiscal year 2015. This schedule will eventually include ten years of history.

² Employer-paid contributions for the Judges System include a 3.00 percent retirement increase (substantial substitute) that is not reflected in this schedule.

³ 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	Contractually Required Contribution	Covered Payroll	Contributions as a Percentage of Covered Payroll	
Judges System	2014	\$ 5,335	\$ 5,335	\$ 0	\$ 14,989	35.59 %			
	2015	\$ 6,179	\$ 6,179	\$ 0	\$ 15,453	39.99 %			
	2016	\$ 7,154	\$ 7,154	\$ 0	\$ 17,204	41.58 %			
	2017	\$ 7,728	\$ 7,728	\$ 0	\$ 18,347	42.12 %			
	2018	\$ 7,958	\$ 7,958	\$ 0	\$ 18,641	42.69 %			
	2019	\$ 8,501	\$ 8,501	\$ 0	\$ 19,462	43.68 %			
	2020	\$ 8,800	\$ 8,800	\$ 0	\$ 20,114	43.75 %			
	2021	\$ 8,951	\$ 8,951	\$ 0	\$ 20,201	44.31 %			
	2022	\$ 9,287	\$ 9,287	\$ 0	\$ 20,929	44.37 %			
	2023	\$ 9,911	\$ 9,911	\$ 0	\$ 22,142	44.76 %			
Utah Governors and Legislators Retirement Plan	2014	\$ 411	\$ 411	\$ 0	\$ 1,783	23.05 %			
	2015	\$ 411	\$ 411	\$ 0	\$ 1,751	23.47 %			
	2016	\$ 421	\$ 421	\$ 0	\$ 943	44.64 %			
	2017	\$ 421	\$ 421	\$ 0	\$ 799	52.69 %			
	2018	\$ 392	\$ 392	\$ 0	\$ 860	45.58 %			
	2019	\$ 384	\$ 384	\$ 0	\$ 848	45.28 %			
	2020	\$ 369	\$ 369	\$ 0	\$ 639	57.75 %			
	2021	\$ 361	\$ 361	\$ 0	\$ 757	47.69 %			
	2022	\$ 422	\$ 422	\$ 0	\$ 639	66.04 %			
	2023	\$ 360	\$ 360	\$ 0	\$ 757	47.56 %			

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 12-Year Closed Period
Actuarial asset valuation method	5-year Smoothed Market	
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 2008, the actuarial assumed rate of return (the discount rate) was modified from 8.00 to 7.75 percent, and then again in 2011 down to 7.50 percent. In 2017, the discount rate was reduced to 7.20 percent and was again reduced in 2018 to 6.95 percent. In 2022, the discount rate was further reduced to 6.85 percent. This rate is used in establishing retirement contribution rates and in determining current benefit reserve requirements.
- Amortization
Changes implemented in 2009 included amortizing 2008 losses over the next 5 years (20 percent per year) and modifying the unfunded actuarial accrued liability (UAAL) amortization period from 20 to 25 years.
- Inflation Rate
In 2017, the assumed rate of inflation was decreased from 2.75 to 2.60 percent. In 2018, the assumed rate of inflation was decreased from 2.60 to 2.50 percent.
- Projected Salary Increases
In 2019, the wage inflation assumption decreased from 3.35 to 3.25 percent and payroll growth assumption also decreased from 3.10 to 3.00 percent.

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B. Single-employer Plans - Utah Transit Authority

Utah Transit Authority (UTA) (major discrete component unit) offers its employees a single-employer non-contributory defined benefit pension plan, The Utah Transit Authority Retirement Plan and Trust (Plan), which includes all employees of UTA who are eligible and who have completed six months of service.

The following schedules present for UTA's single-employer retirement plan Changes in the Net Pension Liability and Related Ratios and Schedule of Employer Contributions.

Changes in Net Pension Liability
Single-employer Plan - Utah Transit Authority
Calendar Years ending December 31¹
(dollars expressed in thousands)

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

Continues

¹ The Utah Transit Authority adopted GASB Statement No. 68 in calendar year 2014. This schedule will eventually include ten years of history.

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Changes in Net Pension Liability
Single-employer Plan - Utah Transit Authority - continued
Calendar Years ending December 31 ¹
(dollars expressed in thousands)

<i>Continued</i>	Utah Transit Authority	2018	2019	2020	2021	2022
Total Pension Liability						
Service Cost		\$ 9,551	\$ 10,244	\$ 10,654	\$ 12,597	\$ 12,294
Interest		21,513	22,948	24,263	25,640	27,444
Voluntary Member Contributions		224	299	84	334	116
Differences between expected and actual experience		4,893	3,348	4,293	9,188	(621)
Assumption Changes		—	—	11,421	—	6,482
Benefit Payments		(15,475)	(17,303)	(19,649)	(19,197)	(22,309)
Net Change in Total Pension Liability		20,706	19,536	31,066	28,562	23,406
Total Pension Liability – Beginning		305,381	326,087	345,623	376,689	405,251
Total Pension Liability – Ending	A	<u>\$ 326,087</u>	<u>\$ 345,623</u>	<u>\$ 376,689</u>	<u>\$ 405,251</u>	<u>\$ 428,657</u>
Plan Fiduciary Net Position						
Contributions – Employer		\$ 22,355	\$ 24,008	\$ 24,274	\$ 25,207	\$ 27,133
Contributions – Members		224	299	84	334	116
Net Investment Income		(16,630)	40,649	33,846	28,831	(56,562)
Benefit Payments		(15,475)	(17,303)	(19,649)	(19,197)	(22,309)
Administrative Expense		(440)	(434)	(408)	(471)	(554)
Net Change in Plan Fiduciary Net Position		(9,966)	47,219	38,147	34,704	(52,176)
Plan Fiduciary Net Position – Beginning		204,505	194,539	241,758	279,905	314,609
Plan Fiduciary Net Position – Ending	B	<u>\$ 194,539</u>	<u>\$ 241,758</u>	<u>\$ 279,905</u>	<u>\$ 314,609</u>	<u>\$ 262,433</u>
Net Pension Liability (A - B)		<u>\$ 131,548</u>	<u>\$ 103,865</u>	<u>\$ 96,784</u>	<u>\$ 90,642</u>	<u>\$ 166,224</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		59.66 %	69.95 %	74.31 %	77.63 %	61.22 %
Covered Payroll		\$ 132,521	\$ 141,813	\$ 152,297	\$ 153,984	\$ 160,832
Net Pension Liability as a Percentage of Covered Payroll ..		99.27 %	73.24 %	63.55 %	58.86 %	103.35 %

¹ The Utah Transit Authority adopted GASB Statement No. 68 in calendar year 2014. This schedule will eventually include ten years of history.

Contributions – The following schedule presents a ten-year history of UTA’s (major discrete component unit) contributions to its single-employer plan:

Employer Contributions
Single-employer Plans - Utah Transit Authority
(dollars expressed in thousands)

Last Ten Calendar Years

	Calendar Year	Actuarial Required Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Utah Transit Authority	2013	\$ 14,352	\$ 13,338	\$ 1,014	\$ 102,100	13.06 %
	2014	\$ 14,757	\$ 15,367	\$ (610)	\$ 106,004	14.50 %
	2015	\$ 16,609	\$ 16,745	\$ (136)	\$ 110,727	15.12 %
	2016	\$ 17,148	\$ 19,604	\$ (2,456)	\$ 115,431	16.98 %
	2017	\$ 20,270	\$ 20,506	\$ (236)	\$ 126,691	16.19 %
	2018	\$ 21,203	\$ 22,355	\$ (1,152)	\$ 132,521	16.87 %
	2019	\$ 22,241	\$ 24,008	\$ (1,767)	\$ 141,813	16.93 %
	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 %

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, 2022. This is the date as of which the actuarial valuation is performed. The measurement date is December 31, 2022. This is the date as of which the net pension liability is determined. The reporting date is December 31, 2022. This is the employer’s fiscal year ending date.

Money-weighted Rate of Return - 10 Years

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow each month. The money-weighted rate of return is calculated net of investment expenses.

Schedule of Investment Returns

Single-employer Plans - Utah Transit Authority

Last Ten Calendar Years	Calendar Year ¹	Annual Money-weighted Rate of Return (Net of Investment Expense)
Utah Transit Authority	2014	4.31 %
	2015	(0.72)%
	2016	4.90 %
	2017	18.01 %
	2018	(7.77)%
	2019	20.56 %
	2020	13.88 %
	2021	10.19 %
	2022	(17.85)%

¹ Utah Transit Authority adopted GASB Statements No. 74, 75, and 85 in calendar year 2014. This schedule will eventually include ten years of history.

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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 ¹
(dollars expressed in thousands)

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

Continues

¹ The State of Utah adopted GASB Statement No. 68 in fiscal year 2015. This schedule will eventually include ten years of history.

Changes in Net Pension Liability
Multiple-employer Plans
Calendar Years ending December 31¹ - Continued
(dollars expressed in thousands)

Noncontributory System	2018	2019	2020	2021	2022
Proportion of the Net Pension Liability (Asset)	23.02%	24.51%	23.88%	(23.39)%	23.88%
Proportionate Share of the Net Pension Liability (Asset)	\$856,314	\$544,490	\$318,386	\$(159,789)	\$515,543
Covered Payroll	\$585,155	\$574,935	\$560,345	\$550,333	\$561,836
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	146.34%	94.70%	56.82%	(29.03)%	91.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability ..	84.10%	90.10%	94.30%	102.70%	91.60%
Contributory System					
Proportion of the Net Pension Liability (Asset)	28.85%	37.51%	(35.38)%	(35.91)%	38.09%
Proportionate Share of the Net Pension Liability (Asset)	\$20,484	\$2,590	\$(8,414)	\$(32,340)	\$4,978
Covered Payroll	\$5,599	\$4,185	\$3,412	\$3,040	\$2,501
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	365.85%	61.89%	(246.60)%	(1,063.82)%	199.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability ..	91.40%	98.90%	103.70%	114.10%	97.90%
Public Safety System					
Proportion of the Net Pension Liability (Asset)	97.56%	97.15%	96.82%	(96.95)%	96.49%
Proportionate Share of the Net Pension Liability (Asset)	\$233,535	\$143,463	\$62,712	\$(88,871)	\$76,123
Covered Payroll	\$106,255	\$103,529	\$98,555	\$95,065	\$102,792
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	219.79%	138.57%	63.63%	(93.48)%	74.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability ..	83.20%	90.00%	95.80%	105.70%	95.20%
Firefighters System					
Proportion of the Net Pension Liability (Asset)	3.80%	(3.84)%	(2.89)%	(3.26)%	(3.31)%
Proportionate Share of the Net Pension Liability (Asset)	\$494	\$(476)	\$(808)	\$(1,893)	\$(858)
Covered Payroll	\$1,175	\$1,230	\$943	\$1,082	\$1,190
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	42.04%	(38.70)%	(85.68)%	(174.95)%	(72.10)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability ..	94.30%	105.00%	110.50%	120.10%	108.40%
Tier 2 Public Employees System					
Proportion of the Net Pension Liability (Asset)	18.15%	18.16%	17.55%	(17.32)%	17.28%
Proportionate Share of the Net Pension Liability (Asset)	\$7,772	\$4,085	\$2,524	\$(7,329)	\$18,819
Covered Payroll	\$211,942	\$252,493	\$280,683	\$321,442	\$377,131
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	3.67%	1.62%	0.90%	(2.28)%	4.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability ..	90.80%	96.50%	98.30%	103.80%	92.30%
Tier 2 Public Safety and Firefighters System					
Proportion of the Net Pension Liability (Asset)	24.07%	22.04%	20.87%	(20.59)%	20.13%
Proportionate Share of the Net Pension Liability (Asset)	\$603	\$2,073	\$1,872	\$(1,041)	\$1,679
Covered Payroll	\$32,199	\$36,331	\$41,435	\$49,237	\$61,930
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	1.87%	5.71%	4.52%	(2.11)%	2.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability ..	95.60%	89.60%	93.10%	102.80%	96.40%

¹ The State of Utah adopted GASB Statement No. 68 in fiscal year 2015. This schedule will eventually include ten years of history.

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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	2014	\$ 139,990	\$ 139,990	\$ 0	\$ 656,413	21.33 %
	2015	\$ 139,126	\$ 139,126	\$ 0	\$ 636,665	21.85 %
	2016	\$ 136,246	\$ 136,246	\$ 0	\$ 623,605	21.85 %
	2017	\$ 138,041	\$ 138,041	\$ 0	\$ 631,040	21.88 %
	2018	\$ 129,414	\$ 129,414	\$ 0	\$ 591,404	21.88 %
	2019	\$ 126,809	\$ 126,809	\$ 0	\$ 579,713	21.87 %
	2020	\$ 124,841	\$ 124,841	\$ 0	\$ 570,952	21.87 %
	2021	\$ 120,837	\$ 120,837	\$ 0	\$ 550,928	21.93 %
	2022	\$ 120,735	\$ 120,735	\$ 0	\$ 552,180	21.87 %
	2023	\$ 124,869	\$ 124,869	\$ 0	\$ 571,037	21.87 %
Contributory System	2014	\$ 2,114	\$ 2,114	\$ 0	\$ 13,238	15.97 %
	2015	\$ 1,985	\$ 1,985	\$ 0	\$ 11,215	17.70 %
	2016	\$ 1,623	\$ 1,623	\$ 0	\$ 9,171	17.70 %
	2017	\$ 1,373	\$ 1,373	\$ 0	\$ 7,756	17.70 %
	2018	\$ 1,118	\$ 1,118	\$ 0	\$ 6,317	17.70 %
	2019	\$ 863	\$ 863	\$ 0	\$ 4,875	17.70 %
	2020	\$ 671	\$ 671	\$ 0	\$ 3,790	17.70 %
	2021	\$ 569	\$ 569	\$ 0	\$ 3,218	17.68 %
	2022	\$ 487	\$ 487	\$ 0	\$ 2,751	17.70 %
	2023	\$ 409	\$ 409	\$ 0	\$ 2,309	17.71 %
Public Safety System	2014	\$ 44,472	\$ 44,472	\$ 0	\$ 112,858	39.41 %
	2015	\$ 43,893	\$ 43,893	\$ 0	\$ 110,125	39.86 %
	2016	\$ 43,850	\$ 43,850	\$ 0	\$ 109,288	40.12 %
	2017	\$ 44,808	\$ 44,808	\$ 0	\$ 111,465	40.20 %
	2018	\$ 43,333	\$ 43,333	\$ 0	\$ 107,565	40.29 %
	2019	\$ 42,189	\$ 42,189	\$ 0	\$ 104,652	40.31 %
	2020	\$ 40,972	\$ 40,972	\$ 0	\$ 101,946	40.19 %
	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 %
Firefighters System	2014	\$ 22	\$ 22	\$ 0	\$ 935	2.35 %
	2015	\$ 34	\$ 34	\$ 0	\$ 897	3.79 %
	2016	\$ 46	\$ 46	\$ 0	\$ 1,164	3.95 %
	2017	\$ 47	\$ 47	\$ 0	\$ 1,216	3.87 %
	2018	\$ 43	\$ 43	\$ 0	\$ 1,086	3.96 %
	2019	\$ 58	\$ 58	\$ 0	\$ 1,260	4.60 %
	2020	\$ 50	\$ 50	\$ 0	\$ 1,084	4.61 %
	2021	\$ 45	\$ 45	\$ 0	\$ 980	4.59 %
	2022	\$ 51	\$ 51	\$ 0	\$ 1,117	4.57 %
	2023	\$ 48	\$ 48	\$ 0	\$ 1,339	3.58 %
Tier 2 Public Employees System	2014	\$ 6,390	\$ 6,390	\$ 0	\$ 75,172	8.50 %
	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 %

Continues

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>	2019	\$ 44,102	\$ 44,102	\$ 0	\$ 233,714	18.87 %
	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 %
Tier 2 Public Safety and Firefighters System.....	2014	\$ 1,002	\$ 1,002	\$ 0	\$ 9,091	11.02 %
	2015	\$ 3,711	\$ 3,711	\$ 0	\$ 12,751	29.10 %
	2016	\$ 5,349	\$ 5,349	\$ 0	\$ 18,448	29.00 %
	2017	\$ 7,248	\$ 7,248	\$ 0	\$ 24,965	29.03 %
	2018	\$ 8,534	\$ 8,534	\$ 0	\$ 29,390	29.04 %
	2019	\$ 10,266	\$ 10,266	\$ 0	\$ 34,716	29.57 %
	2020	\$ 11,406	\$ 11,406	\$ 0	\$ 38,469	29.65 %
	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 %

Footnotes to Multiple-employer Systems Schedule of Contributions

This schedule reflects the legislative authorized rates and contributions for these systems. Tier 2 rates include a statutory required contribution (0.08 to 18.54 percent amortization rate) to finance the unfunded actuarial accrued liability of the non-Tier 2 plans.

Significant Changes to Methods and Assumptions Used to Determine Contribution Rates:

- Investment Rate of Return
In 2008, the actuarial assumed rate of return (the discount rate) was modified from 8 to 7.75 percent, and then again in 2011 down to 7.50 percent. In 2017, the discount rate was reduced to 7.20 percent and was again reduced in 2018 to 6.95 percent. In 2022, the discount rate was further reduced to 6.85 percent. This rate is used in establishing retirement contribution rates and in determining current benefit reserve requirements.
- Amortization
Changes implemented in 2009 included amortizing 2008 losses over the next 5 years (20 percent per year) and modifying the unfunded actuarial accrued liability (UAAL) amortization period from 20 to 25 years.
- Inflation Rate
In 2017, the assumed rate of inflation was decreased from 2.75 to 2.60 percent. In 2018, the assumed rate of inflation was decreased from 2.60 to 2.50 percent.
- Projected Salary Increases
In 2019, the wage inflation assumption decreased from 3.35 to 3.25 percent and the payroll growth assumption also decreased from 3.10 to 3.00 percent.
- Other
In 2020, as a result of the passage of Senate Bill 129 in the 2019 General Session, the retirement rates for members in the Tier 2 Public Safety and Firefighter Hybrid System have been modified to be the same as the assumption used to model the retirement pattern in the Tier 1 Public Safety and Firefighter Systems, except for a 10 percent load at first eligibility for un-reduced retirement prior to age 65.

New Retirement Plans:

During the 2010 General Session, the Legislature passed Senate Bill 63, *New Public Employees' Tier 2 Contributory Retirement Act*. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement Systems.

Restatement:

As a result of implementing GASB Statement No. 82, *Pension Issues*, payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are no longer reflected in this schedule.

INFORMATION ABOUT THE STATE'S OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

A. Single-employer Plans

The State administers two single-employer Other Postemployment Benefit (OPEB) Plans, the State Employee OPEB Plan and the Elected Official OPEB Plan. The State Employee OPEB Plan and the Elected Official OPEB Plan are administered through two separate irrevocable trusts; the State Post-Retirement Benefits Trust Fund and Elected Official Post-Retirement Benefits Trust Fund, respectively. Assets of the trust funds are dedicated to providing postemployment health and life insurance coverage to current and eligible future state retirees and elected officials.

The following schedules present, for the State's (primary government) single-employer OPEB Plans, the Changes in the Net OPEB Liability and Related Ratios, Schedule of Employer Contributions, and Schedule of Investment Returns.

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

State Employee Plan	Fiscal Year ¹						
	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service Cost	\$ 3,960	\$ 3,867	\$ 5,919	\$ 5,766	\$ 5,189	\$ 5,063	\$ 4,939
Interest	6,990	7,763	9,105	9,944	12,749	13,219	13,661
Difference between Actual and Expected Experience	4,124	(7,305)	(15,023)	(13,426)	(28,055)	—	—
Assumption Changes	7,884	—	(11,404)	—	31,163	—	—
Benefit Payments	(29,985)	(30,818)	(31,259)	(29,605)	(30,560)	(31,339)	(30,158)
Net Change in Total OPEB Liability	(7,027)	(26,493)	(42,662)	(27,321)	(9,514)	(13,057)	(11,558)
Total OPEB Liability – Beginning	243,926	270,419	313,081	340,402	349,916	362,973	374,531
Total OPEB Liability – Ending	A \$ 236,899	\$ 243,926	\$ 270,419	\$ 313,081	\$ 340,402	\$ 349,916	\$ 362,973
Plan Fiduciary Net Position							
Contributions – Employer	\$ 6,130	\$ 28,842	\$ 27,029	\$ 26,663	\$ 26,510	\$ 29,735	\$ 33,361
Net Investment Income (Loss)	5,020	(21,991)	8,020	25,638	24,082	(2,065)	14,194
Benefit Payments	(30,062)	(30,818)	(31,259)	(29,605)	(30,560)	(31,339)	(30,158)
Net Transfers with Affiliated Systems	—	—	—	—	356	961	—
Net Change in Plan Fiduciary Net Position	(18,912)	(23,967)	3,790	22,696	20,388	(2,708)	17,397
Plan Fiduciary Net Position – Beginning	274,371	298,338	294,548	271,852	251,464	254,172	236,775
Plan Fiduciary Net Position – Ending	B \$ 255,459	\$ 274,371	\$ 298,338	\$ 294,548	\$ 271,852	\$ 251,464	\$ 254,172
Net OPEB Liability (A - B)	\$ (18,560)	\$ (30,445)	\$ (27,919)	\$ 18,533	\$ 68,550	\$ 98,452	\$ 108,801
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.83 %	112.48 %	110.32 %	94.08 %	79.86 %	71.86 %	70.03 %
Covered Payroll ²	\$1,302,904	\$1,161,895	\$1,085,049	\$1,085,103	\$1,032,288	\$ 994,839	\$ 966,279
Net OPEB Liability as a Percentage of Covered Payroll	(1.42)%	(2.62)%	(2.57)%	1.71 %	6.64 %	9.90 %	11.26 %
Elected Official OPEB Plan							
Total OPEB Liability							
Service Cost	\$ 176	\$ 177	\$ 220	\$ 214	\$ 733	\$ 715	\$ 698
Interest	1,114	1,149	923	902	908	850	789
Difference between Actual and Expected Experience	670	(1,165)	3,823	63	(245)	—	—
Assumption Changes	603	—	125	—	(347)	—	—
Benefit Payments	(864)	(788)	(721)	(864)	(412)	(534)	(503)
Net Change in Total OPEB Liability	1,699	(627)	4,370	315	637	1,031	984
Total OPEB Liability – Beginning	21,461	22,088	17,718	17,403	16,766	15,735	14,751
Total OPEB Liability – Ending	A \$ 23,160	\$ 21,461	\$ 22,088	\$ 17,718	\$ 17,403	\$ 16,766	\$ 15,735
Plan Fiduciary Net Position							
Contributions – Employer	\$ 1,249	\$ 1,249	\$ 1,249	\$ 1,388	\$ 1,388	\$ 1,388	\$ 1,388
Net Investment Income	1,716	(2,492)	3,521	1,043	1,287	667	1,214
Benefit Payments	(864)	(788)	(721)	(864)	(412)	(534)	(503)
Net Transfers with Affiliated Systems	—	—	—	—	—	1	—
Net Change in Plan Fiduciary Net Position	2,101	(2,031)	4,049	1,567	2,263	1,522	2,099
Plan Fiduciary Net Position – Beginning	19,449	21,481	17,432	15,865	13,602	12,080	9,981
Plan Fiduciary Net Position – Ending	B \$ 21,550	\$ 19,450	\$ 21,481	\$ 17,432	\$ 15,865	\$ 13,602	\$ 12,080
Net OPEB Liability (A - B)	\$ 1,610	\$ 2,011	\$ 607	\$ 286	\$ 1,538	\$ 3,164	\$ 3,655
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	93.05 %	90.63 %	97.25 %	98.39 %	91.16 %	81.13 %	76.77 %
Covered-employee Payroll ²	\$ 837	\$ 936	\$ 912	\$ 1,144	\$ 1,317	\$ 1,421	\$ 1,478
Net OPEB Liability as a Percentage of Covered-employee Payroll	192.35 %	214.85 %	66.56 %	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	2014	\$ 30,342	\$ 30,342	\$ 0	\$ 888,806	3.41 %	
	2015	\$ 30,342	\$ 30,342	\$ 0	\$ 905,895	3.35 %	
	2016	\$ 29,100	\$ 35,683	\$ (6,583)	\$ 942,630	3.79 %	
	2017	\$ 29,100	\$ 33,361	\$ (4,261)	\$ 966,279	3.45 %	
	2018	\$ 29,100	\$ 29,735	\$ (635)	\$ 994,839	2.99 %	
	2019	\$ 25,928	\$ 26,510	\$ (582)	\$ 1,032,288	2.57 %	
	2020	\$ 25,928	\$ 26,663	\$ (735)	\$ 1,085,103	2.46 %	
	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 %	
Elected Official OPEB Plan	2014	\$ 1,321	\$ 2,030	\$ (709)	\$ 1,783	113.85 %	
	2015	\$ 1,321	\$ 1,388	\$ (67)	\$ 1,751	79.27 %	
	2016	\$ 1,241	\$ 1,388	\$ (147)	\$ 1,661	83.56 %	
	2017	\$ 1,241	\$ 1,388	\$ (147)	\$ 1,478	93.91 %	
	2018	\$ 1,241	\$ 1,388	\$ (147)	\$ 1,421	97.68 %	
	2019	\$ 1,026	\$ 1,388	\$ (362)	\$ 1,317	105.39 %	
	2020	\$ 1,026	\$ 1,388	\$ (362)	\$ 1,144	121.33 %	
	2021	\$ 600	\$ 1,249	\$ (649)	\$ 912	136.95 %	
	2022	\$ 600	\$ 1,249	\$ (649)	\$ 936	133.44 %	
	2023	\$ 423	\$ 1,249	\$ (826)	\$ 837	149.22 %	

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, 2022	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. This change to benefit terms was reflected in the subsequent December 31 valuation and reflected in the fiscal year 2010 ADC.
- Healthcare coverage (ages 62 to 65) for the Elected Official OPEB Plan was closed and is only available for elected officials who began service prior to January 1, 2012. This change to healthcare coverage was reflected in the fiscal year 2012 ADC. Benefit terms were changed again to allow only elected officials that began service prior to July 1, 2013 to receive Medicare coverage. This change to Medicare coverage was reflected in the subsequent December 31 valuation and reflected in the fiscal year 2014 ADC.

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

In fiscal year 2012, the actuarial assumed rate of return (the discount rate) for the State Employee OPEB Plan was modified from 6 to 4.50 percent. In fiscal year 2014, the discount rate for the Elected Official OPEB Plan was modified from 4.00 to 4.50 percent. In fiscal year 2015, the discount rate for the Elected Official OPEB Plan was modified from 4.50 to 5.25 percent. In fiscal year 2019, the discount rate for the State Employee OPEB Plan was modified from 3.75 to 3 percent.

Amortization Period:

In fiscal year 2012, the amortization period for the State Employee OPEB Plan was changed from a 25-year open to a 20-year open. The amortization period for State Employee OPEB Plan was changed again in fiscal year 2014 from a 20-year open to a 10-year open. In fiscal year 2012, the amortization period for the Elected Official OPEB Plan was changed from a 30-year open to a 20-year open. In fiscal year 2019, the amortization period for the Elected Official OPEB Plan was changed again from a 20-year open to a 10-year open. 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 2012, for both Plans, the health care cost trend rate changed from an initial rate of 10.00 to 9.50 percent. In fiscal year 2014, the healthcare cost trend rate changed from an initial rate of 9.50 to 8.50 percent, and changed again in fiscal year 2016 to an initial rate of 5.20 percent. In fiscal year 2016, the healthcare cost trend rate changed from an ultimate rate of 4.50 to 4.20 percent. In fiscal year 2019, the health care trend rate assumption was updated to reflect the latest cost trend model, resulting in a decrease of the initial and ultimate rates from 5.90 to 5.40 percent and 4.14 to 3.94 percent, respectively. 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.

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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Required Supplementary Information

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 %
Elected Official OPEB Plan	2018	5.09 %
	2019	11.65 %
	2020	7.20 %
	2021	20.32 %
	2022	(11.05)%
	2023	8.56 %

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.

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INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

As allowed by the Governmental Accounting Standards Board (GASB), the State has adopted an alternative to reporting depreciation on roads and bridges (infrastructure assets) maintained by the Utah Department of Transportation (UDOT). This includes infrastructure acquired prior to fiscal year 1981. Under this alternative method, referred to as the modified approach, infrastructure assets are not depreciated, and maintenance and preservation costs are expensed.

In order to utilize the modified approach, the State is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform and document replicable condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the State.
- Document that infrastructure assets are being preserved approximately at or above the condition level established by the State.

Roads

UDOT uses the Pavement Management System to determine the condition of 6,919 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:

	2022	2021	2020
Statewide System	95.50%	95.10%	93.26%

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
2023	\$571,704	\$482,625
2022	\$512,113	\$399,974
2021	\$461,097	\$415,212
2020	\$291,630	\$400,733
2019	\$253,728	\$310,690

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 recently began reporting bridge structure condition using two rating scales: 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 2,003 bridges using the NBI and BHI methodologies for fiscal year 2023 are as follows:

Rating	NBI	BHI
Good	24.10%	47.60%
Fair	75.10%	48.70%
Poor	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 the past two years using the Structures Inventory System:

Rating	2022	2021
Good	61.10%	61.50%
Poor	2.90%	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
2023	\$100,889	\$85,169
2022	\$90,373	\$70,584
2021	\$81,370	\$73,273
2020	\$51,464	\$70,718
2019	\$44,775	\$54,828

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**SUPPLEMENTARY
INFORMATION**

2023
STATE OF UTAH
★
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

★
For the fiscal year ended June 30, 2023

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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.

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.

Medicaid Expansion

This fund accounts for the funding and costs associated with the State’s Adult Medicaid Expansion programs. The funding consists of hospital assessments collections, intergovernmental transfers, sales tax revenue earmarked for expansion, gifts, and legislative appropriations. Monies deposited in the fund are for the State’s share of the costs associated with providing health care coverage for eligible adults.

Miscellaneous Special Revenue

This fund is made up of individual small funds set up to account for various revenue sources that are legally restricted to expenditures for specific purposes.

Capital Projects – General Government

This fund accounts for resources used for capital outlays including the acquisition or construction of major capital facilities for use by the State and its discrete component units. The fund receives financial resources from the proceeds of general obligation bonds, legislative appropriations, and 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, 2023

	Special Revenue				
	State Endowment	Environmental Reclamation	Universal Telephone Services	Rural Development	Medicaid Expansion
ASSETS					
Cash and Cash Equivalents	\$ —	\$ —	\$ —	\$ —	\$ —
Pooled Cash and Investments	59,614	55,617	12,600	34,658	283,887
Investments	261,348	—	—	—	—
Receivables:					
Accounts, net	34,000	2,944	—	—	2,513
Accrued Interest	—	—	—	—	—
Accrued Taxes, net	—	—	—	—	12,500
Notes Receivable	—	—	—	—	—
Due From Other Funds	—	—	—	—	—
Due From Component Units	—	—	—	—	—
Restricted Cash and Cash Equivalents	21,810	6,013	—	—	—
Restricted Pooled Cash and Investments	—	32,277	—	—	—
Prepaid Items	—	—	4	—	—
Total Assets	<u>\$ 376,772</u>	<u>\$ 96,851</u>	<u>\$ 12,604</u>	<u>\$ 34,658</u>	<u>\$ 298,900</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ —	\$ 5,177	\$ 425	\$ 3,227	\$ —
Deposits	—	38,290	—	—	—
Due To Other Funds	—	—	1	91	—
Unearned Revenue	—	—	—	—	922
Total Liabilities	<u>0</u>	<u>43,467</u>	<u>426</u>	<u>3,318</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>
Fund Balances:					
Nonspendable:					
Prepaid Items	—	—	4	—	—
Restricted	21,810	46,626	12,174	—	—
Committed	354,962	6,758	—	31,340	293,033
Assigned	—	—	—	—	4,945
Total Fund Balances	<u>376,772</u>	<u>53,384</u>	<u>12,178</u>	<u>31,340</u>	<u>297,978</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 376,772</u>	<u>\$ 96,851</u>	<u>\$ 12,604</u>	<u>\$ 34,658</u>	<u>\$ 298,900</u>

Continues

State of Utah

Combining Balance Sheet
 Nonmajor Governmental Funds
 (expressed in thousands)

Continued

	Special Revenue	Capital Projects		Debt Service		Total Nonmajor Governmental Funds
	Miscellaneous Special Revenue	General Government	State Building Ownership Authority	General Government	State Building Ownership Authority	
ASSETS						
Cash and Cash Equivalents	\$ 2,313	\$ —	\$ —	\$ —	\$ —	\$ 2,313
Pooled Cash and Investments	205,922	1,056,147	37,663	272,865	27,142	2,046,115
Investments	754	—	—	—	—	262,102
Receivables:						
Accounts, net	25,197	26	—	—	251	64,931
Accrued Interest	—	—	—	2,505	—	2,505
Accrued Taxes, net	675	—	—	—	—	13,175
Notes Receivable	—	—	—	—	63,765	63,765
Due From Other Funds	1,275	11,929	—	791	—	13,995
Due From Component Units	—	75,090	—	—	—	75,090
Restricted Cash and Cash Equivalents	1,849	42,572	—	—	—	72,244
Restricted Pooled Cash and Investments	—	—	—	—	—	32,277
Prepaid Items	522	23	—	—	—	549
Total Assets	<u>\$ 238,507</u>	<u>\$ 1,185,787</u>	<u>\$ 37,663</u>	<u>\$ 276,161</u>	<u>\$ 91,158</u>	<u>\$ 2,649,061</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 14,131	\$ 135,796	\$ 766	\$ 38,967	\$ 4	\$ 198,493
Deposits	—	—	—	—	—	38,290
Due To Other Funds	2,406	6,398	34,908	7,095	18,651	69,550
Unearned Revenue	12,104	—	—	—	—	13,026
Total Liabilities	<u>28,641</u>	<u>142,194</u>	<u>35,674</u>	<u>46,062</u>	<u>18,655</u>	<u>319,359</u>
Deferred Inflows of Resources:						
Unavailable Revenue	—	—	—	—	63,765	63,765
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>63,765</u>	<u>63,765</u>
Fund Balances:						
Nonspendable:						
Prepaid Items	522	23	—	—	—	549
Restricted	44,096	—	1,989	—	—	126,695
Committed	165,004	—	—	—	—	851,097
Assigned	244	1,043,570	—	230,099	8,738	1,287,596
Total Fund Balances	<u>209,866</u>	<u>1,043,593</u>	<u>1,989</u>	<u>230,099</u>	<u>8,738</u>	<u>2,265,937</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 238,507</u>	<u>\$ 1,185,787</u>	<u>\$ 37,663</u>	<u>\$ 276,161</u>	<u>\$ 91,158</u>	<u>\$ 2,649,061</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, 2023

	Special Revenue				
	State Endowment	Environmental Reclamation	Universal Telephone Services	Rural Development	Medicaid Expansion
REVENUES					
Taxes:					
Sales and Use Tax	\$ —	\$ —	\$ —	\$ —	\$ 130,492
Other Taxes	52,257	—	—	9,271	—
Total Taxes	<u>52,257</u>	<u>0</u>	<u>0</u>	<u>9,271</u>	<u>130,492</u>
Other Revenues:					
Federal Contracts and Grants	—	—	—	—	—
Charges for Services	—	4,126	17,403	—	13,588
Investment Income	19,958	2,472	—	888	8,590
Miscellaneous and Other	—	7,958	—	—	(3)
Total Revenues	<u>72,215</u>	<u>14,556</u>	<u>17,403</u>	<u>10,159</u>	<u>152,667</u>
EXPENDITURES					
Current:					
General Government	303	4,145	—	—	—
Health and Human Services	—	—	—	—	—
Corrections	—	—	—	—	—
Public Safety	—	—	—	—	—
Courts	—	—	—	—	—
Environmental Quality	—	5,130	—	—	—
Higher Education – Colleges and Universities	—	—	—	—	—
Employment and Family Services	—	—	—	4,932	—
Natural Resources	—	5,067	—	—	—
Cultural and Community Engagement	—	—	—	—	—
Business, Labor, and Agriculture	—	261	21,073	—	—
Public Education	—	—	—	—	—
Transportation	—	—	—	—	—
Capital Outlay	—	—	—	—	—
Debt Service:					
Principal Retirement	—	—	—	—	—
Interest and Other Charges	—	—	—	—	—
Total Expenditures	<u>303</u>	<u>14,603</u>	<u>21,073</u>	<u>4,932</u>	<u>0</u>
Excess Revenues Over (Under) Expenditures	<u>71,912</u>	<u>(47)</u>	<u>(3,670)</u>	<u>5,227</u>	<u>152,667</u>
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	—	—	—	—	—
Transfers In	—	2	—	—	59,415
Transfers Out	—	(94)	—	(50)	(111,948)
Total Other Financing Sources (Uses)	<u>0</u>	<u>(92)</u>	<u>0</u>	<u>(50)</u>	<u>(52,533)</u>
Net Change in Fund Balances	<u>71,912</u>	<u>(139)</u>	<u>(3,670)</u>	<u>5,177</u>	<u>100,134</u>
Fund Balances – Beginning	304,860	53,523	15,848	26,163	197,844
Adjustment to Beginning Fund Balances	—	—	—	—	—
Fund Balances – Beginning as Adjusted	<u>304,860</u>	<u>53,523</u>	<u>15,848</u>	<u>26,163</u>	<u>197,844</u>
Fund Balances – Ending	<u>\$ 376,772</u>	<u>\$ 53,384</u>	<u>\$ 12,178</u>	<u>\$ 31,340</u>	<u>\$ 297,978</u>

Continues

State of Utah

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

Continued

	Special Revenue		Capital Projects		Debt Service		Total Nonmajor Governmental Funds
	Miscellaneous Special Revenue	General Government	State Building Ownership Authority	General Government	State Building Ownership Authority		
REVENUES							
Taxes:							
Sales and Use Tax	\$ 18,665	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 149,157
Other Taxes	48	—	—	—	—	—	61,576
Total Taxes	<u>18,713</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>210,733</u>
Other Revenues:							
Federal Contracts and Grants	47,057	5,330	—	5,619	1,098	—	59,104
Charges for Services	156,579	378,311	—	—	21	—	570,028
Investment Income	7,413	3,614	—	46	84	—	43,065
Miscellaneous and Other	19,083	7,913	—	—	18,060	—	53,011
Total Revenues	<u>248,845</u>	<u>395,168</u>	<u>0</u>	<u>5,665</u>	<u>19,263</u>	<u>—</u>	<u>935,941</u>
EXPENDITURES							
Current:							
General Government	49,719	408,994	—	—	—	—	463,161
Health and Human Services	1,816	8,680	—	—	—	—	10,496
Corrections	—	10,235	—	—	—	—	10,235
Public Safety	53,539	2,527	—	—	—	—	56,066
Courts	—	7,720	—	—	—	—	7,720
Environmental Quality	5	1,019	—	—	—	—	6,154
Higher Education – Colleges and Universities	—	39,247	—	—	—	—	39,247
Employment and Family Services	1,024	2,277	—	—	—	—	8,233
Natural Resources	8,536	2,227	—	—	—	—	15,830
Cultural and Community Engagement	11,546	4,964	—	—	—	—	16,510
Business, Labor, and Agriculture	5,502	—	—	—	—	—	26,836
Public Education	—	236	—	—	—	—	236
Transportation	1	5,816	—	—	—	—	5,817
Capital Outlay	—	323,347	—	—	—	—	323,347
Debt Service:							
Principal Retirement	—	—	—	356,325	12,647	—	368,972
Interest and Other Charges	—	—	—	78,055	7,009	—	85,064
Total Expenditures	<u>131,688</u>	<u>817,289</u>	<u>0</u>	<u>434,380</u>	<u>19,656</u>	<u>—</u>	<u>1,443,924</u>
Excess Revenues Over (Under) Expenditures	<u>117,157</u>	<u>(422,121)</u>	<u>0</u>	<u>(428,715)</u>	<u>(393)</u>	<u>—</u>	<u>(507,983)</u>
OTHER FINANCING SOURCES (USES)							
Sale of Capital Assets	915	—	—	—	—	—	915
Transfers In	73,158	829,224	—	638,719	571	—	1,601,089
Transfers Out	(115,603)	(7,048)	—	—	—	—	(234,743)
Total Other Financing Sources (Uses) ..	<u>(41,530)</u>	<u>822,176</u>	<u>0</u>	<u>638,719</u>	<u>571</u>	<u>—</u>	<u>1,367,261</u>
Net Change in Fund Balances	<u>75,627</u>	<u>400,055</u>	<u>—</u>	<u>210,004</u>	<u>178</u>	<u>—</u>	<u>859,278</u>
Fund Balances – Beginning	134,239	643,538	1,989	20,675	8,560	—	1,407,239
Adjustment to Beginning Fund Balances	—	—	—	(580)	—	—	(580)
Fund Balances – Beginning as Adjusted	<u>134,239</u>	<u>643,538</u>	<u>1,989</u>	<u>20,095</u>	<u>8,560</u>	<u>—</u>	<u>1,406,659</u>
Fund Balances – Ending	<u>\$ 209,866</u>	<u>\$ 1,043,593</u>	<u>\$ 1,989</u>	<u>\$ 230,099</u>	<u>\$ 8,738</u>	<u>\$ —</u>	<u>\$ 2,265,937</u>

Detail Schedule of Expenditures – Budget and Actual

General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2023

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	\$ 6,095	\$ —	\$ —	\$ 6,095	\$ 3,733	\$ —	\$ —	\$ 2,362
LHS House of Representatives	10,500	—	11	10,511	6,051	—	—	4,460
LRG Research & General Counsel	18,555	—	—	18,555	11,740	—	—	6,815
LFA Fiscal Analyst	5,990	—	—	5,990	4,233	—	—	1,757
LAG Auditor General	7,600	—	—	7,600	5,815	—	—	1,785
LSV Legislative Services	11,949	—	116	12,065	7,786	—	—	4,279
LSV Legislative Services Digital Wellness Commission	1,298	—	—	1,298	304	—	—	994
Total Legislature	\$ 61,987	\$ 0	\$ 127	\$ 62,114	\$ 39,662	\$ 0	\$ 0	\$ 22,452
Elected Officials								
GOV Governor's Office	\$ 11,209	\$ —	\$ 1,876	\$ 13,085	\$ 11,336	\$ —	\$ —	\$ 1,749
GOV Office of Planning & Budget	9,650	705	1,193	11,548	9,737	—	—	1,811
GOV Suicide Prevention	104	—	—	104	104	—	—	—
GOV Local Assistance Matching Grant Program	—	995	—	995	995	—	—	—
GOV Colorado River Authority of Utah	17,928	—	—	17,928	2,946	—	—	14,982
GOV CCJJ Criminal & Juvenile Justice	16,700	25,687	65	42,452	36,997	—	1,111	4,344
GOV CCJJ Factual Innocence Payments	449	—	—	449	94	—	—	355
GOV CCJJ Indigent Defense Commission	11,339	82	(26)	11,395	9,439	—	33	1,923
GOV Emergency Fund	500	—	—	500	500	—	—	—
GOV LeRay McAllister Program	2,178	—	(1,921)	257	257	—	—	—
GOV CCJJ Jail Reimbursement	13,581	—	—	13,581	12,791	—	—	790
GOUTAH Administration	4,554	2,000	—	6,554	4,840	—	—	1,714
GOUTAH Office of Tourism	36,124	166	278	36,568	30,456	—	—	6,112
GOUTAH Business Development	38,139	27,244	414	65,797	50,329	—	—	15,468
GOUTAH Pass Through	38,106	13,185	—	51,291	42,817	—	—	8,474
GOUTAH Inland Port Authority	3,198	—	—	3,198	3,198	—	—	—
GOUTAH Point of the Mountain Authority	1,750	—	—	1,750	1,750	—	—	—
GOUTAH Rural Employment Expansion	3,222	—	—	3,222	333	—	—	2,889
GOUTAH Rural Coworking & Innovation Center Grant	1,406	—	—	1,406	311	—	—	1,095
GOUTAH Rural County Grants Program	31,562	—	—	31,562	10,062	—	9,000	12,500
GOUTAH Economic Assistance Grants	22,975	3,551	—	26,526	25,618	—	—	908
GOUTAH Industrial Assistance Account	8,773	—	—	8,773	8,773	—	—	—
AG Attorney General	27,457	3,003	1,377	31,837	30,544	—	—	1,293
AG Contract Attorneys	6,489	—	1,207	7,696	1,954	—	—	5,742
AG Prosecution Council	878	79	473	1,430	1,295	1	—	134
AG Children's Justice Centers	5,199	208	256	5,663	5,308	—	—	355
AG State Settlement Agreements	3,405	—	—	3,405	3,373	—	—	32
TRS State Treasurer	3,947	—	1,055	5,002	4,602	44	156	200
OSA State Auditor	4,857	—	2,928	7,785	7,163	—	—	622
CPB Capitol Preservation Board	3,911	—	—	3,911	3,911	—	—	—
Total Elected Officials	\$ 329,590	\$ 76,905	\$ 9,175	\$ 415,670	\$ 321,833	\$ 45	\$ 10,300	\$ 83,492
Government Operations								
DGO Executive Director	\$ 2,810	\$ —	\$ —	\$ 2,810	\$ 2,301	\$ —	\$ —	\$ 509
DGO Administrative Rules	1,305	—	—	1,305	807	—	—	498
DGO DFCM Administration	9,302	—	2,905	12,207	10,648	—	—	1,559
DGO State Archives	3,611	33	47	3,691	3,617	—	—	74
DGO Finance Administration	16,560	—	1,708	18,268	15,021	—	1	3,246
DGO Office of Inspector General - Medicaid Services	2,016	—	1,729	3,745	3,068	2	—	675
DGO Post Conviction Indigent Defense Contribution	234	—	—	234	—	34	—	200
DGO Finance Mandated	11,657	20,840	6	32,503	25,750	1,003	1,731	4,019
DGO Judicial Conduct Commission	380	—	—	380	325	—	—	55
DGO Finance Mandated - Ethics Commission	122	—	—	122	19	—	—	103
DGO Finance Mandated - Min Lease Special Service Districts	58,003	—	—	58,003	58,003	—	—	—
DGO Finance Mandated - Postpartum Recovery & Parental Leave	1,752	—	—	1,752	107	1,645	—	—
DGO Purchasing	955	—	—	955	955	—	—	—
DGO Human Resource Management	749	—	—	749	749	—	—	—

Detail Schedule of Expenditures – Budget and Actual

General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2023

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					
DGO Chief Information Officer	26,100	3,089	—	29,189	4,972	11	—	24,206
DGO Integrated Technology Division	2,820	—	1,141	3,961	3,368	33	—	560
TAX Tax Commission Administration	102,767	613	12,783	116,163	97,240	8,241	—	10,682
TAX License Plate Production	1,672	—	4,529	6,201	4,558	—	—	1,643
TAX Liquor Profits Distribution	7,126	—	—	7,126	7,126	—	—	—
TAX Rural Health Care	219	—	—	219	219	—	—	—
CSR Career Service Review Office	338	—	—	338	282	26	—	30
Total Government Operations	\$ 251,747	\$ 24,575	\$ 24,848	\$ 301,170	\$ 240,384	\$ 10,995	\$ 1,732	\$ 48,059
Total General Government	\$ 643,324	\$ 101,480	\$ 34,150	\$ 778,954	\$ 601,879	\$ 11,040	\$ 12,032	\$ 154,003
HEALTH and HUMAN SERVICES								
DHHS Operations	\$ 26,143	\$ 18,853	\$ 7,900	\$ 52,896	\$ 47,823	\$ 1	\$ 4	\$ 5,068
DHHS Clinical Services	27,930	13,958	11,235	53,123	43,445	30	129	9,519
DHHS Department Oversight	13,384	5,404	12,764	31,552	26,825	181	—	4,546
DHHS Prison Medical Services	4,922	—	—	4,922	324	—	4,598	—
DHHS Health Care Administration	32,146	121,949	53,426	207,521	194,751	1	587	12,182
DHHS Integrated Health Care Services	1,169,044	3,415,556	639,831	5,224,431	5,078,231	—	79,120	67,080
DHHS Long-Term Services & Support	192,197	16,197	397,906	606,300	589,068	—	—	17,232
DHHS Public Health, Prevention, & Epidemiology	37,514	170,446	12,502	220,462	214,001	1,443	3,767	1,251
DHHS Children, Youth, & Families	176,581	141,908	5,164	323,653	320,174	—	1,457	2,022
DHHS Office of Recovery Services	15,172	25,756	9,017	49,945	49,928	17	—	—
DHHS Juvenile Justice & Youth Services	101,281	1,452	(821)	101,912	98,578	—	1,544	1,790
Total Health and Human Services	\$ 1,796,314	\$ 3,931,479	\$ 1,148,924	\$ 6,876,717	\$ 6,663,148	\$ 1,673	\$ 91,206	\$ 120,690
CORRECTIONS								
Department of Corrections								
DOC Programs & Operations	\$ 336,033	\$ —	\$ 4,206	\$ 340,239	\$ 338,407	\$ —	\$ —	\$ 1,832
DOC Medical Services	43,777	—	680	44,457	40,830	—	3,148	479
DOC Jail Contracting	38,918	—	—	38,918	37,386	—	—	1,532
Total Department of Corrections	\$ 418,728	\$ 0	\$ 4,886	\$ 423,614	\$ 416,623	\$ 0	\$ 3,148	\$ 3,843
Board of Pardons and Parole								
BPP Board of Pardons & Parole	\$ 8,032	\$ —	\$ 2	\$ 8,034	\$ 6,588	\$ —	\$ —	\$ 1,446
Total Board of Pardons and Parole	\$ 8,032	\$ 0	\$ 2	\$ 8,034	\$ 6,588	\$ 0	\$ 0	\$ 1,446
Total Corrections	\$ 426,760	\$ 0	\$ 4,888	\$ 431,648	\$ 423,211	\$ 0	\$ 3,148	\$ 5,289
PUBLIC SAFETY								
Department of Public Safety								
UCA Admins Services Division	\$ 37,000	\$ 20,000	\$ —	\$ 57,000	\$ 57,000	\$ —	\$ —	\$ —
DPS Programs & Operations	175,255	3,345	15,682	194,282	176,578	—	1,212	16,492
DPS Emergency Management	13,946	126,444	684	141,074	129,484	—	300	11,290
DPS Emergency Management - National Guard Response	150	—	—	150	—	—	—	150
DPS Emergency & Disaster Management	17,117	—	784	17,901	3,482	—	—	14,419
DPS Bureau of Criminal Identification	11,989	—	7,169	19,158	14,644	211	303	4,000
DPS Peace Officer Standards & Training	5,940	—	34	5,974	5,337	—	—	637
DPS Driver License Division	47,290	—	18	47,308	36,612	—	—	10,696
DPS Highway Safety	2,558	6,121	556	9,235	8,299	—	—	936
Total Department of Public Safety	\$ 311,245	\$ 155,910	\$ 24,927	\$ 492,082	\$ 431,436	\$ 211	\$ 1,815	\$ 58,620
Utah National Guard								
UNG Utah National Guard	\$ 30,482	\$ 49,876	\$ 518	\$ 80,876	\$ 76,563	\$ —	\$ —	\$ 4,313
Total Utah National Guard	\$ 30,482	\$ 49,876	\$ 518	\$ 80,876	\$ 76,563	\$ 0	\$ 0	\$ 4,313
Department of Veterans and Military Affairs								
DVMA Veterans & Military Affairs	\$ 4,897	\$ 447	\$ 360	\$ 5,704	\$ 4,366	\$ —	\$ —	\$ 1,338
DVMA Pass Through	2,788	—	—	2,788	2,788	—	—	—
Total Department of Veterans and Military Affairs	\$ 7,685	\$ 447	\$ 360	\$ 8,492	\$ 7,154	\$ 0	\$ 0	\$ 1,338
Total Public Safety	\$ 349,412	\$ 206,233	\$ 25,805	\$ 581,450	\$ 515,153	\$ 211	\$ 1,815	\$ 64,271
STATE COURTS								
JUD Court Administrator	\$ 152,594	\$ 6,338	\$ 3,660	\$ 162,592	\$ 154,046	\$ 2	\$ 4,985	\$ 3,559
JUD Grand Jury	1	—	—	1	1	—	—	—

Detail Schedule of Expenditures – Budget and Actual

General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2023

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					
JUD Contracts & Leases	21,624	—	—	21,624	20,716	—	408	500
JUD Jury & Witness Fees	3,652	—	6	3,658	3,004	—	—	654
JUD Guardian Ad Litem	9,858	—	7	9,865	9,301	—	99	465
Total State Courts	\$ 187,729	\$ 6,338	\$ 3,673	\$ 197,740	\$ 187,068	\$ 2	\$ 5,492	\$ 5,178
ENVIRONMENTAL QUALITY								
DEQ Executive Director	\$ 4,567	\$ 181	\$ 2,913	\$ 7,661	\$ 6,397	\$ —	\$ —	\$ 1,264
DEQ Air Quality	18,911	7,560	5,324	31,795	24,088	84	405	7,218
DEQ Water Quality	6,990	4,085	1,943	13,018	11,963	—	38	1,017
DEQ Drinking Water	3,258	5,595	(78)	8,775	8,534	—	41	200
DEQ Waste Management & Radiation Control	9,654	1,272	1,241	12,167	10,966	—	551	650
DEQ Environmental Response & Remediation	4,817	12,708	327	17,852	16,363	—	1,354	135
DEQ Trip Reduction Program	238	—	—	238	107	—	—	131
DEQ Laboratory Services	900	—	—	900	701	—	—	199
Total Environmental Quality	\$ 49,335	\$ 31,401	\$ 11,670	\$ 92,406	\$ 79,119	\$ 84	\$ 2,389	\$ 10,814
HIGHER EDUCATION								
UBHE Administration	\$ 21,228	\$ 18,300	\$ —	\$ 39,528	\$ 39,528	\$ —	\$ —	\$ —
UBHE Institutional & Student Support	10,107	—	—	10,107	10,107	—	—	—
UBHE Student Assistance	38,937	—	—	38,937	38,937	—	—	—
UBHE Talent Ready Utah	11,495	—	—	11,495	11,495	—	—	—
UOU Education & General	356,992	—	358,772	715,764	715,764	—	—	—
UOU Educationally Disadvantaged	746	—	—	746	746	—	—	—
UOU School of Medicine	43,979	—	33,865	77,844	77,844	—	—	—
UOU University Hospital	5,784	—	—	5,784	5,784	—	—	—
UOU School of Dentistry	3,359	—	13,387	16,746	16,746	—	—	—
UOU Public Service	2,375	—	—	2,375	2,375	—	—	—
UOU Statewide TV Administration	2,890	—	—	2,890	2,890	—	—	—
UOU Cancer Research and Treatment	10,002	—	—	10,002	10,002	—	—	—
UOU Rocky Mtn Center for Occupational & Environmental Health	1,389	—	—	1,389	1,389	—	—	—
UOU Poison Control Center	3,104	—	—	3,104	3,104	—	—	—
UOU Center on Aging	124	—	—	124	124	—	—	—
UOU SafeUT Crisis Text & Tip Line	4,102	—	—	4,102	4,102	—	—	—
USU Education & General	238,935	—	140,772	379,707	379,707	—	—	—
USU Educationally Disadvantaged	98	—	—	98	98	—	—	—
USU Water Research Lab	5,526	—	—	5,526	5,526	—	—	—
USU Agriculture Experiment Station	15,330	2,909	—	18,239	18,239	—	—	—
USU Cooperative Extension Service	19,943	2,294	—	22,237	22,237	—	—	—
USU Eastern Education & General	9,926	—	3,325	13,251	13,251	—	—	—
USU Eastern Educationally Disadvantaged	106	—	—	106	106	—	—	—
USU Eastern Career & Technical Education	6,620	—	796	7,416	7,416	—	—	—
USU Prehistoric Museum	509	—	—	509	509	—	—	—
USU Blanding Campus	2,807	—	1,164	3,971	3,971	—	—	—
USU Regional Campus	15,616	—	20,845	36,461	36,461	—	—	—
USU Custom Fit	276	—	—	276	276	—	—	—
WSU Education & General	120,958	—	81,829	202,787	202,787	—	—	—
WSU Educationally Disadvantaged	432	—	—	432	432	—	—	—
SUU Education & General	66,893	—	67,632	134,525	134,525	—	—	—
SUU Educationally Disadvantaged	102	—	—	102	102	—	—	—
SUU Shakespeare Festival	522	—	—	522	522	—	—	—
SUU Rural Development	125	—	—	125	125	—	—	—
SNOW Education & General	38,338	—	14,880	53,218	53,218	—	—	—
SNOW Educationally Disadvantaged	32	—	—	32	32	—	—	—
SNOW Career & Technology Education	4,199	—	280	4,479	4,479	—	—	—
SNOW Custom Fit	425	—	—	425	425	—	—	—
UTU Education & General	62,728	—	44,018	106,746	106,746	—	—	—
UTU Educationally Disadvantaged	26	—	—	26	26	—	—	—
UTU Zion Park Amphitheater	60	—	—	60	60	—	—	—
UVU Education & General	167,003	—	149,619	316,622	316,622	—	—	—
UVU Educationally Disadvantaged	202	—	—	202	202	—	—	—
UVU Fire & Rescue	4,750	—	—	4,750	4,750	—	—	—
SLCC Education & General	121,920	—	52,194	174,114	174,114	—	—	—
SLCC Educationally Disadvantaged	178	—	—	178	178	—	—	—

Detail Schedule of Expenditures – Budget and Actual

General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2023

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					
SLCC School of Applied Technology	9,572	—	1,005	10,577	10,577	—	—	—
SLCC Custom Fit	618	—	—	618	618	—	—	—
Bridgerland Technical College	19,424	—	2,293	21,717	21,717	—	—	—
Bridgerland Technical College - Custom Fit	600	—	—	600	600	—	—	—
Davis Technical College	23,660	—	2,109	25,769	25,769	—	—	—
Davis Technical College - Custom Fit	687	—	—	687	687	—	—	—
Ogden-Weber Technical College	21,262	—	1,880	23,142	23,142	—	—	—
Ogden-Weber Technical College - Custom Fit	685	—	—	685	685	—	—	—
Uintah Basin Technical College	11,668	—	635	12,303	12,303	—	—	—
Uintah Basin Technical College - Custom Fit	450	—	—	450	450	—	—	—
Mountainland Technical College	22,181	—	2,993	25,174	25,174	—	—	—
Mountainland Technical College - Custom Fit	816	—	—	816	816	—	—	—
Southwest Technical College	7,946	—	622	8,568	8,568	—	—	—
Southwest Technical College - Custom Fit	345	—	—	345	345	—	—	—
Dixie Technical College	11,569	—	1,179	12,748	12,748	—	—	—
Dixie Technical College - Custom Fit	345	—	—	345	345	—	—	—
Tooele Technical College	6,754	—	249	7,003	7,003	—	—	—
Tooele Technical College - Custom Fit	325	—	—	325	325	—	—	—
UETN Utah Education & Telehealth Network	33,079	—	—	33,079	33,079	—	—	—
UETN Digital Teaching & Learning Program	174	—	—	174	174	—	—	—
Total Higher Education	\$ 1,593,358	\$ 23,503	\$ 996,343	\$ 2,613,204	\$ 2,613,204	\$ 0	\$ 0	\$ 0
WORKFORCE SERVICES								
DWS State Office of Rehabilitation	\$ 30,701	\$ 44,463	\$ 454	\$ 75,618	\$ 68,531	\$ 3	\$ 11	\$ 7,073
DWS Administration	5,208	8,587	2,939	16,734	16,479	—	255	—
DWS Operations & Policy	77,392	518,557	39,127	635,076	623,961	431	9,382	1,302
DWS Nutritional Assistance - SNAP	—	515,588	—	515,588	515,588	—	—	—
DWS General Assistance	4,316	—	250	4,566	3,055	—	—	1,511
DWS Unemployment Insurance	3,567	21,698	564	25,829	23,455	—	2,156	218
DWS Office of Homeless Services	56,523	34,099	240	90,862	70,558	—	18,519	1,785
DWS HCD Division	8,290	186,710	40,533	235,533	227,301	149	2,712	5,371
DWS HCD Capital Budget	28,420	—	—	28,420	28,420	—	—	—
DWS HCD Special Service Districts	6,751	—	—	6,751	6,751	—	—	—
Total Workforce Services	\$ 221,168	\$ 1,329,702	\$ 84,107	\$ 1,634,977	\$ 1,584,099	\$ 583	\$ 33,035	\$ 17,260
NATURAL RESOURCES								
DNR Natural Resources Administration	\$ 6,546	\$ —	\$ —	\$ 6,546	\$ 6,257	\$ 61	\$ 3	\$ 225
DNR Building Operations	1,421	—	—	1,421	1,421	—	—	—
DNR Forestry, Fire & State Lands	85,510	5,330	12,436	103,276	82,050	440	96	20,690
DNR Oil, Gas & Mining	12,390	6,743	146	19,279	13,926	240	1,100	4,013
DNR Wildlife Resources	69,413	27,623	88	97,124	91,660	119	1,857	3,488
DNR Species Protection	2,046	—	2,450	4,496	3,977	—	119	400
DNR Watershed	8,564	—	508	9,072	6,443	—	—	2,629
DNR Pass Through	11,335	—	—	11,335	3,454	—	—	7,881
DNR DWR Contributed Research	—	—	724	724	724	—	—	—
DNR DWR Cooperative Agreements	—	17,623	3,210	20,833	20,833	—	—	—
DNR State Parks	36,912	39	863	37,814	37,456	—	62	296
DNR State Parks - Capital	205,695	3,693	148	209,536	42,626	—	1,500	165,410
DNR Utah Geological Survey	10,823	1,059	2,095	13,977	11,165	1	755	2,056
DNR Office of Energy Development	9,492	625	430	10,547	4,504	389	239	5,415
DNR Water Resources	32,994	16,868	1,150	51,012	34,144	1,538	1,007	14,323
DNR Outdoor Recreation	13,206	1,347	43	14,596	10,536	287	3,313	460
DNR Outdoor Recreation - Capital	17,910	2,870	—	20,780	4,579	—	—	16,201
DNR DWR - Capital	1,805	866	—	2,671	2,671	—	—	—
DNR Water Rights	22,218	118	1,163	23,499	15,337	3	1,986	6,173
DNR Public Lands Policy Coordination	10,931	—	—	10,931	5,922	—	595	4,414
DNR Office of the Great Salt Lake Commissioner	3	—	—	3	—	3	—	—
Total Natural Resources	\$ 559,214	\$ 84,804	\$ 25,454	\$ 669,472	\$ 399,685	\$ 3,081	\$ 12,632	\$ 254,074
CULTURAL and COMMUNITY ENGAGEMENT								
DCCE Administration	\$ 6,771	\$ —	\$ 113	\$ 6,884	\$ 4,869	\$ —	\$ 8	\$ 2,007
DCCE Indian Affairs	1,059	—	57	1,116	497	—	61	558
DCCE One Percent for Arts	2,319	—	1,534	3,853	796	—	—	3,057
DCCE State History	4,477	1,119	122	5,718	4,980	—	—	738

Detail Schedule of Expenditures – Budget and Actual

General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2023

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 Historical Society	93	—	27	120	23	—	—	97
DCCE Arts & Museums	5,305	1,099	27	6,431	5,808	—	—	623
DCCE State Library	4,898	2,846	1,574	9,318	8,739	—	—	579
DCCE STEM Action Center	11,499	87	11	11,597	10,561	—	—	1,036
DCCE Pete Suazo Athletics Commission	294	—	89	383	241	—	—	142
DCCE Commission on Service & Volunteerism	519	4,307	17	4,843	4,721	—	—	122
DCCE Pass Through	2,190	—	—	2,190	346	—	62	1,782
DCCE Arts & Museums Grants	8,082	—	—	8,082	7,988	50	—	44
DCCE Capital Facilities Grants	11,065	—	—	11,065	5,525	—	—	5,540
DCCE Heritage & Events Grants	4,126	—	—	4,126	3,791	50	—	285
Total Cultural and Community Engagement	\$ 62,697	\$ 9,458	\$ 3,571	\$ 75,726	\$ 58,885	\$ 100	\$ 131	\$ 16,610
BUSINESS, LABOR, and AGRICULTURE								
DAG Agriculture & Food - Administration	\$ 4,554	\$ 266	\$ 71	\$ 4,891	\$ 4,613	\$ —	\$ —	\$ 278
DAG Building Operations	446	—	—	446	417	29	—	—
DAG Utah State Fair	—	—	—	—	—	—	—	—
DAG Predatory Animal Control	2,182	—	558	2,740	2,538	—	83	119
DAG Invasive Species Mitigation	2,536	37	—	2,573	2,573	—	—	—
DAG Rangeland Improvement	7,380	—	56	7,436	4,980	—	1,945	511
DAG Animal Health	6,621	1,486	141	8,248	7,227	—	35	986
DAG Plant Industry	1,140	446	4,945	6,531	5,464	—	—	1,067
DAG Regulatory Services	2,059	440	4,289	6,788	6,073	—	—	715
DAG Marketing & Economic Development	983	569	28	1,580	1,498	—	—	82
DAG Medical Cannabis	—	—	—	—	—	—	—	—
DAG Industrial Hemp	400	—	1,823	2,223	1,538	—	—	685
DAG Analytical Laboratory	1,072	26	35	1,133	1,123	—	—	10
DAG Resource Conservation	5,560	8,757	2,356	16,673	12,572	—	—	4,101
LBR Labor Commission	13,215	2,950	122	16,287	15,173	—	1,114	—
CRC General Regulation Administration	42,196	382	1,689	44,267	41,628	—	220	2,419
CRC Building Inspector Training	2,843	—	876	3,719	324	—	—	3,395
CRC Utility Bill Assistance Program	12,167	—	—	12,167	5,178	—	—	6,989
CRC DPU Professional & Technical Services	1,142	—	—	1,142	205	—	—	937
CRC CCS Professional & Technical Services	1,515	—	—	1,515	261	—	—	1,254
FI Financial Institutions	8,810	—	—	8,810	7,831	—	979	—
INS Insurance Department	18,182	—	—	18,182	14,511	4	735	2,932
INS Bail Bond Program	45	—	—	45	6	—	39	—
INS Title Insurance Program	259	—	—	259	164	—	—	95
INS Health Insurance Actuary	578	—	—	578	224	—	13	341
INS Coverage for Autism Spectrum Disorder	3,916	—	—	3,916	(1)	—	3,917	—
PSC Public Service Commission	3,274	—	9	3,283	2,576	—	—	707
Total Business, Labor, and Agriculture	\$ 143,075	\$ 15,359	\$ 16,998	\$ 175,432	\$ 138,696	\$ 33	\$ 9,080	\$ 27,623
TOTAL GENERAL FUND								
Total Expenditures	\$ 6,032,386	\$ 5,739,757	\$ 2,355,583	\$14,127,726	\$13,264,147	\$ 16,807	\$ 170,960	\$ 675,812

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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, 2023

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, and Oversight	\$ 44,752	\$ 407,565	\$ (818)	\$ 451,499	\$ 424,014	\$ —	\$ —	\$ 27,485
PED Statewide Online Education	15,174	—	(59)	15,115	11,381	—	—	3,734
PED Child Nutrition	3,851	225,135	57,639	286,625	265,846	—	—	20,779
PED Fine Arts Outreach	6,635	—	—	6,635	6,239	—	—	396
PED State Charter School Board	11,174	—	(200)	10,974	2,702	—	—	8,272
PED Science Outreach	6,994	—	—	6,994	6,057	—	—	937
PED Regional Education Service Agencies Centers	2,000	—	—	2,000	2,000	—	—	—
PED Educator Licensing	7,315	—	(329)	6,986	3,823	—	—	3,163
PED Contracted Initiatives and Grants	100,373	—	(141)	100,232	66,138	2,800	13	31,281
PED MSP Categorical Program Administration	13,097	—	(437)	12,660	7,254	—	—	5,406
PED MSP Basic School Program	3,120,850	—	—	3,120,850	2,924,049	—	—	196,801
PED MSP Related to Basic Programs	1,244,925	(892)	—	1,244,033	1,193,983	—	27	50,023
Programs	253,062	—	—	253,062	240,401	—	—	12,661
PED School Building Programs - Capital Outlay Programs	33,250	—	—	33,250	33,250	—	—	—
PED System Standards & Accountability	81,865	197,726	5,277	284,868	232,327	—	—	52,541
PED Public Education Capital Projects	50,000	—	—	50,000	49,500	—	—	500
PED State Board & Administrative Operations	62,546	8,698	4,645	75,889	30,277	77	37	45,498
PED Charter School Finance Authority	50	—	—	50	—	—	50	—
Total State Board of Education	\$ 5,057,913	\$ 838,232	\$ 65,577	\$ 5,961,722	\$ 5,499,241	\$ 2,877	\$ 127	\$ 459,477
Schools for the Deaf and the Blind								
Schools for the Deaf and the Blind	\$ 40,594	\$ 110	\$ 12,784	\$ 53,488	\$ 53,488	\$ —	\$ —	\$ —
Total Schools for the Deaf and the Blind	\$ 40,594	\$ 110	\$ 12,784	\$ 53,488	\$ 53,488	\$ 0	\$ 0	\$ 0
Total Income Tax Fund	\$ 5,098,507	\$ 838,342	\$ 78,361	\$ 6,015,210	\$ 5,552,729	\$ 2,877	\$ 127	\$ 459,477
TRANSPORTATION FUND								
DOT Support Services	\$ 42,796	\$ 5,566	\$ —	\$ 48,362	\$ 45,393	\$ 2,020	\$ —	\$ 949
DOT Engineering Services	36,062	56,415	1,551	94,028	74,184	16,849	—	2,995
DOT Operations/Maintenance	219,071	28,861	5,265	253,197	213,887	18,973	—	20,337
DOT Highway Construction	191,758	344,847	3,036	539,641	498,611	—	41,030	—
DOT Region Management	30,770	2,945	2,542	36,257	35,442	15	—	800
DOT Aeronautics	16,470	381	192	17,043	8,146	1,042	—	7,855
DOT Share the Road	35	—	—	35	30	—	5	—
DOT Motorcycle Safety Awareness	12	—	—	12	(1)	—	13	—
DOT Amusement Ride Safety	594	—	—	594	144	—	363	87
DOT Transportation Safety	15	—	—	15	—	—	15	—
DOT B & C Roads	216,521	—	—	216,521	216,521	—	—	—
DOT Sidewalk Construction	1,501	—	—	1,501	341	—	—	1,160
DOT Pass-Through	6,848	—	600	7,448	7,436	—	—	12
DOT Corridor Preservation	7,173	—	—	7,173	7,173	—	—	—
DOT Cooperative Agreements	—	69,321	20,708	90,029	90,029	—	—	—
DOT Tollway Restricted	1,393	—	—	1,393	1,393	—	—	—
DOT County of 1st Class St. Hwy Program	29,773	—	—	29,773	29,773	—	—	—
DOT Inventory & Miscellaneous	—	—	30,301	30,301	2,540	27,761	—	—
Total Transportation Fund	\$ 800,792	\$ 508,336	\$ 64,195	\$ 1,373,323	\$ 1,231,042	\$ 66,660	\$ 41,426	\$ 34,195
TRANSPORTATION INVESTMENT FUND								
DOT TIF Capacity Program	\$ 1,125,142	\$ —	\$ —	\$ 1,125,142	\$ 532,616	\$ —	\$ 15,976	\$ 576,550
DOT Transit Transportation Investment	304,163	—	—	304,163	25,391	—	—	278,772
DOT Railroad Crossing Safety	456	—	—	456	456	—	—	—
Total Transportation Investment Fund	\$ 1,429,761	\$ 0	\$ 0	\$ 1,429,761	\$ 558,463	\$ 0	\$ 15,976	\$ 855,322
DEBT SERVICE FUNDS								
General Government	\$ 659,395	\$ 5,619	\$ 5,084	\$ 670,098	\$ 434,380	\$ 5,619	\$ —	\$ 230,099
State Building Ownership Authority	8,560	1,098	18,736	28,394	19,656	—	—	8,738
Total Debt Service Funds	\$ 667,955	\$ 6,717	\$ 23,820	\$ 698,492	\$ 454,036	\$ 5,619	\$ 0	\$ 238,837

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, 2023

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.....	\$ 79,693	\$ —	\$ —	\$ 79,693	\$ 75,704	\$ —	\$ —	\$ 3,989
DABS Parents Empowered	3,204	—	—	3,204	3,106	—	—	98
Total Alcoholic Beverage Services ...	<u>\$ 82,897</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 82,897</u>	<u>\$ 78,810</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,087</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.

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, 2023

	Housing Loan Programs	Agriculture Loan Fund	Energy Efficiency Fund	Local Government Loan Fund	Utah Correctional Industries
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ —	\$ —	\$ —	\$ —	\$ —
Pooled Cash and Investments	31,199	28,179	3,352	80,626	1,095
Receivables:					
Accounts, net	5	—	—	—	575
Accrued Interest	2,673	368	5	599	—
Notes/Loans/Mortgages, net	4,288	4,191	239	8,119	—
Due From Other Funds	209	—	—	—	15
Prepaid Items	3,127	—	—	—	—
Inventories	345	—	—	—	1,696
Total Current Assets	<u>41,846</u>	<u>32,738</u>	<u>3,596</u>	<u>89,344</u>	<u>3,381</u>
Noncurrent Assets:					
Restricted Pooled Cash and Investments	—	—	—	13,019	—
Investments	—	—	—	—	—
Accrued Interest Receivable	783	—	—	192	—
Notes/Loans/Mortgages Receivables, net	163,084	27,957	417	73,802	—
Net Other Postemployment Benefit Asset	—	—	—	—	35
Capital Assets:					
Land	—	—	—	—	—
Buildings and Improvements	—	—	—	—	1,689
Machinery and Equipment	—	20	—	—	3,822
Software	—	—	—	—	644
Less Accumulated Depreciation / Amortization	—	(20)	—	—	(3,338)
Total Capital Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,817</u>
Total Noncurrent Assets	<u>163,867</u>	<u>27,957</u>	<u>417</u>	<u>87,013</u>	<u>2,852</u>
Total Assets	<u>205,713</u>	<u>60,695</u>	<u>4,013</u>	<u>176,357</u>	<u>6,233</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows Relating to Pensions	—	—	—	—	2,030
Deferred Outflows Relating to Other Postemployment Benefits	—	—	—	—	52
Total Deferred Outflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,082</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	179	75	—	—	470
Deposits	3	3	—	—	—
Due To Other Funds	209	1	—	—	96
Unearned Revenue	—	—	—	—	—
Policy Claims Liabilities	—	—	—	—	—
Lease Liability	—	—	—	—	—
Subscription Software Liability	—	—	—	—	—
Total Current Liabilities	<u>391</u>	<u>79</u>	<u>0</u>	<u>0</u>	<u>566</u>
Noncurrent Liabilities:					
Lease Liability	—	—	—	—	—
Subscription Software Liability	—	—	—	—	—
Net Pension Liability	—	—	—	—	1,308
Policy Claims Liability	—	—	—	—	—
Total Noncurrent Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,308</u>
Total Liabilities	<u>391</u>	<u>79</u>	<u>0</u>	<u>0</u>	<u>1,874</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Relating to Pensions	—	—	—	—	10
Deferred Inflows Relating to Other Postemployment Benefits	—	—	—	—	33
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>43</u>
NET POSITION					
Net Investment in Capital Assets	—	—	—	—	2,817
Restricted for:					
Insurance Programs	—	—	—	—	—
Loan Programs	124,748	5,816	—	—	—
Other Post Employment Benefits	—	—	—	—	54
Unrestricted	80,574	54,800	4,013	176,357	3,527
Total Net Position	<u>\$ 205,322</u>	<u>\$ 60,616</u>	<u>\$ 4,013</u>	<u>\$ 176,357</u>	<u>\$ 6,398</u>

Continues

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

Continued

	State Trust Lands Administration	Utah Dairy Commission	Medical Cannabis Fund	Petroleum Storage Tank Fund	Total Nonmajor Enterprise Funds
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ —	\$ 897	\$ —	\$ —	\$ 897
Pooled Cash and Investments	9,071	102	12,493	33,916	200,033
Receivables:					
Accounts, net	9,322	208	771	18	10,899
Accrued Interest	—	—	—	—	3,645
Notes/Loans/Mortgages, net	—	—	—	699	17,536
Due From Other Funds	17	—	14	—	255
Prepaid Items	63	—	362	—	3,552
Inventories	—	—	—	—	2,041
Total Current Assets	<u>18,473</u>	<u>1,207</u>	<u>13,640</u>	<u>34,633</u>	<u>238,858</u>
Noncurrent Assets:					
Restricted Pooled Cash and Investments	—	—	—	—	13,019
Investments	—	279	—	—	279
Accrued Interest Receivable	—	—	—	—	975
Notes/Loans/Mortgages Receivables, net	—	—	—	671	265,931
Net Other Postemployment Benefit Asset	10	—	—	—	45
Capital Assets:					
Land	—	297	—	—	297
Buildings and Improvements	15,348	1,497	—	—	18,534
Machinery and Equipment	1,120	36	369	—	5,367
Software	320	—	30	—	994
Less Accumulated Depreciation / Amortization	(1,352)	(236)	(143)	—	(5,089)
Total Capital Assets	<u>15,436</u>	<u>1,594</u>	<u>256</u>	<u>0</u>	<u>20,103</u>
Total Noncurrent Assets	<u>15,446</u>	<u>1,873</u>	<u>256</u>	<u>671</u>	<u>300,352</u>
Total Assets	<u>33,919</u>	<u>3,080</u>	<u>13,896</u>	<u>35,304</u>	<u>539,210</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows Relating to Pensions	1,964	—	—	—	3,994
Deferred Outflows Relating to Other Postemployment Benefits	134	—	—	—	186
Total Deferred Outflows of Resources	<u>2,098</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,180</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	3,380	41	332	72	4,549
Deposits	—	—	—	1	7
Due To Other Funds	5,207	—	181	—	5,694
Unearned Revenue	3,975	—	—	423	4,398
Policy Claims Liability	—	—	—	2,231	2,231
Lease Liability	309	—	—	—	309
Subscription Software Liability	69	—	—	—	69
Total Current Liabilities	<u>12,940</u>	<u>41</u>	<u>513</u>	<u>2,727</u>	<u>17,257</u>
Noncurrent Liabilities:					
Lease Liability	12,689	—	—	—	12,689
Subscription Software Liability	185	—	—	—	185
Net Pension Liability	3,882	—	—	—	5,190
Policy Claims Liability	—	—	—	26,989	26,989
Total Noncurrent Liabilities	<u>16,756</u>	<u>0</u>	<u>0</u>	<u>26,989</u>	<u>45,053</u>
Total Liabilities	<u>29,696</u>	<u>41</u>	<u>513</u>	<u>29,716</u>	<u>62,310</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Relating to Pensions	67	—	—	—	77
Deferred Inflows Relating to Other Postemployment Benefits	94	—	—	—	127
Total Deferred Inflows of Resources	<u>161</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>204</u>
NET POSITION					
Net Investment in Capital Assets	2,183	1,594	256	—	6,850
Restricted for:					
Insurance Programs	—	—	—	5,588	5,588
Loan Programs	—	—	—	—	130,564
Other Post Employment Benefits	50	—	—	—	104
Unrestricted	3,927	1,445	13,127	—	337,770
Total Net Position	<u>\$ 6,160</u>	<u>\$ 3,039</u>	<u>\$ 13,383</u>	<u>\$ 5,588</u>	<u>\$ 480,876</u>

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, 2023

	Housing Loan Programs	Agriculture Loan Fund	Energy Efficiency Fund	Local Government Loan Fund	Utah Correctional Industries
OPERATING REVENUES					
Sales and Charges for Services/Premiums	\$ 2	\$ —	\$ 1	\$ —	\$ 14,037
Fees and Assessments	—	—	—	—	—
Interest on Notes/Mortgages	2,528	786	—	—	—
Miscellaneous	6	3	—	—	—
Total Operating Revenues	<u>2,536</u>	<u>789</u>	<u>1</u>	<u>0</u>	<u>14,037</u>
OPERATING EXPENSES					
Administration	—	273	—	—	3,533
Purchases, Materials, and Services for Resale	—	—	—	—	7,394
Grants	16,887	—	—	—	—
Rentals and Leases	—	—	—	—	112
Maintenance	—	—	—	—	346
Depreciation/Amortization	—	—	—	—	340
Benefit Claims	—	—	—	—	—
Miscellaneous Other:					
Data Processing	—	21	—	—	317
Supplies	—	2	—	—	838
Utilities	—	2	—	—	47
Other	245	6	1	2	323
Total Operating Expenses	<u>17,132</u>	<u>304</u>	<u>1</u>	<u>2</u>	<u>13,250</u>
Operating Income (Loss)	<u>(14,596)</u>	<u>485</u>	<u>0</u>	<u>(2)</u>	<u>787</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income (Expense)	684	1,049	118	4,146	—
Federal Contracts and Grants	7,218	—	—	—	—
Disposal of Capital Assets	—	—	—	—	10
Tax Revenues	—	525	—	—	—
Interest Expense	—	—	—	—	(83)
Other Revenues (Expenses)	—	3	—	—	—
Total Nonoperating Revenues (Expenses)	<u>7,902</u>	<u>1,577</u>	<u>118</u>	<u>4,146</u>	<u>(73)</u>
Income (Loss) before Transfers	<u>(6,694)</u>	<u>2,062</u>	<u>118</u>	<u>4,144</u>	<u>714</u>
Transfers In	22,243	—	—	71,550	2
Transfers Out	<u>(242)</u>	<u>(1,113)</u>	<u>(3)</u>	<u>(14,550)</u>	<u>(571)</u>
Change in Net Position	<u>15,307</u>	<u>949</u>	<u>115</u>	<u>61,144</u>	<u>145</u>
Net Position – Beginning	190,015	59,667	3,898	115,213	6,253
Net Position – Ending	<u>\$ 205,322</u>	<u>\$ 60,616</u>	<u>\$ 4,013</u>	<u>\$ 176,357</u>	<u>\$ 6,398</u>

Continues

State of Utah

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

Continued

	State Trust Lands Administration	Utah Dairy Commission	Medical Cannabis Fund	Petroleum Storage Tank Fund	Total Nonmajor Enterprise Funds
OPERATING REVENUES					
Sales and Charges for Services/Premiums	\$ 23,877	\$ —	\$ —	\$ 7,151	\$ 45,068
Fees and Assessments	46	2,415	8,826	140	11,427
Interest on Notes/Mortgages	—	—	—	—	3,314
Miscellaneous	—	—	—	—	9
Total Operating Revenues	23,923	2,415	8,826	7,291	59,818
OPERATING EXPENSES					
Administration	12,290	94	3,173	—	19,363
Purchases, Materials, and Services for Resale	—	93	—	—	7,487
Grants	—	—	—	—	16,887
Rentals and Leases	254	—	159	—	525
Maintenance	313	—	110	—	769
Depreciation/Amortization	419	42	56	—	857
Benefit Claims	—	—	—	3,060	3,060
Miscellaneous Other:					
Data Processing	1,223	—	633	—	2,194
Supplies	495	—	31	—	1,366
Utilities	138	—	21	—	208
Other	7,976	2,131	1,063	—	11,747
Total Operating Expenses	23,108	2,360	5,246	3,060	64,463
Operating Income (Loss)	815	55	3,580	4,231	(4,645)
NONOPERATING REVENUES (EXPENSES)					
Investment Income (Expense)	—	(45)	421	1,164	7,537
Federal Contracts and Grants	—	—	—	—	7,218
Disposal of Capital Assets	—	—	—	—	10
Tax Revenues	—	—	—	—	525
Interest Expense	(52)	—	—	—	(135)
Other Revenues (Expenses)	—	—	—	—	3
Total Nonoperating Revenues (Expenses)	(52)	(45)	421	1,164	15,158
Income (Loss) before Transfers	763	10	4,001	5,395	10,513
Transfers In	—	—	541	—	94,336
Transfers Out	(449)	—	(702)	(1,690)	(19,320)
Change in Net Position	314	10	3,840	3,705	85,529
Net Position – Beginning	5,846	3,029	9,543	1,883	395,347
Net Position – Ending	\$ 6,160	\$ 3,039	\$ 13,383	\$ 5,588	\$ 480,876

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

For the Fiscal Year Ended June 30, 2023

	Housing Loan Programs	Agriculture Loan Fund	Energy Efficiency Fund	Local Government Loan Fund	Utah Correctional Industries
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers/Loan Interest/Fees/Premiums	\$ 2,088	\$ 756	\$ 1	\$ —	\$ 3,088
Receipts from Loan Maturities	6,032	4,591	—	—	—
Receipts from State Customers	—	—	—	—	10,840
Payments to Suppliers/Claims/Grants	(4,876)	(23)	—	—	(8,528)
Disbursements for Loans Receivable	(18,298)	(4,322)	—	—	—
Payments for Employee Services and Benefits	—	(271)	—	—	(4,491)
Payments to State Suppliers	(15,486)	(25)	(1)	(2)	(1,101)
Net Cash Provided (Used) by Operating Activities	<u>(30,540)</u>	<u>706</u>	<u>0</u>	<u>(2)</u>	<u>(192)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Federal Contracts, Grants and Other Revenues	7,231	3	—	—	—
Restricted Sales Tax	—	525	—	—	—
Transfers In from Other Funds	22,243	—	—	71,550	2
Transfers Out to Other Funds	(242)	(1,113)	(3)	(14,550)	—
Net Cash Provided (Used) by Noncapital Financing Activities	<u>29,232</u>	<u>(585)</u>	<u>(3)</u>	<u>57,000</u>	<u>2</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from Disposition of Capital Assets	—	—	—	—	1,269
Principal Paid on Debt and Contract Maturities	—	—	—	—	(439)
Acquisition and Construction of Capital Assets	—	—	—	—	(512)
Interest Paid on Bonds, Notes, and Capital Leases	—	—	—	—	(105)
Transfers Out to Other Funds	—	—	—	—	(571)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(358)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts of Interest and Dividends	684	1,049	108	1,944	—
Receipts from Loan Maturities	—	—	255	6,033	—
Receipts of Interest from Loans	—	—	10	1,841	—
Disbursements for Loans Receivable	—	—	—	(11,003)	—
Net Cash Provided (Used) by Investing Activities	<u>684</u>	<u>1,049</u>	<u>373</u>	<u>(1,185)</u>	<u>0</u>
Net Cash Provided (Used) – All Activities	<u>(624)</u>	<u>1,170</u>	<u>370</u>	<u>55,813</u>	<u>(548)</u>
Cash and Cash Equivalents – Beginning	31,823	27,009	2,982	37,832	1,643
Cash and Cash Equivalents – Ending	<u>\$ 31,199</u>	<u>\$ 28,179</u>	<u>\$ 3,352</u>	<u>\$ 93,645</u>	<u>\$ 1,095</u>

Continues

State of Utah

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

Continued

	State Trust Lands Administration	Utah Dairy Commission	Medical Cannabis Fund	Petroleum Storage Tank Fund	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers/Loan Interest/Fees/ Premiums	\$ 46	\$ 2,424	\$ 8,447	\$ 7,421	\$ 24,271
Receipts from Loan Maturities	—	—	—	—	10,623
Receipts from State Customers	24,452	—	—	—	35,292
Payments to Suppliers/Claims/Grants	(7,655)	(2,218)	(555)	(2,495)	(26,350)
Disbursements for Loans Receivable	—	—	—	—	(22,620)
Payments for Employee Services and Benefits	(12,223)	(94)	(3,134)	—	(20,213)
Payments to State Suppliers	(2,050)	—	(1,643)	—	(20,308)
Net Cash Provided (Used) by Operating Activities	<u>2,570</u>	<u>112</u>	<u>3,115</u>	<u>4,926</u>	<u>(19,305)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Federal Contracts, Grants and Other Revenues	—	—	—	—	7,234
Restricted Sales Tax	—	—	—	—	525
Transfers In from Other Funds	—	—	541	—	94,336
Transfers Out to Other Funds	(449)	—	(702)	(1,690)	(18,749)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(449)</u>	<u>0</u>	<u>(161)</u>	<u>(1,690)</u>	<u>83,346</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from Disposition of Capital Assets	—	—	—	—	1,269
Principal Paid on Debt and Contract Maturities	—	—	—	—	(439)
Acquisition and Construction of Capital Assets	(2,580)	—	(14)	—	(3,106)
Interest Paid on Bonds, Notes, and Capital Leases	(52)	—	—	—	(157)
Transfers Out to Other Funds	—	—	—	—	(571)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,632)</u>	<u>0</u>	<u>(14)</u>	<u>0</u>	<u>(3,004)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts of Interest and Dividends	—	6	421	1,164	5,376
Receipts from Loan Maturities	—	—	—	—	6,288
Receipts of Interest from Loans	—	—	—	—	1,851
Disbursements for Loans Receivable	—	—	—	—	(11,003)
Net Cash Provided (Used) by Investing Activities	<u>0</u>	<u>6</u>	<u>421</u>	<u>1,164</u>	<u>2,512</u>
Net Cash Provided (Used) – All Activities	(511)	118	3,361	4,400	63,549
Cash and Cash Equivalents – Beginning	9,582	881	9,132	29,516	150,400
Cash and Cash Equivalents – Ending	<u>\$ 9,071</u>	<u>\$ 999</u>	<u>\$ 12,493</u>	<u>\$ 33,916</u>	<u>\$ 213,949</u>

Continues

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

For the Fiscal Year Ended June 30, 2023

Continued

	Housing Loan Program	Agriculture Loan Fund	Energy Efficiency Fund	Local Government Loan Fund	Utah Correctional Industries
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (14,596)	\$ 485	\$ —	\$ (2)	\$ 787
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation/Amortization Expense	—	—	—	—	340
Pension and OPEB Expense Accruals	—	—	—	—	(987)
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
Accounts Receivable/Due From Other Funds	—	—	—	—	(109)
Notes/Accrued Interest Receivables	(12,712)	235	—	—	—
Inventories	—	—	—	—	160
Prepaid Items	(3,127)	—	—	—	13
Accrued Liabilities/Due to Other Funds	(103)	(14)	—	—	(396)
Unearned Revenue/Deposits	(2)	—	—	—	—
Policy Claims Liabilities	—	—	—	—	—
Net Cash Provided (Used) by Operating Activities	<u>\$ (30,540)</u>	<u>\$ 706</u>	<u>\$ 0</u>	<u>\$ (2)</u>	<u>\$ (192)</u>

Continues

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

Continued

	<u>State Trust Lands Administration</u>	<u>Utah Dairy Commission</u>	<u>Medical Cannabis Fund</u>	<u>Petroleum Storage Tank Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 815	\$ 55	\$ 3,580	\$ 4,231	\$ (4,645)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation/Amortization Expense	419	42	56	—	857
Pension and OPEB Expense Accruals	107	—	—	—	(880)
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
Accounts Receivable/Due From Other Funds	1,295	12	(393)	17	822
Notes/Accrued Interest Receivables	—	—	—	89	(12,388)
Inventories	—	—	—	—	160
Prepaid Items	(40)	—	(330)	—	(3,484)
Accrued Liabilities/Due to Other Funds	694	3	202	(483)	(97)
Unearned Revenue/Deposits	(720)	—	—	24	(698)
Policy Claims Liabilities	—	—	—	1,048	1,048
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,570</u>	<u>\$ 112</u>	<u>\$ 3,115</u>	<u>\$ 4,926</u>	<u>\$ (19,305)</u>

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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, 2023

	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	\$ —	\$ 10,972	\$ 134	\$ 96,448	\$ 4,154	\$ 1,584	\$ 3,776	\$ 117,068
Receivables:								
Accounts, net	85	3,048	4,806	20	40	5	718	8,722
Due From Other Funds	32,960	3,322	3,449	1,327	1,622	953	7,795	51,428
Due From Component Units	31	20	86	7	472	1	1	618
Prepaid Items	1,714	178	8	10,920	23	248	3	13,094
Inventories	374	822	2,927	—	—	—	—	4,123
Total Current Assets	35,164	18,362	11,410	108,722	6,311	2,791	12,293	195,053
Noncurrent Assets:								
Restricted Cash and Cash Equivalents	—	—	—	503	—	—	—	503
Prepaid Items	13,625	—	—	16,667	163	—	—	30,455
Net Other Postemployment Benefit Asset	797	30	—	—	127	109	395	1,458
Capital Assets:								
Buildings and Improvements	3,419	1,379	193	—	—	—	—	4,991
Machinery and Equipment	16,688	9,745	166,334	—	754	49	—	193,570
Software	5,183	1,256	638	704	120	2,468	—	10,369
Construction in Progress	—	273	—	—	—	—	—	273
Less Accumulated Depreciation / Amortization	(19,078)	(10,125)	(85,443)	(228)	(768)	(2,458)	—	(118,100)
Total Capital Assets	6,212	2,528	81,722	476	106	59	0	91,103
Total Noncurrent Assets	20,634	2,558	81,722	17,646	396	168	395	123,519
Total Assets	55,798	20,920	93,132	126,368	6,707	2,959	12,688	318,572
DEFERRED OUTFLOWS OF RESOURCES								
Deferred Outflows Relating to Pensions	21,800	1,425	620	1,011	2,142	2,755	8,873	38,626
Deferred Outflows Relating to Other Postemployment Benefit	1,168	44	—	—	133	160	578	2,083
Total Deferred Outflows of Resources	22,968	1,469	620	1,011	2,275	2,915	9,451	40,709
LIABILITIES								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	18,456	4,497	6,029	2,844	3,039	897	3,607	39,369
Due To Other Funds	406	66	165	1,159	252	3	88	2,139
Interfund Loans Payable	1,890	—	13,315	—	—	—	—	15,205
Unearned Revenue	—	—	—	8,333	—	—	—	8,333
Policy Claims Liabilities	—	—	—	24,801	—	—	—	24,801
Contracts/Notes Payable	—	—	—	—	23	—	—	23
Lease Liability	—	—	1,264	—	—	—	—	1,264
Subscription Software Liability	—	161	—	—	—	—	—	161
Total Current Liabilities	20,752	4,724	20,773	37,137	3,314	900	3,695	91,295
Noncurrent Liabilities:								
Unearned Revenue	—	—	—	16,667	—	—	—	16,667
Interfund Loans Payable	4,593	137	13,420	—	—	—	—	18,150
Policy Claims Liabilities	—	—	—	46,835	—	—	—	46,835
Lease Liability	—	—	677	—	—	—	—	677
Subscription Software Liability	—	337	—	—	—	—	—	337
Net Pension Liability	34,030	1,190	892	1,736	3,487	5,004	15,071	61,410
Total Noncurrent Liabilities	38,623	1,664	14,989	65,238	3,487	5,004	15,071	144,076
Total Liabilities	59,375	6,388	35,762	102,375	6,801	5,904	18,766	235,371
DEFERRED INFLOWS OF RESOURCES								
Deferred Inflows Relating to Pensions	582	20	15	30	58	86	258	1,049
Deferred Inflows Relating to Other Postemployment Benefit	753	28	—	—	82	103	373	1,339
Total Deferred Inflows of Resources	1,335	48	15	30	140	189	631	2,388
NET POSITION								
Net Investment in Capital Assets	6,212	2,528	81,722	476	106	59	—	91,103
Restricted for:								
Insurance Programs	—	—	—	15,571	—	—	—	15,571
Other Post Employment Benefits	1,212	46	—	—	178	166	600	2,202
Unrestricted (Deficit)	10,632	13,379	(23,747)	8,927	1,757	(444)	2,142	12,646
Total Net Position	\$ 18,056	\$ 15,953	\$ 57,975	\$ 24,974	\$ 2,041	\$ (219)	\$ 2,742	\$ 121,522

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

For the Fiscal Year Ended June 30, 2023

	<u>Technology Services</u>	<u>General Services</u>	<u>Fleet Operations</u>	<u>Risk Management</u>	<u>Property Management</u>	<u>Human Resource Management</u>	<u>Attorney General Legal Services</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES								
Charges for Services/Premiums	\$ 149,099	\$ 22,850	\$ 89,117	\$ 75,846	\$ 38,591	\$ 17,124	\$ 52,149	\$ 444,776
Miscellaneous	—	81	351	—	—	—	—	432
Total Operating Revenues	<u>149,099</u>	<u>22,931</u>	<u>89,468</u>	<u>75,846</u>	<u>38,591</u>	<u>17,124</u>	<u>52,149</u>	<u>445,208</u>
OPERATING EXPENSES								
Administration	97,231	5,518	2,906	4,587	13,623	12,881	47,900	184,646
Materials and Services for Resale	5,644	11,459	60,909	46,335	—	—	—	124,347
Rentals and Leases	83	38	420	14	225	—	14	794
Maintenance	939	281	7,455	9	15,779	111	2	24,576
Depreciation/Amortization	2,826	755	15,459	143	33	485	—	19,701
Benefit Claims	—	—	—	39,777	—	—	—	39,777
Miscellaneous Other:								
Data Processing	29,504	1,260	812	342	872	1,596	1,724	36,110
Supplies	355	37	581	158	250	42	21	1,444
Utilities	6,442	33	104	23	10,634	90	254	17,580
Other	1,955	1,058	699	1,719	2,076	502	2,130	10,139
Total Operating Expenses	<u>144,979</u>	<u>20,439</u>	<u>89,345</u>	<u>93,107</u>	<u>43,492</u>	<u>15,707</u>	<u>52,045</u>	<u>459,114</u>
Operating Income (Loss)	<u>4,120</u>	<u>2,492</u>	<u>123</u>	<u>(17,261)</u>	<u>(4,901)</u>	<u>1,417</u>	<u>104</u>	<u>(13,906)</u>
NONOPERATING REVENUES (EXPENSES)								
Investment Earnings	—	—	—	3,080	60	—	—	3,140
Disposal of Capital Assets	(126)	36	884	—	—	—	—	794
Interest Expense	—	(17)	(67)	—	(3)	—	—	(87)
Refunds Paid to Federal Government	—	(60)	—	(397)	—	—	—	(457)
Other Revenues (Expenses)	—	42	—	(25)	—	—	—	17
Total Nonoperating Revenues (Expenses)	<u>(126)</u>	<u>1</u>	<u>817</u>	<u>2,658</u>	<u>57</u>	<u>0</u>	<u>0</u>	<u>3,407</u>
Income (Loss) before Capital Contributions and Transfers	<u>3,994</u>	<u>2,493</u>	<u>940</u>	<u>(14,603)</u>	<u>(4,844)</u>	<u>1,417</u>	<u>104</u>	<u>(10,499)</u>
Capital Contributions	—	—	929	—	—	—	—	929
Transfers In	—	—	1,007	15,000	—	—	3,885	19,892
Transfers Out	—	(500)	(13)	—	—	—	—	(513)
Change in Net Position	<u>3,994</u>	<u>1,993</u>	<u>2,863</u>	<u>397</u>	<u>(4,844)</u>	<u>1,417</u>	<u>3,989</u>	<u>9,809</u>
Net Position – Beginning	<u>14,062</u>	<u>13,960</u>	<u>55,112</u>	<u>24,577</u>	<u>6,885</u>	<u>(1,636)</u>	<u>(1,247)</u>	<u>111,713</u>
Net Position – Ending	<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>

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State of Utah

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

For the Fiscal Year Ended June 30, 2023

	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	\$ 506	\$ 14,928	\$ 43,801	\$ 48,803	\$ 328	\$ 12	\$ 285	\$ 108,663
Receipts from State Departments and Component Unit Customers	423,201	49,745	47,150	51,503	38,127	16,597	48,816	675,139
Payments to Suppliers/Claims/Grants	(322,902)	(54,818)	(70,996)	(102,422)	(29,174)	(318)	(847)	(581,477)
Payments for Employee Services and Benefits	(100,372)	(6,224)	(3,101)	(4,572)	(13,709)	(13,330)	(47,439)	(188,747)
Payments to State Suppliers and Grants	(4,398)	(2,324)	(818)	(7,141)	(995)	(2,175)	(3,029)	(20,880)
Net Cash Provided (Used) by Operating Activities	(3,965)	1,307	16,036	(13,829)	(5,423)	786	(2,214)	(7,302)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Borrowings Under Interfund Loans	3,965	137	—	—	—	—	—	4,102
Payments of Bonds, Notes, Deposits, and Refunds	—	—	—	—	(58)	—	—	(58)
Interest Paid on Bonds, Notes, and Financing Costs	—	—	—	—	(3)	—	—	(3)
Transfers In from Other Funds	—	—	—	15,000	—	—	3,885	18,885
Transfers Out to Other Funds	—	(500)	(13)	—	—	—	—	(513)
Net Cash Provided (Used) by Noncapital Financing Activities	3,965	(363)	(13)	15,000	(61)	0	3,885	22,413
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Borrowings Under Interfund Loans	1,717	—	27,111	—	—	—	—	28,828
Repayments Under Interfund Loans	—	—	(16,965)	—	—	—	—	(16,965)
Proceeds from Disposition of Capital Assets	—	38	2,232	—	—	—	—	2,270
Federal Grants and Other Revenues	—	—	929	—	—	—	—	929
Principal Paid on Debt and Contract Maturities	—	(156)	(3,192)	—	—	—	—	(3,348)
Acquisition and Construction of Capital Assets	(1,717)	(910)	(27,111)	—	(87)	—	—	(29,825)
Interest Paid on Bonds, Notes, and Capital Leases	—	(17)	(67)	—	—	—	—	(84)
Transfers In from Other Funds	—	—	1,007	—	—	—	—	1,007
Net Cash Provided (Used) by Capital and Related Financing Activities	0	(1,045)	(16,056)	0	(87)	0	0	(17,188)
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts of Interest and Dividends from Investments	—	—	—	3,080	60	—	—	3,140
Net Cash Provided (Used) by Investing Activities	0	0	0	3,080	60	0	0	3,140
Net Cash Provided (Used) – All Activities	0	(101)	(33)	4,251	(5,511)	786	1,671	1,063
Cash and Cash Equivalents – Beginning	0	11,073	167	92,700	9,665	798	2,105	116,508
Cash and Cash Equivalents – Ending	\$ 0	\$ 10,972	\$ 134	\$ 96,951	\$ 4,154	\$ 1,584	\$ 3,776	\$ 117,571

Continues

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

For the Fiscal Year Ended June 30, 2023
Continued

	<u>Technology Services</u>	<u>General Services</u>	<u>Fleet Operations</u>	<u>Risk Management</u>	<u>Property Management</u>	<u>Human Resource Management</u>	<u>Attorney General Legal Services</u>	<u>Total Internal Service Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Operating Income (Loss)	\$ 4,120	\$ 2,492	\$ 123	\$ (17,261)	\$ (4,901)	\$ 1,417	\$ 104	\$ (13,906)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Depreciation/Amortization Expense	2,826	755	15,459	143	33	485	—	19,701
Pension and OPEB Expense Accruals	(3,780)	(676)	(195)	(31)	(219)	(518)	(480)	(5,899)
Miscellaneous Gains, Losses, and Other Items	—	(18)	—	(422)	—	—	—	(440)
Net Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:								
Accounts Receivable/Due From Other Funds	6,923	(1,960)	1,483	(515)	(136)	(515)	(3,048)	2,232
Inventories	(8)	(253)	124	—	—	—	—	(137)
Prepaid Items/Other Assets	(2,159)	(32)	(3)	(27,565)	339	(157)	10	(29,567)
Accrued Liabilities/Due to Other Funds	(11,887)	1,004	(955)	2,072	(539)	74	1,200	(9,031)
Unearned Revenue/Deposits	—	(5)	—	25,000	—	—	—	24,995
Policy Claims Liabilities	—	—	—	4,750	—	—	—	4,750
Net Cash Provided (Used) by Operating Activities	<u>\$ (3,965)</u>	<u>\$ 1,307</u>	<u>\$ 16,036</u>	<u>\$ (13,829)</u>	<u>\$ (5,423)</u>	<u>\$ 786</u>	<u>\$ (2,214)</u>	<u>\$ (7,302)</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES								
Increase (Decrease) in Fair Value of Investments	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total Noncash Investing, Capital, and Financing Activities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

Defined Benefit Pension Plans and Defined Contribution Plans

These funds are used to account for the various pension trust funds and defined contribution plans administered by the Utah Retirement Systems. Funding comes from employee and employer contributions and investment earnings. Contributions in some systems are augmented by fees, insurance premium taxes, or legislative appropriations.

Post-Retirement Benefits Trust Funds

The State administers the State Employee and the Elected Official Other Postemployment Benefit Plans as irrevocable trusts. These trust funds account for the assets accumulated and the payments made for other postemployment benefits provided to current and future state employee and elected official retirees. Funding comes from employer contributions and investment earnings.

Other Employee Benefits Trust Funds

These trust funds are used to pay other employee benefits upon retirement or termination.

PRIVATE PURPOSE TRUST FUNDS

Utah Navajo Trust

This fund receives oil royalties, operating, and other trust revenues. Funds received are used for the health, education, and general welfare of Navajo residents of San Juan County, Utah.

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

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

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, 2023

	Pension Trust					Governors and Legislative Pension Plan
	Non- Contributory System	Contributory System	Public Safety System	Firefighters System	Judges System	
ASSETS						
Cash and Cash Equivalents	\$ 950,094	\$ 35,353	\$ 138,498	\$ 48,964	\$ 7,610	\$ 348
Pooled Cash and Investments	—	—	—	—	—	—
Receivables:						
Member Contributions	—	48	9	645	—	—
Employer Contributions	36,503	127	4,960	213	383	167
Court Fees and Fire Insurance Premiums	—	—	—	105	159	—
Investments Settlements	252,182	9,418	36,893	13,044	2,027	93
Total Receivables	<u>288,685</u>	<u>9,593</u>	<u>41,862</u>	<u>14,007</u>	<u>2,569</u>	<u>260</u>
Restricted Cash and Cash Equivalents	—	—	—	—	—	—
Investments:						
Debt Securities	5,008,270	187,036	732,673	259,054	40,256	1,838
Equity Investments	10,133,950	378,457	1,482,521	524,182	81,456	3,720
Absolute Return	5,838,782	218,052	854,171	302,014	46,932	2,143
Private Equity	4,287,226	160,108	627,189	221,758	34,460	1,574
Real Assets	6,678,321	249,405	976,988	345,439	53,680	2,451
Private Debt	—	—	—	—	—	—
Invested Securities Lending Collateral	1,079,355	40,309	157,901	55,830	8,676	396
Total Investments	<u>33,025,904</u>	<u>1,233,367</u>	<u>4,831,443</u>	<u>1,708,277</u>	<u>265,460</u>	<u>12,122</u>
Capital Assets:						
Land	1,387	55	202	70	11	—
Buildings and Improvements	16,684	623	2,440	863	134	6
Machinery and Equipment	4,215	157	616	218	34	1
Intangible Assets	19,909	744	2,912	1,030	160	7
Less Accumulated Depreciation	(28,005)	(1,049)	(4,095)	(1,447)	(225)	(9)
Total Capital Assets	<u>14,190</u>	<u>530</u>	<u>2,075</u>	<u>734</u>	<u>114</u>	<u>5</u>
Total Assets	<u>34,278,873</u>	<u>1,278,843</u>	<u>5,013,878</u>	<u>1,771,982</u>	<u>275,753</u>	<u>12,735</u>
LIABILITIES						
Accounts Payable	458,661	16,994	66,570	23,756	3,658	167
Securities Lending Liability	1,079,355	40,309	157,901	55,830	8,676	396
Disbursements in Excess of Cash Balance	41,912	1,565	6,131	2,168	337	15
Investment Settlements Payable	—	—	—	—	—	—
Leave/Postemployment Benefits	14,451	540	2,115	748	117	5
Insurance Reserves	4,398	164	643	227	35	2
Real Estate Liabilities	77,533	2,896	11,343	4,010	623	28
Total Liabilities	<u>1,676,310</u>	<u>62,468</u>	<u>244,703</u>	<u>86,739</u>	<u>13,446</u>	<u>613</u>
NET POSITION						
Restricted for:						
Pension Benefits	32,602,563	1,216,375	4,769,175	1,685,243	262,307	12,122
Other Postemployment Benefits	—	—	—	—	—	—
Other Employee Benefits	—	—	—	—	—	—
Defined Contribution	—	—	—	—	—	—
Total Net Position	<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>

Continues

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

June 30, 2023

Continued

	Pension Trust		Defined Contributions Plans		
	Tier 2 Public Employees	Tier 2 Public Safety and Firefighters	401(k) Plan	457(b) Plan	IRA Plans
ASSETS					
Cash and Cash Equivalents	\$ 37,177	\$ 6,393	\$ 25,050	\$ 510	\$ 590
Pooled Cash and Investments	—	—	—	—	—
Receivables:					
Member Contributions	—	309	—	—	—
Employer Contributions	24,395	3,216	—	—	—
Court Fees and Fire Insurance Premiums	—	—	—	—	—
Investments Settlements	9,904	1,703	79,577	9,535	—
Total Receivables	34,299	5,228	79,577	9,535	0
Restricted Cash and Cash Equivalents	—	—	—	—	—
Investments:					
Debt Securities	196,684	33,814	2,093,854	218,320	176,327
Equity Investments	397,979	68,420	4,147,356	480,651	294,943
Absolute Return	229,300	39,421	—	—	—
Private Equity	168,367	28,945	—	—	—
Real Assets	262,270	45,089	234,675	23,001	18,277
Private Debt	—	—	—	—	—
Invested Securities Lending Collateral	42,388	7,287	—	—	—
Total Investments	1,296,988	222,976	6,475,885	721,972	489,547
Capital Assets:					
Land	47	8	—	—	—
Buildings and Improvements	655	113	—	—	—
Machinery and Equipment	165	29	—	—	—
Intangible Assets	782	136	—	—	—
Less Accumulated Depreciation	(1,092)	(190)	—	—	—
Total Capital Assets	557	96	0	0	0
Total Assets	1,369,021	234,693	6,580,512	732,017	490,137
LIABILITIES					
Accounts Payable	17,871	3,072	25,547	683	414
Securities Lending Liability	42,388	7,287	—	—	—
Disbursements in Excess of Cash Balance	1,646	283	686	27	29
Investment Settlements Payable	—	—	—	—	—
Leave/Postemployment Benefits	567	97	—	—	—
Insurance Reserves	173	30	—	—	—
Real Estate Liabilities	3,045	523	—	—	—
Total Liabilities	65,690	11,292	26,233	710	443
NET POSITION					
Restricted for:					
Pension Benefits	1,303,331	223,401	—	—	—
Other Postemployment Benefits	—	—	—	—	—
Other Employee Benefits	—	—	—	—	—
Defined Contribution	—	—	6,554,279	731,307	489,694
Total Net Position	\$ 1,303,331	\$ 223,401	\$ 6,554,279	\$ 731,307	\$ 489,694

Continues

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

June 30, 2023
Continued

	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	
ASSETS					
Cash and Cash Equivalents	\$ —	\$ —	\$ —	\$ —	\$ 1,250,587
Pooled Cash and Investments	11,412	2,499	16,722	22,675	53,308
Receivables:					
Member Contributions	—	—	—	—	1,011
Employer Contributions	371	—	949	1,419	72,703
Court Fees and Fire Insurance Premiums	—	—	—	—	264
Investments Settlements	28,817	6,383	3,454	—	453,030
Total Receivables	29,188	6,383	4,403	1,419	527,008
Restricted Cash and Cash Equivalents	6,031	487	1,738	—	8,256
Investments:					
Debt Securities	231,361	5,773	62,214	—	9,247,474
Equity Investments	—	5,020	—	—	17,998,655
Absolute Return	—	—	—	—	7,530,815
Private Equity	—	—	—	—	5,529,627
Real Assets	6,915	394	—	—	8,896,905
Private Debt	6,944	994	1,701	—	9,639
Invested Securities Lending Collateral	—	—	—	—	1,392,142
Total Investments	245,220	12,181	63,915	—	50,605,257
Capital Assets:					
Land	—	—	—	—	1,780
Buildings and Improvements	—	—	—	—	21,518
Machinery and Equipment	—	—	—	—	5,435
Intangible Assets	—	—	—	—	25,680
Less Accumulated Depreciation	—	—	—	—	(36,112)
Total Capital Assets	0	0	0	0	18,301
Total Assets	291,851	21,550	86,778	24,094	52,462,717
LIABILITIES					
Accounts Payable	164	—	—	—	617,557
Securities Lending Liability	—	—	—	—	1,392,142
Disbursements in Excess of Cash Balance	—	—	—	—	54,799
Investment Settlements Payable	33,910	—	9,996	—	43,906
Leave/Postemployment Benefits	2,318	—	626	705	22,289
Insurance Reserves	—	—	—	—	5,672
Real Estate Liabilities	—	—	—	—	100,001
Total Liabilities	36,392	0	10,622	705	2,236,366
NET POSITION					
Restricted for:					
Pension Benefits	—	—	—	—	42,074,517
Other Postemployment Benefits	255,459	21,550	—	—	277,009
Other Employee Benefits	—	—	76,156	23,389	99,545
Defined Contribution	—	—	—	—	7,775,280
Total Net Position	\$ 255,459	\$ 21,550	\$ 76,156	\$ 23,389	\$ 50,226,351

**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, 2023

	Pension Trust					
	Non-Contributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Governors and Legislative Pension Plan
ADDITIONS						
Contributions:						
Member	\$ 15,415	\$ 1,240	\$ 1,037	\$ 19,269	\$ —	\$ —
Employer	969,922	3,675	168,535	6,473	9,378	422
Court Fees and Fire Insurance Premiums	—	—	—	22,738	1,335	—
Total Contributions	985,337	4,915	169,572	48,480	10,713	422
Investment Income:						
Net Increase (Decrease) in Fair Value of Investments	(2,397,887)	(92,459)	(349,636)	(123,420)	(19,262)	(907)
Interest, Dividends, and Other Investment Income	663,003	25,564	96,673	34,125	5,326	251
Total Income (Loss) from Investment Activity	(1,734,884)	(66,895)	(252,963)	(89,295)	(13,936)	(656)
Less Investment Expenses	(102,596)	(3,956)	(14,960)	(5,280)	(824)	(39)
Net Income (Loss) from Investment Activity	(1,837,480)	(70,851)	(267,923)	(94,575)	(14,760)	(695)
Income from Security Lending Activity	4,250	164	620	219	34	2
Less Security Lending Expenses	(340)	(14)	(49)	(17)	(3)	—
Net Income from Security Lending Activity	3,910	150	571	202	31	2
Net Investment Income (Loss)	(1,833,570)	(70,701)	(267,352)	(94,373)	(14,729)	(693)
Transfers From Affiliated Systems	58,592	—	5,403	3,513	1,990	—
Total Additions	(789,641)	(65,786)	(92,377)	(42,380)	(2,026)	(271)
DEDUCTIONS						
Retirement Benefits	1,403,260	79,560	201,672	57,540	14,606	847
Cost of Living Benefits	259,380	14,791	39,965	13,355	3,003	163
Supplemental Retirement Benefits	—	14	139	124	—	—
Retiree Healthcare Benefits	—	—	—	—	—	—
Refunds/Plan Distributions	3,334	848	552	370	—	—
Administrative Expenses	10,357	382	1,513	451	88	4
Transfers To Affiliated Systems	—	69,481	—	—	—	18
Total Deductions	1,676,331	165,076	243,841	71,840	17,697	1,032
Change in Net Position Restricted for:						
Pension Benefits	(2,465,972)	(230,862)	(336,218)	(114,220)	(19,723)	(1,303)
Other Postemployment Benefits	—	—	—	—	—	—
Other Employee Benefits	—	—	—	—	—	—
Defined Contribution	—	—	—	—	—	—
Net Position – Beginning	35,068,535	1,447,237	5,105,393	1,799,463	282,030	13,425
Net Position – Ending	<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>

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, 2023
Continued

	Pension Trust		Defined Contribution Plans		
	Tier 2 Public Employees	Tier 2 Public Safety and Firefighters	401(k) Plan	457(b) Plan	IRA Plans
ADDITIONS					
Contributions:					
Member	\$ 164	\$ 7,386	\$ 418,787	\$ 44,496	\$ 68,792
Employer	217,179	44,272	—	—	—
Court Fees and Fire Insurance Premiums	—	—	—	—	—
Total Contributions	<u>217,343</u>	<u>51,658</u>	<u>418,787</u>	<u>44,496</u>	<u>68,792</u>
Investment Income:					
Net Increase (Decrease) in Fair Value of Investments	(85,244)	(14,122)	(1,116,991)	(128,925)	(76,949)
Interest, Dividends, and Other Investment Income	23,685	3,914	3,661	442	—
Total Income (Loss) from Investment Activity	(61,559)	(10,208)	(1,113,330)	(128,483)	(76,949)
Less Investment Expenses	(3,665)	(606)	(2,936)	(316)	(233)
Net Income (Loss) from Investment Activity	<u>(65,224)</u>	<u>(10,814)</u>	<u>(1,116,266)</u>	<u>(128,799)</u>	<u>(77,182)</u>
Income from Security Lending Activity	152	25	—	—	—
Less Security Lending Expenses	(12)	(2)	—	—	—
Net Income from Security Lending Activity	<u>140</u>	<u>23</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Investment Income (Loss)	<u>(65,084)</u>	<u>(10,791)</u>	<u>(1,116,266)</u>	<u>(128,799)</u>	<u>(77,182)</u>
Transfers From Affiliated Systems	1	—	—	—	—
Total Additions	<u>152,260</u>	<u>40,867</u>	<u>(697,479)</u>	<u>(84,303)</u>	<u>(8,390)</u>
DEDUCTIONS					
Retirement Benefits	2,573	41	—	—	—
Cost of Living Benefits	29	1	—	—	—
Supplemental Retirement Benefits	—	—	—	—	—
Retiree Healthcare Benefits	—	—	—	—	—
Refunds/Plan Distributions	—	4	398,377	43,383	27,839
Administrative Expenses	345	54	7,837	847	550
Transfers To Affiliated Systems	—	—	—	—	—
Total Deductions	<u>2,947</u>	<u>100</u>	<u>406,214</u>	<u>44,230</u>	<u>28,389</u>
Change in Net Position Restricted for:					
Pension Benefits	149,313	40,767	—	—	—
Other Postemployment Benefits	—	—	—	—	—
Other Employee Benefits	—	—	—	—	—
Defined Contribution	—	—	(1,103,693)	(128,533)	(36,779)
Net Position – Beginning	<u>1,154,018</u>	<u>182,634</u>	<u>7,657,972</u>	<u>859,840</u>	<u>526,473</u>
Net Position – Ending	<u>\$ 1,303,331</u>	<u>\$ 223,401</u>	<u>\$ 6,554,279</u>	<u>\$ 731,307</u>	<u>\$ 489,694</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, 2023

Continued

	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	
ADDITIONS					
Contributions:					
Member	\$ —	\$ —	\$ —	\$ —	\$ 576,586
Employer	6,130	1,249	15,621	23,326	1,466,182
Court Fees and Fire Insurance Premiums	—	—	—	—	24,073
Total Contributions	<u>6,130</u>	<u>1,249</u>	<u>15,621</u>	<u>23,326</u>	<u>2,066,841</u>
Investment Income:					
Net Increase (Decrease) in Fair Value of Investments	(7,256)	261	(777)	—	(4,413,574)
Interest, Dividends, and Other Investment Income	12,276	1,455	2,979	622	873,976
Total Income (Loss) from Investment Activity	5,020	1,716	2,202	622	(3,539,598)
Less Investment Expenses	—	—	—	—	(135,411)
Net Income (Loss) from Investment Activity	<u>5,020</u>	<u>1,716</u>	<u>2,202</u>	<u>622</u>	<u>(3,675,009)</u>
Income from Security Lending Activity	—	—	—	—	5,466
Less Security Lending Expenses	—	—	—	—	(437)
Net Income from Security Lending Activity	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,029</u>
Net Investment Income (Loss)	<u>5,020</u>	<u>1,716</u>	<u>2,202</u>	<u>622</u>	<u>(3,669,980)</u>
Transfers From Affiliated Systems	—	—	—	—	69,499
Total Additions	<u>11,150</u>	<u>2,965</u>	<u>17,823</u>	<u>23,948</u>	<u>(1,533,640)</u>
DEDUCTIONS					
Retirement Benefits	—	—	—	—	1,760,099
Cost of Living Benefits	—	—	—	—	330,687
Supplemental Retirement Benefits	—	—	—	—	277
Retiree Healthcare Benefits	30,062	864	—	—	30,926
Refunds/Plan Distributions	—	—	9,477	10,985	495,169
Administrative Expenses	—	—	—	—	22,428
Transfers To Affiliated Systems	—	—	—	—	69,499
Total Deductions	<u>30,062</u>	<u>864</u>	<u>9,477</u>	<u>10,985</u>	<u>2,709,085</u>
Change in Net Position Restricted for:					
Pension Benefits	—	—	—	—	(2,978,218)
Other Postemployment Benefits	(18,912)	2,101	—	—	(16,811)
Other Employee Benefits	—	—	8,346	12,963	21,309
Defined Contribution	—	—	—	—	(1,269,005)
Net Position – Beginning	<u>274,371</u>	<u>19,449</u>	<u>67,810</u>	<u>10,426</u>	<u>54,469,076</u>
Net Position – Ending	<u>\$ 255,459</u>	<u>\$ 21,550</u>	<u>\$ 76,156</u>	<u>\$ 23,389</u>	<u>\$ 50,226,351</u>

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

June 30, 2023

	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.....	\$ —	\$ 2,730	\$ —	\$ —	\$ 2,730
Pooled Cash and Investments.....	41,673	8,341	261,790	3,563	315,367
Receivables:					
Accounts.....	4,000	4	—	249	4,253
Accrued Interest.....	—	24,860	—	—	24,860
Leases.....	317	—	—	—	317
Loans.....	36	—	—	—	36
Due From Other Funds.....	91	—	—	—	91
Prepaid Items.....	—	48	—	—	48
Restricted Cash and Cash Equivalents.....	5,185	—	17,981	—	23,166
Investments:					
Debt Securities.....	21,819	5,670,099	—	—	5,691,918
Equity Investments.....	5,205	15,113,135	—	—	15,118,340
Private Debt.....	3,549	—	721	—	4,270
Private Equity.....	601	—	2,078	—	2,679
Total Investments.....	<u>31,174</u>	<u>20,783,234</u>	<u>2,799</u>	<u>0</u>	<u>20,817,207</u>
Other Assets.....	90	—	—	—	90
Capital Assets:					
Land.....	686	—	—	—	686
Infrastructure.....	236	—	—	—	236
Buildings and Improvements.....	10,715	771	—	—	11,486
Machinery and Equipment.....	587	1,043	—	—	1,630
Intangible Assets.....	11	803	—	—	814
Less Accumulated Depreciation.....	(6,367)	(1,964)	—	—	(8,331)
Total Capital Assets.....	<u>5,868</u>	<u>653</u>	<u>0</u>	<u>0</u>	<u>6,521</u>
Total Assets.....	<u>88,434</u>	<u>20,819,870</u>	<u>282,570</u>	<u>3,812</u>	<u>21,194,686</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows Relating to Pensions.....	0	396	0	0	396
LIABILITIES					
Accounts Payable.....	110	1,575	—	—	1,685
Due To Other Funds.....	56	—	—	—	56
Net Pension Liability.....	—	14	—	—	14
Total Liabilities.....	<u>166</u>	<u>1,589</u>	<u>0</u>	<u>0</u>	<u>1,755</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources Relating to Leases.....	317	—	—	—	317
Deferred Inflows Relating to Pensions.....	—	20	—	—	20
Total Deferred Inflows of Resources.....	<u>317</u>	<u>20</u>	<u>0</u>	<u>0</u>	<u>337</u>
NET POSITION					
Restricted for:					
Individuals, Organizations, and Other Governments.....	87,951	20,818,657	282,570	3,812	21,192,990
Total Net Position.....	<u>\$ 87,951</u>	<u>\$ 20,818,657</u>	<u>\$ 282,570</u>	<u>\$ 3,812</u>	<u>\$ 21,192,990</u>

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

For the Fiscal Year Ended June 30, 2023

	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	\$ —	\$ 1,486,831	\$ 274,647	\$ 821	\$ 1,762,299
Total Contributions	<u>0</u>	<u>1,486,831</u>	<u>274,647</u>	<u>821</u>	<u>1,762,299</u>
Investment Income:					
Net Increase (Decrease) in Fair Value of Investments	478	1,560,376	9	—	1,560,863
Interest, Dividends, and Other Investment Income	3,105	454,337	8,175	116	465,733
Total Income From Investment Activity	<u>3,583</u>	<u>2,014,713</u>	<u>8,184</u>	<u>116</u>	<u>2,026,596</u>
Other Additions:					
Royalties and Rents	4,406	—	—	—	4,406
Fees, Assessments, and Revenues	726	—	—	—	726
Miscellaneous	1	—	—	—	1
Total Other	<u>5,133</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,133</u>
Total Additions	<u>8,716</u>	<u>3,501,544</u>	<u>282,831</u>	<u>937</u>	<u>3,794,028</u>
DEDUCTIONS					
Trust Operating Expenses	1,937	—	—	—	1,937
Distributions and Benefit Payments	331	1,103,485	—	153	1,103,969
Administrative and General Expenses	1,795	15,716	261	15	17,787
Total Deductions	<u>4,063</u>	<u>1,119,201</u>	<u>261</u>	<u>168</u>	<u>1,123,693</u>
Change in Net Position Restricted for:					
Individuals, Organizations, and Other Governments	4,653	2,382,343	282,570	769	2,670,335
Net Position – Beginning	83,298	18,436,314	—	3,043	18,522,655
Net Position – Ending	<u>\$ 87,951</u>	<u>\$ 20,818,657</u>	<u>\$ 282,570</u>	<u>\$ 3,812</u>	<u>\$ 21,192,990</u>

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

June 30, 2023

	External Investment Pool	Unclaimed Property	County and Local Collections	State Courts	Miscellaneous	Total Custodial Funds
ASSETS						
Cash and Cash Equivalents	\$ 390,364	\$ —	\$ —	\$ 2,737	\$ 3,556	\$ 396,657
Pooled Cash and Investments	—	193,601	245,474	1,103	13,235	453,413
Receivables:						
Accounts	17,602	—	—	—	21,953	39,555
Accrued Interest	96,990	—	—	—	—	96,990
Due From Other Funds	—	—	—	17	498	515
Prepaid Items	—	281	—	—	—	281
Restricted Cash and Cash Equivalents	—	—	—	—	407	407
Restricted Pooled Cash and Investments	—	—	—	—	708	708
Investments:						
Debt Securities	15,447,164	—	—	—	—	15,447,164
Total Investments	<u>15,447,164</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,447,164</u>
Other Assets	—	18,984	—	72,762	—	91,746
Total Assets	<u>15,952,120</u>	<u>212,866</u>	<u>245,474</u>	<u>76,619</u>	<u>40,357</u>	<u>16,527,436</u>
LIABILITIES						
Accounts Payable	305,868	562	7,376	574	1,152	315,532
Deposits	—	—	—	—	708	708
Due To Other Governments	—	—	238,098	—	1,176	239,274
Unearned Revenue	—	—	—	—	268	268
Total Liabilities	<u>305,868</u>	<u>562</u>	<u>245,474</u>	<u>574</u>	<u>3,304</u>	<u>555,782</u>
NET POSITION						
Restricted for:						
Pool Participants	15,646,252	—	—	—	—	15,646,252
Individuals, Organizations, and Other Governments	—	212,304	—	76,045	37,053	325,402
Total Net Position	<u>\$ 15,646,252</u>	<u>\$ 212,304</u>	<u>\$ 0</u>	<u>\$ 76,045</u>	<u>\$ 37,053</u>	<u>\$ 15,971,654</u>
Participant Account Balance:						
Net Position Valuation Factor	<u>1.00007516</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, 2023

	External Investment Pool	Unclaimed Property	County and Local Collections	State Courts	Miscellaneous	Total Custodial Funds
ADDITIONS						
Contributions:						
Member	\$ —	\$ —	\$ —	\$ —	\$ 24,596	\$ 24,596
Total Contributions	0	0	0	0	24,596	24,596
Pool Participant Deposits	16,554,374	—	—	—	—	16,554,374
Investment Income:						
Net Increase (Decrease) in Fair Value of Investments	62,443	587	774	—	—	63,804
Interest, Dividends, and Other Investment Income	1,152,230	7,473	33	—	292	1,160,028
Total Income From Investment Activity	1,214,673	8,060	807	0	292	1,223,832
Less Investment Expenses	(835)	—	—	—	—	(835)
Net Income from Investment Activity	1,213,838	8,060	807	0	292	1,222,997
Other Additions:						
Escheats	—	69,798	—	—	—	69,798
Fees, Assessments, and Revenues	—	—	—	61,340	9,385	70,725
Collections for Individuals and Other Organizations	—	—	—	—	299,606	299,606
Tax and Fee Collections for Other Governments	—	—	2,774,572	—	10,640	2,785,212
Federal Grants	—	—	73,997	—	7,659	81,656
Total Other	0	69,798	2,848,569	61,340	327,290	3,306,997
Total Additions	17,768,212	77,858	2,849,376	61,340	352,178	21,108,964
DEDUCTIONS						
Member Distributions	—	—	—	—	24,321	24,321
Earnings Distributions	1,151,395	—	—	—	—	1,151,395
Pool Participant Withdrawals	15,697,651	—	—	—	—	15,697,651
Trust Operating Expenses	—	—	22	—	574	596
Distributions and Benefit Payments	—	29,062	—	—	—	29,062
Administrative and General Expenses	—	4,321	—	—	—	4,321
Distributions to Individuals and Other Organizations	—	—	—	45,407	309,157	354,564
Payment of Taxes and Fees to Other Governments	—	—	2,775,354	—	10,638	2,785,992
Pass Through of Federal Grants	—	—	74,000	—	7,659	81,659
Total Deductions	16,849,046	33,383	2,849,376	45,407	352,349	20,129,561
Change in Net Position Restricted for:						
Pool Participants	919,166	—	—	—	—	919,166
Individuals, Organizations, and Other Governments	—	44,475	—	15,933	(171)	60,237
Net Position – Beginning	14,754,981	167,829	—	60,112	37,224	15,020,146
Adjustment to Beginning Net Position	(27,895)	—	—	—	—	(27,895)
Net Position – Beginning as Adjusted	14,727,086	167,829	—	60,112	37,224	14,992,251
Net Position – Ending	<u>\$15,646,252</u>	<u>\$ 212,304</u>	<u>\$ 0</u>	<u>\$ 76,045</u>	<u>\$ 37,053</u>	<u>\$ 15,971,654</u>

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Utah Communications Authority

The Utah Communications Authority (UCA) provides public safety communications services and facilities on a statewide basis for the benefit and use of state, local, and federal agencies. UCA supports statewide interoperability of emergency communications throughout the State, and manages the 911 funds collected by the State for the benefit of the Public Safety Answering Points within the State. UCA operations are funded through service charges supplemented with federal grants and state fees and appropriations.

Utah Schools for the Deaf and the Blind

The Schools were created to provide education to individuals with hearing and/or vision impairments, through direct and indirect education services, as well as consultation to their families and service providers.

Military Installation Development Authority

This Authority is an independent, nonprofit entity whose purpose is to provide for the development and improvement of project areas near military installations throughout the State. Operations are funded through service charges, project revenue, and state appropriations.

Heber Valley Historic Railroad Authority

This Authority was created to operate, maintain, improve, and provide for a scenic and historic railway in and around the Heber Valley in Wasatch County. Operations are funded primarily through user charges.

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 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 and controls, manages, and supervises the Utah System of Higher Education.

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

June 30, 2023

	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	\$ 2,857	\$ 9,859	\$ 12,679	\$ 889	\$ 9,287
Restricted Cash and Cash Equivalents	—	—	—	—	—
Investments	64,949	—	—	—	—
Receivables:					
Accounts, net	5,437	1,313	478	1	1,062
Notes/Leases/Loans/Mortgages/Pledges, net	387	—	—	—	—
Accrued Interest	—	—	—	—	—
Due From Primary Government	—	231	—	4	—
Prepaid Items	341	—	—	—	93
Inventories	—	—	—	8	—
Other Assets	—	—	—	—	—
Total Current Assets	<u>73,971</u>	<u>11,403</u>	<u>13,157</u>	<u>902</u>	<u>10,442</u>
Noncurrent Assets:					
Restricted Cash and Cash Equivalents	—	—	421,825	—	—
Investments	—	—	—	—	—
Restricted Investments	—	—	—	—	—
Accounts Receivables, net	—	—	170,491	—	—
Restricted Receivable	—	—	—	—	—
Notes/Leases/Loans/Mortgages/Pledges Receivables, net	1,610	—	—	—	—
Net Pension Asset	—	—	—	—	122
Net Other Postemployment Benefit Asset	—	182	—	—	—
Other Assets	—	—	—	—	—
Capital Assets (net of Accumulated Depreciation)	60,455	37,870	10,728	10,054	3,034
Total Noncurrent Assets	<u>62,065</u>	<u>38,052</u>	<u>603,044</u>	<u>10,054</u>	<u>3,156</u>
Total Assets	<u>136,036</u>	<u>49,455</u>	<u>616,201</u>	<u>10,956</u>	<u>13,598</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amount on Refundings of Bonded Debt	—	—	—	—	—
Deferred Outflows Relating to Pensions	953	6,420	127	173	293
Deferred Outflows Relating to Other Postemployment Benefit	—	340	—	—	—
Total Deferred Outflows of Resources	<u>953</u>	<u>6,760</u>	<u>127</u>	<u>173</u>	<u>293</u>

Continues

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

June 30, 2023

Continued

	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	4,628	2,191	40,926	13	344
Deposits	—	—	—	—	—
Due To Primary Government	—	—	—	—	1,119
Unearned Revenue	12	279	71,598	—	81
Current Portion of Long-term Liabilities	741	43	111	226	7
Total Current Liabilities	5,381	2,513	112,635	239	1,551
Noncurrent Liabilities:					
Accounts Payable and Accrued Liabilities	—	—	—	—	—
Unearned Revenue	—	—	—	—	—
Net Pension Liability	1,465	11,139	66	151	—
Long-term Liabilities	6,431	33	524,151	2,962	27
Total Noncurrent Liabilities	7,896	11,172	524,217	3,113	27
Total Liabilities	13,277	13,685	636,852	3,352	1,578
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Relating to Beneficial Interests	—	—	72	—	—
Deferred Amount on Refundings of Bonded Debt	—	—	—	—	—
Deferred Inflows Relating to Pensions	92	188	5	157	487
Deferred Inflows Relating to Other Postemployment Benefit	—	348	—	—	—
Deferred Inflows Relating to Leases	1,970	—	—	—	—
Total Deferred Inflows of Resources	2,062	536	77	157	487
NET POSITION					
Net Investment in Capital Assets	53,859	37,794	8,537	6,887	1,881
Restricted for:					
Nonexpendable:					
Higher Education	—	—	—	—	—
Expendable:					
Higher Education	—	—	—	—	—
Other	41,636	174	—	—	2,749
Unrestricted (Deficit)	26,155	4,026	(29,138)	733	7,196
Total Net Position	\$ 121,650	\$ 41,994	\$ (20,601)	\$ 7,620	\$ 11,826

Continues

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

June 30, 2023

Continued

	Utah Lake Authority	Point of the Mountain Development Authority	Utah Inland Port Authority	Utah Board of Higher Education	Weber State University	Southern Utah University
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 1,204	\$ 10,443	\$ 70,991	\$ 348,772	\$ 106,774	\$ 16,063
Restricted Cash and Cash Equivalents	—	—	—	—	—	—
Investments	—	—	70,285	2,799	24,913	666
Receivables:						
Accounts, net	—	—	176	—	5,685	8,023
Notes/Leases/Loans/Mortgages/Pledges, net	—	—	472	—	2,257	17
Accrued Interest	—	—	344	—	842	—
Due From Primary Government	—	500	—	—	—	—
Prepaid Items	—	—	158	—	1,713	5,984
Inventories	—	—	—	—	3,762	1,012
Other Assets	—	—	—	—	383	—
Total Current Assets	<u>1,204</u>	<u>10,943</u>	<u>142,426</u>	<u>351,571</u>	<u>146,329</u>	<u>31,765</u>
Noncurrent Assets:						
Restricted Cash and Cash Equivalents	—	—	36,889	17,981	20,315	313
Investments	—	—	—	—	272,247	123,035
Restricted Investments	—	—	—	—	—	—
Accounts Receivables, net	—	—	—	—	3,208	—
Notes/Leases/Loans/Mortgages/Pledges Receivables, net	—	—	—	—	3,037	1,453
Net Pension Asset	—	—	—	—	139	—
Net Other Postemployment Benefit Asset	—	—	—	—	—	—
Other Assets	—	—	—	—	8,188	335
Capital Assets (net of Accumulated Depreciation)	—	—	67,028	—	464,201	194,360
Total Noncurrent Assets	<u>0</u>	<u>0</u>	<u>103,917</u>	<u>17,981</u>	<u>771,335</u>	<u>319,496</u>
Total Assets	<u>1,204</u>	<u>10,943</u>	<u>246,343</u>	<u>369,552</u>	<u>917,664</u>	<u>351,261</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Amount on Refundings of Bonded Debt	—	—	—	—	589	—
Deferred Outflows Relating to Pensions	—	—	346	—	5,828	6,052
Deferred Outflows Relating to Other Postemployment Benefit	—	—	—	—	—	—
Deferred Outflows Relating to Leases	—	—	—	—	—	—
Total Deferred Outflows of Resources	<u>0</u>	<u>0</u>	<u>346</u>	<u>0</u>	<u>6,417</u>	<u>6,052</u>

Continues

State of Utah

Combining Statement of Net Position

Nonmajor Component Units

(expressed in thousands)

June 30, 2023

Continued

	Utah Lake Authority	Point of the Mountain Development Authority	Utah Inland Port Authority	Utah Board of Higher Education	Weber State University	Southern Utah University
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	—	193	791	—	4,535	5,496
Deposits	—	—	—	—	—	1,357
Due To Primary Government	—	—	—	—	3,307	—
Unearned Revenue	—	—	—	—	11,818	13,919
Current Portion of Long-term Liabilities	—	—	891	—	9,645	8,400
Total Current Liabilities	<u>0</u>	<u>193</u>	<u>1,682</u>	<u>0</u>	<u>29,305</u>	<u>29,172</u>
Noncurrent Liabilities:						
Accounts Payable and Accrued Liabilities	—	—	542	—	—	—
Unearned Revenue	—	—	—	—	—	—
Net Pension Liability	—	—	809	—	216	9,138
Net Other Postemployment Benefit Liability	—	—	—	—	—	—
Long-term Liabilities	—	—	215,980	—	48,510	36,757
Total Noncurrent Liabilities	<u>0</u>	<u>0</u>	<u>217,331</u>	<u>0</u>	<u>48,726</u>	<u>45,895</u>
Total Liabilities	<u>0</u>	<u>193</u>	<u>219,013</u>	<u>0</u>	<u>78,031</u>	<u>75,067</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows Relating to Beneficial Interests	—	—	—	—	8,189	477
Deferred Amount on Refundings of Bonded Debt	—	—	—	—	—	—
Deferred Inflows Relating to Pensions	—	—	14	—	161	264
Deferred Inflows Relating to Other Postemployment Benefit	—	—	—	—	—	—
Deferred Inflows Relating to Leases	—	—	472	—	—	53
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>486</u>	<u>0</u>	<u>8,350</u>	<u>794</u>
NET POSITION						
Net Investment in Capital Assets	—	—	(2,677)	—	417,740	154,514
Restricted for:						
Nonexpendable:						
Higher Education	—	—	—	—	148,574	30,969
Expendable:						
Higher Education	—	—	—	369,552	101,142	22,869
Other	—	—	7,033	—	—	—
Unrestricted (Deficit)	1,204	10,750	22,834	—	170,244	73,100
Total Net Position	<u>\$ 1,204</u>	<u>\$ 10,750</u>	<u>\$ 27,190</u>	<u>\$ 369,552</u>	<u>\$ 837,700</u>	<u>\$ 281,452</u>

Continues

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

June 30, 2023

Continued

	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	\$ 44,846	\$ 78,906	\$ 37,461	\$ 17,514	\$ 51,600	\$ 820,145
Restricted Cash and Cash Equivalents	—	10,861	—	—	—	10,861
Investments	62,389	29,668	3,134	1,548	3,367	263,718
Receivables:						
Accounts, net	13,604	21,684	7,028	8,479	7,137	80,107
Notes/Leases/Loans/Mortgages/Pledges, net	769	1,502	—	—	91	5,495
Accrued Interest	—	—	—	—	—	1,186
Due From Primary Government	—	—	—	—	—	735
Prepaid Items	2,227	2,457	504	379	860	14,716
Inventories	657	1,897	679	276	2,639	10,930
Other Assets	54	—	—	—	—	437
Total Current Assets	<u>124,546</u>	<u>146,975</u>	<u>48,806</u>	<u>28,196</u>	<u>65,694</u>	<u>1,208,330</u>
Noncurrent Assets:						
Restricted Cash and Cash Equivalents	6,500	69,092	52,872	2,052	3,979	631,818
Investments	99,602	170,259	36,086	3,658	1,272	706,159
Restricted Investments	—	—	—	17,205	—	17,205
Accounts Receivables, net	—	21,004	398	—	—	195,101
Notes/Leases/Loans/Mortgages/Pledges Receivables, net	20,245	6,557	—	959	—	33,861
Net Pension Asset	197	283	44	37	55	877
Net Other Postemployment Benefit Asset	—	—	—	—	—	182
Other Assets	—	8,885	—	—	—	17,408
Capital Assets (net of Accumulated Depreciation)	310,874	607,998	381,526	108,592	305,403	2,562,123
Total Noncurrent Assets	<u>437,418</u>	<u>884,078</u>	<u>470,926</u>	<u>132,503</u>	<u>310,709</u>	<u>4,164,734</u>
Total Assets	<u>561,964</u>	<u>1,031,053</u>	<u>519,732</u>	<u>160,699</u>	<u>376,403</u>	<u>5,373,064</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Amount on Refundings of Bonded Debt	—	—	—	—	—	589
Deferred Outflows Relating to Pensions	5,991	7,731	2,174	1,660	9,140	46,888
Deferred Outflows Relating to Other Postemployment Benefit	—	—	—	—	—	340
Total Deferred Outflows of Resources	<u>5,991</u>	<u>7,731</u>	<u>2,174</u>	<u>1,660</u>	<u>9,140</u>	<u>47,817</u>

Continues

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

June 30, 2023

Continued

	Salt Lake Community College	Utah Valley University	Utah Tech University	Snow College	Technical Colleges	Total Nonmajor Component Units
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	15,878	22,403	4,928	2,919	8,098	113,343
Deposits	80	118	439	451	5	2,450
Due To Primary Government	4,187	1,215	5,042	—	164	15,034
Unearned Revenue	8,504	11,832	4,010	467	2,867	125,387
Current Portion of Long-term Liabilities	14,921	24,444	7,184	1,776	3,209	71,598
Total Current Liabilities	43,570	60,012	21,603	5,613	14,343	327,812
Noncurrent Liabilities:						
Accounts Payable and Accrued Liabilities	—	106	—	—	—	648
Unearned Revenue	—	970	—	—	63	1,033
Net Pension Liability	228	303	294	76	9,953	33,838
Long-term Liabilities	21,487	61,775	166,078	11,940	12,905	1,109,036
Total Noncurrent Liabilities	21,715	63,154	166,372	12,016	22,921	1,144,555
Total Liabilities	65,285	123,166	187,975	17,629	37,264	1,472,367
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows Relating to Beneficial Interests	—	1,414	295	1,570	—	12,017
Deferred Amount on Refundings of Bonded Debt	—	262	—	—	—	262
Deferred Inflows Relating to Pensions	216	269	65	45	848	2,811
Deferred Inflows Relating to Other Postemployment Benefit	—	—	—	—	—	348
Deferred Inflows Relating to Leases	20,018	5,349	—	103	81	28,046
Total Deferred Inflows of Resources	20,234	7,294	360	1,718	929	43,484
NET POSITION						
Net Investment in Capital Assets	291,451	534,532	264,436	96,142	293,819	2,158,915
Restricted for:						
Nonexpendable:						
Higher Education	10,857	76,429	25,641	9,686	1,354	303,510
Expendable:						
Higher Education	32,576	109,530	16,115	5,811	6,249	663,844
Other	—	—	—	1,791	1,468	54,851
Unrestricted (Deficit)	147,552	187,833	27,379	29,582	44,460	723,910
Total Net Position	\$ 482,436	\$ 908,324	\$ 333,571	\$ 143,012	\$ 347,350	\$3,905,030

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

For the Fiscal Year Ended June 30, 2023

	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	\$ 20,406	\$ 53,289	\$ 189,769	\$ 3,242	\$ 6,186
Program Revenues:					
Charges for Services:					
Tuition and Fees	—	—	—	—	—
Scholarship Allowances	—	—	—	—	—
Sales, Services, and Other Revenues	1,306	11,563	1,993	3,797	7,468
Operating Grants and Contributions	754	1,638	3,047	—	—
Capital Grants and Contributions	—	—	2,205	—	3,100
Total Program Revenues	<u>2,060</u>	<u>13,201</u>	<u>7,245</u>	<u>3,797</u>	<u>10,568</u>
Net (Expenses) Revenues	<u>(18,346)</u>	<u>(40,088)</u>	<u>(182,524)</u>	<u>555</u>	<u>4,382</u>
General Revenues:					
State Appropriations	37,000	40,594	—	—	—
Gain (Loss) on Sale of Capital Assets	(155)	—	—	—	132
Gain (Loss) on Lease Remeasurement	—	—	—	—	—
Miscellaneous	—	—	2,476	1,554	1,382
Permanent Endowments Contributions	—	—	—	—	—
Special Item (See Note 2)	—	—	(18,000)	—	—
Total General Revenues, Contributions and Other	<u>36,845</u>	<u>40,594</u>	<u>(15,524)</u>	<u>1,554</u>	<u>1,514</u>
Change in Net Position	18,499	506	(198,048)	2,109	5,896
Net Position – Beginning	103,151	41,488	212,953	5,511	5,930
Adjustment to Beginning Net Position	—	—	(35,506)	—	—
Net Position – Beginning as Adjusted	<u>103,151</u>	<u>41,488</u>	<u>177,447</u>	<u>5,511</u>	<u>5,930</u>
Net Position – Ending	<u>\$ 121,650</u>	<u>\$ 41,994</u>	<u>\$ (20,601)</u>	<u>\$ 7,620</u>	<u>\$ 11,826</u>

Continues

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State of Utah

Combining Statement of Activities Nonmajor Component Units

(expressed in thousands)

For the Fiscal Year Ended June 30, 2023

Continued

	Utah Lake Authority	Point of the Mountain Development Authority	Utah Inland Port Authority	Utah Board of Higher Education	Weber State University	Southern Utah University
Expenses	\$ 324	\$ 2,220	\$ 30,747	\$ 95,698	\$ 298,593	\$ 231,755
Program Revenues:						
Charges for Services:						
Tuition and Fees	—	—	—	—	131,036	130,660
Scholarship Allowances	—	—	—	—	(41,260)	(44,533)
Sales, Services, and Other Revenues	—	—	—	—	26,594	28,792
Operating Grants and Contributions	1,528	628	6,558	31,387	104,127	50,791
Capital Grants and Contributions	—	—	6,500	—	60,506	5,793
Total Program Revenues	1,528	628	13,058	31,387	281,003	171,503
Net (Expenses) Revenues	1,204	(1,592)	(17,689)	(64,311)	(17,590)	(60,252)
General Revenues:						
State Appropriations	—	1,750	3,198	81,767	121,390	67,642
Gain (Loss) on Sale of Capital Assets	—	—	—	—	—	—
Gain (Loss) on Lease Remeasurement	—	—	1,287	—	—	—
Miscellaneous	—	—	17,306	27,138	64	—
Permanent Endowments Contributions	—	—	—	—	8,915	1,015
Special Item (See Note 2)	—	—	—	—	—	—
Total General Revenues, Contributions and Other	0	1,750	21,791	108,905	130,369	68,657
Change in Net Position	1,204	158	4,102	44,594	112,779	8,405
Net Position – Beginning	—	10,592	29,768	324,958	724,921	273,047
Adjustment to Beginning Net Position	—	—	(6,680)	—	—	—
Net Position – Beginning as Adjusted	0	10,592	23,088	324,958	724,921	273,047
Net Position – Ending	\$ 1,204	\$ 10,750	\$ 27,190	\$ 369,552	\$ 837,700	\$ 281,452

Continues

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

For the Fiscal Year Ended June 30, 2023

Continued

	Salt Lake Community College	Utah Valley University	Utah Tech University	Snow College	Technical Colleges	Total Nonmajor Component Units
Expenses	\$ 254,494	\$ 453,709	\$ 160,784	\$ 64,673	\$ 167,710	\$ 2,033,599
Program Revenues:						
Charges for Services:						
Tuition and Fees	75,728	207,646	83,206	19,332	19,613	667,221
Scholarship Allowances	(25,042)	(51,259)	(33,052)	(11,687)	(5,912)	(212,745)
Sales, Services, and Other Revenues	18,161	34,252	19,465	221	(6,752)	146,860
Operating Grants and Contributions	67,017	140,839	32,183	1,430	38,105	480,032
Capital Grants and Contributions	11,633	5,010	17,378	20,389	6,416	138,930
Total Program Revenues	147,497	336,488	119,180	29,685	51,470	1,220,298
Net (Expenses) Revenues	(106,997)	(117,221)	(41,604)	(34,988)	(116,240)	(813,301)
General Revenues:						
State Appropriations	132,288	171,955	62,814	42,994	128,717	892,109
Gain (Loss) on Sale of Capital Assets	—	—	—	—	(59)	(82)
Gain (Loss) on Lease Remeasurement	—	—	—	—	—	1,287
Miscellaneous	—	—	1,102	—	295	51,317
Permanent Endowments Contributions	990	—	70	6,112	20	17,122
Special Item (See Note 2)	—	—	—	—	—	(18,000)
Total General Revenues, Contributions and Other	133,278	171,955	63,986	49,106	128,973	943,753
Change in Net Position	26,281	54,734	22,382	14,118	12,733	130,452
Net Position – Beginning	456,155	851,411	309,782	128,894	334,617	3,813,178
Adjustment to Beginning Net Position	—	2,179	1,407	—	—	(38,600)
Net Position – Beginning as Adjusted	456,155	853,590	311,189	128,894	334,617	3,774,578
Net Position – Ending	\$ 482,436	\$ 908,324	\$ 333,571	\$ 143,012	\$ 347,350	\$ 3,905,030

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**STATISTICAL
SECTION**

2023
STATE OF UTAH
★
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

★
For the fiscal year ended June 30, 2023

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State of Utah

STATISTICAL SECTION

Fiscal Year Ended June 30, 2023

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.

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These schedules contain information to help the reader understand the State’s capacity to raise revenues and the sources of those revenues.

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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.

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Other Information

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

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

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

	Fiscal Year				
	2023	2022	2021	2020	2019
Governmental Activities					
Net Investment in Capital Assets	\$ 22,351,002	\$ 20,829,680	\$ 18,939,682	\$ 18,041,509	\$ 17,147,477
Restricted ¹	8,728,932	8,687,475	7,020,889	5,579,823	4,953,627
Unrestricted ²	8,488,002	6,020,128	2,946,200	1,550,994	1,847,710
Total Governmental Activities Net Position	<u>39,567,936</u>	<u>35,537,283</u>	<u>28,906,771</u>	<u>25,172,326</u>	<u>23,948,814</u>
Business-type Activities					
Net Investment in Capital Assets	51,914	54,715	44,002	41,047	32,972
Restricted ³	1,984,483	2,083,669	1,904,934	2,092,141	2,286,785
Unrestricted ⁴	1,826,880	1,412,814	1,465,626	1,334,431	1,319,130
Total Business-type Activities Net Position	<u>3,863,277</u>	<u>3,551,198</u>	<u>3,414,562</u>	<u>3,467,619</u>	<u>3,638,887</u>
Primary Government					
Net Investment in Capital Assets	22,402,916	20,884,395	18,983,684	18,082,556	17,180,449
Restricted	10,713,415	10,771,144	8,925,823	7,671,964	7,240,412
Unrestricted	10,314,882	7,432,942	4,411,826	2,885,425	3,166,840
Total Primary Government Net Position	<u>\$ 43,431,213</u>	<u>\$ 39,088,481</u>	<u>\$ 32,321,333</u>	<u>\$ 28,639,945</u>	<u>\$ 27,587,701</u>

Continues

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

¹ In fiscal year 2014 to 2017, restricted net position increased primarily due to an increase in investment values because of general market conditions. In fiscal year 2015, higher tax revenues also contributed to the increase in restricted net position. In fiscal year 2017, unspent restricted revenue as a result of a gas tax increase also contributed to the increase in restricted net position. In fiscal year 2018, restricted net position increased due to higher tax revenues from continued growth in the economy, an increase in unspent bond proceeds for transportation and capital projects, and an increase in investment values because of general market conditions. In fiscal year 2019, restricted net position increased due to an increase in investment values because of general market conditions and higher tax revenues from continued growth in the economy. Recent federal tax changes also caused a temporary surge in corporate tax revenues as corporations repatriated foreign corporate earnings. In fiscal year 2020 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.

² In fiscal year 2014, governmental activities' unrestricted net position increased due to an increase in carry-forward balances. In fiscal year 2015, unrestricted net position decreased due to the implementation of Governmental Accounting Standards Board Statement 68, *Accounting and Financial Reporting for Pensions* that required the measurement and recognition of the State's net pension liability. In fiscal year 2017, unrestricted net position decreased primarily due to a decrease in amounts unspent and carried forward in the General Fund and for transportation and capital projects. In fiscal years 2018 to 2019, unrestricted net position increased due to an increase in amounts unspent and carried forward in the General Fund and for transportation and capital related projects. In fiscal year 2020, unrestricted net position decreased due to an increase in expenditures that utilized unrestricted net position for transportation projects and capital projects. 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.

³ From fiscal year 2011 to 2019, restricted net position has continued to steadily increase due to unemployment revenues exceeding related claims. In fiscal year 2020 and 2021, restricted net position decreased due to reduced contributions to unemployment compensation and with a large increases 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.

⁴ In fiscal years 2013 to 2014, business-type activities' unrestricted net position increased primarily due to the State providing additional capital to the loan funds from mineral lease revenue and dedicated sales tax revenues. In fiscal years 2017 to 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 discrete 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.

Schedule A-1
Net Position by Component* - continued

Last Ten Fiscal Years
(expressed in thousands)

	Fiscal Year				
	2018	2017	2016	2015	2014
Governmental Activities					
Net Investment in Capital Assets	\$ 16,827,887	\$ 16,370,572	\$ 15,478,397	\$ 14,789,631	\$ 14,025,472
Restricted ¹	4,693,165	4,251,152	3,864,294	3,877,468	3,600,039
Unrestricted ²	1,249,827	819,880	1,011,204	888,526	1,496,537
Total Governmental Activities Net Position	<u>22,770,879</u>	<u>21,441,604</u>	<u>20,353,895</u>	<u>19,555,625</u>	<u>19,122,048</u>
Business-type Activities					
Net Investment in Capital Assets	29,237	19,440	20,384	16,740	14,198
Restricted ³	2,221,712	2,110,776	2,065,552	1,975,859	1,734,512
Unrestricted ⁴	1,287,673	1,228,915	1,169,162	1,157,416	1,231,623
Total Business-type Activities Net Position	<u>3,538,622</u>	<u>3,359,131</u>	<u>3,255,098</u>	<u>3,150,015</u>	<u>2,980,333</u>
Primary Government					
Net Investment in Capital Assets	16,857,124	16,390,012	15,498,781	14,806,371	14,039,670
Restricted	6,914,877	6,361,928	5,929,846	5,853,327	5,334,551
Unrestricted	2,537,500	2,048,795	2,180,366	2,045,942	2,728,160
Total Primary Government Net Position	<u>\$ 26,309,501</u>	<u>\$ 24,800,735</u>	<u>\$ 23,608,993</u>	<u>\$ 22,705,640</u>	<u>\$ 22,102,381</u>

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

	Fiscal Year				
	2023	2022	2021	2020	2019
GOVERNMENTAL ACTIVITIES					
Expenses					
General Government	\$ 1,336,723	\$ 1,192,448	\$ 1,284,195	\$ 682,799	\$ 576,183
Health and Human Services ¹³	6,110,674	—	—	—	—
Human Services and Juvenile Justice Services ¹³	—	1,049,810	995,914	987,683	932,553
Corrections	430,734	325,273	313,584	339,380	340,123
Public Safety	505,607	428,758	361,004	314,582	363,510
Courts	195,907	146,490	153,986	172,154	165,833
Environmental Quality ¹³	80,236	—	—	—	—
Health and Environmental Quality ^{1, 13}	—	4,701,394	4,007,254	3,410,176	2,979,063
Higher Education	1,742,559	1,575,526	1,561,004	1,312,020	1,339,338
Employment and Family Services	1,568,934	1,356,482	1,063,022	781,075	769,277
Natural Resources	381,099	293,246	264,901	279,871	264,093
Cultural and Community Engagement ²	75,018	57,187	67,086	42,670	31,928
Business, Labor, and Agriculture	161,471	127,807	147,102	133,129	122,449
Public Education ³	5,577,397	5,236,842	4,827,043	4,422,984	4,141,443
Transportation ⁴	1,152,821	1,277,249	1,368,487	1,583,608	1,288,760
Interest and Other Charges on Long-Term Debt	52,921	60,623	74,879	78,745	83,657
Total Expenses	19,372,101	17,829,135	16,489,461	14,540,876	13,398,210
Program Revenues					
Charges for Services:					
General Government	683,923	644,309	550,574	204,787	208,338
Health and Human Services ¹³	539,104	—	—	—	—
Human Services and Juvenile Justice Services ¹³	—	13,335	17,188	21,000	10,843
Corrections	3,197	3,642	3,573	2,229	1,960
Public Safety	89,948	93,403	60,804	81,252	78,901
Courts	59,750	58,271	52,195	49,817	54,481
Environmental Quality ¹³	16,718	—	—	—	—
Health and Environmental Quality ^{5, 13}	—	671,530	479,732	487,658	391,072
Higher Education	—	—	—	—	500
Employment and Family Services	9,780	7,114	18,957	7,838	9,153
Natural Resources	139,625	149,939	136,753	134,642	107,817
Cultural and Community Engagement ²	3,499	2,720	1,667	3,024	3,325
Business, Labor, and Agriculture	132,675	129,518	132,149	129,467	119,166
Public Education	109,227	92,491	55,036	61,914	75,944
Transportation	278,806	279,829	277,205	259,022	222,588
Operating Grants and Contributions ⁶	7,887,356	6,925,662	6,993,130	4,595,460	4,162,578
Capital Grants and Contributions	118,509	104,400	154,058	180,207	155,265
Total Program Revenues	10,072,117	9,176,163	8,933,021	6,218,317	5,601,931
Net Program (Expense) - Governmental Activities	(9,299,984)	(8,652,972)	(7,556,440)	(8,322,559)	(7,796,279)
General Revenues and Other Changes in Net Position					
Taxes:					
Sales Tax and Use Tax ⁷	4,421,474	4,203,297	3,567,337	3,070,713	2,804,457
Individual Income Tax Imposed for Education ⁷	6,045,283	7,078,771	5,652,907	4,779,868	4,346,855
Corporate Tax Imposed for Education ⁷	895,504	960,673	688,583	406,423	529,279
Motor and Special Fuel Taxes Imposed for Transportation	608,188	576,705	561,443	498,400	521,012
Other Taxes	578,763	535,494	439,990	425,507	398,486
American Rescue Plan Act	—	332,774	—	—	—
Investment Income (Loss)	288,384	(32,549)	26,247	44,541	60,503
Gain on Sale of Capital Assets	56,374	126,797	79,625	58,651	65,471
Miscellaneous	144,946	142,865	137,346	110,835	104,415
Special Items ¹¹	—	136,192	—	—	—
Transfers—Internal Activities	22,128	47,460	151,676	151,133	143,736
Prior Period Adjustments and Restatements	269,593	1,175,005	—	—	—
Total General Revenues and Other Changes in Net Position	13,330,637	15,283,484	11,305,154	9,546,071	8,974,214
Increase (Decrease)	4,030,653	6,630,512	3,748,714	1,223,512	1,177,935

Continues

Schedule A-2
Changes in Net Position* - continued

Last Ten Fiscal Years
(expressed in thousands)

	Fiscal Year				
	2018	2017	2016	2015	2014
GOVERNMENTAL ACTIVITIES					
Expenses					
General Government	\$ 503,430	\$ 476,428	\$ 457,564	\$ 442,340	\$ 417,067
Health and Human Services ¹³	—	—	—	—	—
Human Services and Juvenile Justice Services ¹³	854,614	818,058	765,027	718,731	690,117
Corrections	314,701	297,587	282,538	273,695	268,346
Public Safety	307,121	266,032	245,598	231,250	243,783
Courts	162,049	150,066	142,913	129,951	128,877
Environmental Quality ¹³	—	—	—	—	—
Health and Environmental Quality ^{1, 13}	2,807,215	2,719,553	2,600,928	2,503,794	2,410,760
Higher Education	1,318,207	1,104,855	1,137,364	1,004,382	908,795
Employment and Family Services	753,205	760,777	710,018	724,477	693,789
Natural Resources	238,545	225,176	198,190	194,026	189,641
Cultural and Community Engagement ²	30,279	28,874	27,048	23,207	22,447
Business, Labor, and Agriculture	116,964	106,523	112,809	100,566	105,987
Public Education ³	3,981,186	3,748,684	3,554,337	3,338,653	3,202,327
Transportation ⁴	970,442	888,854	825,923	797,392	847,752
Interest and Other Charges on Long-Term Debt	85,141	84,820	93,598	98,442	110,034
Total Expenses	12,443,099	11,676,287	11,153,855	10,580,906	10,239,722
Program Revenues					
Charges for Services:					
General Government	216,929	182,026	166,386	181,907	148,213
Health and Human Services ¹³	—	—	—	—	—
Human Services and Juvenile Justice Services ¹³	11,399	12,674	10,725	11,744	12,529
Corrections	3,199	4,824	3,836	5,106	5,463
Public Safety	73,939	59,581	61,395	60,528	63,831
Courts	52,563	51,645	51,868	54,615	52,390
Environmental Quality ¹³	—	—	—	—	—
Health and Environmental Quality ^{5, 13}	337,171	315,962	325,024	313,376	289,198
Higher Education	—	—	—	—	—
Employment and Family Services	9,639	8,911	8,082	7,440	12,659
Natural Resources	105,790	101,933	90,561	88,304	91,967
Cultural and Community Engagement ²	3,041	3,961	3,443	2,524	2,696
Business, Labor, and Agriculture	104,113	94,305	94,924	89,722	89,426
Public Education	79,337	191,968	89,269	75,123	110,564
Transportation	214,221	206,963	207,554	243,301	253,094
Operating Grants and Contributions ⁶	4,057,460	3,994,614	3,632,735	3,717,276	3,954,581
Capital Grants and Contributions	164,278	132,708	87,942	114,490	100,481
Total Program Revenues	5,433,079	5,362,075	4,833,744	4,965,456	5,187,092
Net Program (Expense) - Governmental Activities	(7,010,020)	(6,314,212)	(6,320,111)	(5,615,450)	(5,052,630)
General Revenues and Other Changes in Net Position					
Taxes:					
Sales Tax and Use Tax ⁷	2,648,552	2,402,809	2,300,368	2,206,633	2,121,518
Individual Income Tax Imposed for Education ⁷	4,072,919	3,646,721	3,435,425	3,280,568	2,918,991
Corporate Tax Imposed for Education ⁷	422,980	327,266	354,979	369,747	321,424
Motor and Special Fuel Taxes Imposed for Transportation	500,080	483,922	425,366	370,974	359,822
Other Taxes	398,940	355,075	354,800	386,228	431,901
American Rescue Plan Act	—	—	—	—	—
Investment Income	34,424	22,058	9,365	7,804	8,829
Gain on Sale of Capital Assets	40,871	54,012	27,048	28,131	20,012
Miscellaneous	139,753	106,723	82,882	94,616	40,577
Special Items ¹¹	—	—	—	16,288	—
Transfers—Internal Activities	96,245	135,338	128,148	109,028	44,305
Prior Period Adjustments and Restatements	(15,469)	1,207	—	1,940	—
Total General Revenues and Other Changes in Net Position	8,339,295	7,535,131	7,118,381	6,871,957	6,267,379
Increase (Decrease)	1,329,275	1,220,919	798,270	1,256,507	1,214,749

Continues

Schedule A-2
Changes in Net Position* - continued

Last Ten Fiscal Years
(expressed in thousands)

	Fiscal Year				
	2023	2022	2021	2020	2019
BUSINESS-TYPE ACTIVITIES					
Expenses					
Student Assistance Programs ¹²	\$ 146,354	\$ 359,063	\$ 77,918	\$ 107,416	\$ 114,087
Unemployment Compensation ⁸	209,626	140,358	1,115,481	1,152,794	152,359
Water Loan Programs.....	17,227	13,063	15,463	12,266	13,744
Community and Economic Loan Programs.....	24,855	36,037	18,556	5,361	2,402
Liquor Retail Sales.....	383,789	366,989	340,951	327,070	311,261
Other Business-type Activities.....	47,159	43,438	46,597	43,694	45,344
Total Expenses.....	<u>829,010</u>	<u>958,948</u>	<u>1,614,966</u>	<u>1,648,601</u>	<u>639,197</u>
Program Revenues					
Charges for Services:					
Student Assistance Programs.....	129	59,914	62,288	87,691	97,239
Unemployment Compensation.....	335,999	280,087	214,488	181,404	169,468
Water Loan Programs.....	366	793	1,927	3,322	729
Community and Economic Loan Programs.....	5,924	4,892	2,999	2,759	3,159
Liquor Retail Sales.....	523,992	501,496	466,012	449,760	430,829
Other Business-type Activities.....	56,492	61,476	51,494	47,928	45,891
Operating Grants and Contributions ^{9, 10}	103,582	162,799	783,845	755,894	33,575
Total Program Revenues.....	<u>1,026,484</u>	<u>1,071,457</u>	<u>1,583,053</u>	<u>1,528,758</u>	<u>780,890</u>
Net Program Revenue (Expense) — Business-type Activities.....	<u>197,474</u>	<u>112,509</u>	<u>(31,913)</u>	<u>(119,843)</u>	<u>141,693</u>
General Revenues and Other Changes in Net Position					
Taxes:					
Sales Tax and Use Tax.....	56,034	51,905	48,927	36,607	34,278
Investment Income ¹⁰	83,176	12,053	50,781	62,620	68,162
Gain on Sale of Capital Assets.....	60	—	—	—	(132)
Miscellaneous.....	298	5,088	—	482	—
Transfers—Internal Activities.....	(22,128)	(47,460)	(151,676)	(151,133)	(143,736)
Capital Contributions.....	—	—	—	—	—
Prior Period Adjustments and Restatements.....	(2,835)	2,541	—	—	—
Total General Revenues and Other Changes in Net Position.....	<u>114,605</u>	<u>24,127</u>	<u>(51,968)</u>	<u>(51,424)</u>	<u>(41,428)</u>
Change in Net Position — Business-type Activities – Increase (Decrease).....	<u>312,079</u>	<u>136,636</u>	<u>(83,881)</u>	<u>(171,267)</u>	<u>100,265</u>
Total Primary Government Change in Net Position.....	<u>\$ 4,342,732</u>	<u>\$ 6,767,148</u>	<u>\$ 3,664,833</u>	<u>\$ 1,052,245</u>	<u>\$ 1,278,200</u>

Continues

*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 increase for both enrollment growth and benefit-related costs for educators.

⁴ In fiscal year 2022, Transportation expenses decreased slightly due to an 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 2022 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 2014 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 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.

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

	Fiscal Year				
	2018	2017	2016	2015	2014
BUSINESS-TYPE ACTIVITIES					
Expenses					
Student Assistance Programs	\$ 120,169	\$ 136,037	\$ 154,247	\$ 111,437	\$ 79,963
Unemployment Compensation ⁸	156,121	175,354	182,516	177,105	233,403
Water Loan Programs	12,613	15,998	14,913	18,276	13,778
Community and Economic Loan Programs	4,991	9,074	5,253	2,967	8,603
Liquor Retail Sales	292,936	277,965	260,755	242,933	225,948
Other Business-type Activities	45,065	45,612	37,849	36,720	54,983
Total Expenses	<u>631,895</u>	<u>660,040</u>	<u>655,533</u>	<u>589,438</u>	<u>616,678</u>
Program Revenues					
Charges for Services:					
Student Assistance Programs	101,350	108,057	123,218	88,188	59,784
Unemployment Compensation	187,754	210,907	240,709	295,851	357,059
Water Loan Programs	234	746	902	406	12,329
Community and Economic Loan Programs	3,137	3,393	3,208	5,562	10,051
Liquor Retail Sales	407,694	384,009	364,482	338,039	313,444
Other Business-type Activities	43,991	47,994	34,968	38,892	40,832
Operating Grants and Contributions ^{9, 10}	44,392	39,053	46,118	48,482	75,568
Total Program Revenues	<u>788,552</u>	<u>794,159</u>	<u>813,605</u>	<u>815,420</u>	<u>869,067</u>
Net Program Revenue (Expense) — Business-type Activities	<u>156,657</u>	<u>134,119</u>	<u>158,072</u>	<u>225,982</u>	<u>252,389</u>
General Revenues and Other Changes in Net Position					
Taxes:					
Sales Tax and Use Tax	59,864	57,528	29,841	28,384	27,304
Investment Income ¹⁰	56,561	49,349	45,318	41,421	20,073
Gain on Sale of Capital Assets	—	529	—	—	—
Miscellaneous	2,654	—	—	—	—
Transfers—Internal Activities	(96,245)	(135,338)	(128,148)	(109,028)	(44,305)
Capital Contributions	—	37	—	—	—
Prior Period Adjustments and Restatements	—	—	—	(367)	—
Total General Revenues and Other Changes in Net Position	<u>22,834</u>	<u>(27,895)</u>	<u>(52,989)</u>	<u>(39,590)</u>	<u>3,072</u>
Change in Net Position — Business-type Activities – Increase (Decrease)	<u>179,491</u>	<u>106,224</u>	<u>105,083</u>	<u>186,392</u>	<u>255,461</u>
Total Primary Government Change in Net Position	<u>\$ 1,508,766</u>	<u>\$ 1,327,143</u>	<u>\$ 903,353</u>	<u>\$ 1,442,899</u>	<u>\$ 1,470,210</u>

⁸ In fiscal years 2014 to 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, 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 year 2022 and 2023, Operating Grants and Contributions decreased primarily due to the COVID-19 Unemployment pandemic relief ending.

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 discrete 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.

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

	Fiscal Year				
	2023	2022	2021	2020	2019
General Fund					
Nonspendable:					
Long-term Portion of Interfund Loans Receivable	\$ 18,150	\$ 5,703	\$ 6,272	\$ 9,388	\$ 12,063
Prepaid Items ¹	163,936	38,683	209,933	183,074	7,625
Inventories ¹	43,581	48,212	43,823	27,564	421
Restricted ²	363,660	117,384	85,032	69,366	43,241
Committed ³	1,835,230	1,692,944	1,181,796	855,925	835,171
Assigned ⁴	1,451,406	1,359,364	607,794	294,255	339,999
Unassigned	69,264	130,243	109,774	14,456	—
Total General Fund	<u>3,945,227</u>	<u>3,392,533</u>	<u>2,244,424</u>	<u>1,454,028</u>	<u>1,238,520</u>
All Other Governmental Funds					
Nonspendable:					
Prepaid Items	1,000	824	569	528	437
Inventories	14,540	14,796	13,058	13,093	12,769
Permanent Fund Principal ⁵	2,195,279	2,074,233	1,932,765	1,841,255	1,785,184
Restricted ⁶	5,671,708	5,363,334	4,624,040	4,045,256	2,733,925
Committed ⁷	3,711,245	2,340,705	1,255,703	874,589	999,561
Assigned ⁸	1,294,390	720,884	301,469	205,129	546,447
Total All Other Governmental Funds	<u>12,888,162</u>	<u>10,514,776</u>	<u>8,127,604</u>	<u>6,979,850</u>	<u>6,078,323</u>
Total Fund Balances — Governmental Funds	<u>\$16,833,389</u>	<u>\$13,907,309</u>	<u>\$10,372,028</u>	<u>\$ 8,433,878</u>	<u>\$ 7,316,843</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 2023, the nonspendable fund balance primarily increased 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.

³ In fiscal years 2021 to 2023, 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.

⁵ In fiscal years 2014 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.

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

	Fiscal Year				
	2018	2017	2016	2015	2014
General Fund					
Nonspendable:					
Long-term Portion of Interfund Loans Receivable	\$ 14,950	\$ 18,927	\$ 26,747	\$ 26,996	\$ 38,832
Prepaid Items ¹	2,463	14,475	106,745	96,939	73,033
Inventories ¹	721	687	434	662	926
Restricted ²	38,978	33,516	38,124	34,278	40,898
Committed ³	675,228	559,791	546,782	496,758	507,380
Assigned ⁴	314,910	194,174	132,126	255,841	197,842
Unassigned	7,966	9,585	7,196	—	7,224
Total General Fund	<u>1,055,216</u>	<u>831,155</u>	<u>858,154</u>	<u>911,474</u>	<u>866,135</u>
All Other Governmental Funds					
Nonspendable:					
Prepaid Items	874	—	—	—	—
Inventories	12,959	13,905	\$ 13,990	13,605	14,018
Permanent Fund Principal ⁵	1,707,449	2,504,560	\$ 2,267,538	2,244,902	2,089,334
Restricted ⁶	2,731,594	1,308,585	\$ 1,189,881	1,188,672	1,160,581
Committed ⁷	876,576	686,583	\$ 758,530	843,483	865,786
Assigned ⁸	235,974	305,065	\$ 347,321	163,194	128,631
Total All Other Governmental Funds	<u>5,565,426</u>	<u>4,818,698</u>	<u>4,577,260</u>	<u>4,453,856</u>	<u>4,258,350</u>
Total Fund Balances — Governmental Funds	<u>\$ 6,620,642</u>	<u>\$ 5,649,853</u>	<u>\$ 5,435,414</u>	<u>\$ 5,365,330</u>	<u>\$ 5,124,485</u>

⁷ In fiscal years 2014, the committed fund balance within other governmental funds increased as a result of sales and use tax diversions for transportation projects. In fiscal years 2016 and 2017, the committed fund balance decreased as expenditures increased for transportation projects utilizing sales and use tax revenue. In fiscal year 2018, the committed fund balance increased due to growth in sales and use tax revenue allocated for transportation projects. In fiscal year 2019, the committed fund balance increased primarily due to growth in sales and use tax revenue for transportation, and also due to new sales and use tax diversions for the Medicaid and outdoor recreation grant programs. In fiscal year 2020, the decrease is due to an increase in 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.

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

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

	Fiscal Year				
	2023	2022	2021	2020	2019
Revenues					
Sales and Use Tax ¹	\$ 4,417,953	\$ 4,201,118	\$ 3,569,706	\$ 3,068,002	\$ 2,805,618
Individual Income Tax ¹	6,510,385	6,814,382	5,451,297	4,758,082	4,336,437
Corporate Tax ¹	894,682	960,035	687,791	405,632	534,977
Motor and Special Fuel Taxes ²	608,170	577,407	560,763	498,402	521,199
Other Taxes ³	578,815	535,139	439,311	425,482	398,684
Federal Contracts and Grants ⁴	7,273,641	7,366,055	6,223,486	4,648,234	3,973,026
Charges for Services/Royalties	1,379,743	1,231,608	1,112,837	859,452	780,790
Licenses, Permits, and Fees	262,371	246,782	237,702	225,258	219,972
Federal Mineral Lease ⁵	137,559	75,616	49,039	58,606	77,607
Intergovernmental	—	—	—	8,057	16,029
Investment Income ⁶	662,850	(177,324)	756,946	(13,567)	218,077
Miscellaneous and Other ⁷	708,116	762,630	646,815	560,138	433,733
Total Revenues	23,434,285	22,593,448	19,735,693	15,501,778	14,316,149
Expenditures					
General Government ⁸	1,205,448	1,109,712	1,204,986	608,657	492,800
Health and Human Services ⁹	6,158,813	—	—	—	—
Human Services and Juvenile Justice Services ⁹	—	1,107,034	1,023,128	984,607	919,227
Corrections	430,889	377,325	341,174	337,885	328,586
Public Safety	516,054	458,918	363,518	341,668	340,210
Courts	198,450	176,715	162,466	165,465	165,369
Environmental Quality ⁹	83,608	—	—	—	—
Health and Environmental Quality ⁹	—	4,771,546	4,048,719	3,427,211	2,997,039
Higher Education—State Administration ¹⁰	133,320	114,235	182,070	125,335	96,323
Higher Education—Colleges and Universities	1,522,765	1,324,098	1,271,944	1,109,447	1,102,310
Employment and Family Services	1,567,466	1,385,699	1,067,848	778,046	755,613
Natural Resources ¹¹	398,983	297,321	274,500	272,994	251,545
Cultural and Community Engagement ¹²	75,249	59,510	67,719	41,864	31,981
Business, Labor, and Agriculture	164,679	136,921	149,968	132,022	119,491
Public Education ¹³	5,577,981	5,249,375	4,829,615	4,409,279	4,140,263
Transportation ¹⁴	1,238,165	1,131,668	1,206,786	1,166,194	996,728
Capital Outlay ¹⁵	925,911	1,117,262	1,394,526	1,286,659	847,541
Debt Service – Principal Retirement	368,972	363,067	320,546	281,801	260,949
Debt Service – Interest and Other Charges	85,064	101,560	119,504	190,114	103,417
Total Expenditures	20,651,817	19,281,966	18,029,017	15,659,248	13,949,392
Revenues Over (Under) Expenditures	2,782,468	3,311,482	1,706,676	(157,470)	366,757
Other Financing Sources (Uses)					
General Obligation Bonds Issued ¹⁶	—	—	—	895,745	127,715
Revenue Bonds Issued	—	—	—	—	—
Refunding Bonds Issued	—	—	—	—	—
Premium on Bonds Issued	—	—	—	173,585	23,308
Payment to Refunded Bond Escrow Agent	—	—	—	—	(27,770)
Leases/Contracts Issued	10,488	3,366	—	—	—
Sale of Capital Assets	67,245	134,358	78,690	58,756	65,331
Transfers In	5,659,440	4,898,297	3,408,383	1,899,963	2,581,581
Transfers Out	(5,656,691)	(4,859,871)	(3,259,113)	(1,753,543)	(2,440,721)
Special Item					
Comprehensive Health Insurance Pool Transfer ¹⁷	—	—	—	—	—
Prior Period Adjustments and Restatements	—	—	—	—	—
Total Other Financing Sources (Uses)	80,482	176,150	227,960	1,274,506	329,444
Net Change in Fund Balances	\$ 2,862,950	\$ 3,487,632	\$ 1,934,636	\$ 1,117,036	\$ 696,201
Debt Service as a Percentage of Noncapital Expenditures	2.31 %	2.55 %	2.63 %	3.22 %	2.74 %

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

¹ In fiscal years 2014 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, 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, motor and special fuels tax increased due to an increase in the fuel tax rate.

³ In fiscal year 2023, other taxes were up primarily due to overall increases in insurance premium tax, mine occupation tax, and other taxes.

⁴ In fiscal year 2017, federal contracts and grants increased due to an increase in funding provided for the Medicaid program and highway projects. In fiscal years 2018 to 2020, the increase was the result of an increase in funding provided for the Medicaid program. The federal CARES Act provided additional funding to the state for relief assistance as a result of the COVID-19 pandemic. Additionally, the 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, there was a slight decrease in federal revenues as some pandemic era programs ended.

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

	Fiscal Year				
	2018	2017	2016	2015	2014
Revenues					
Sales and Use Tax ¹	\$ 2,646,996	\$ 2,403,347	\$ 2,302,886	\$ 2,204,389	\$ 2,121,249
Individual Income Tax ¹	4,033,320	3,646,112	3,393,087	3,211,476	2,916,015
Corporate Tax ¹	423,019	325,701	354,615	366,543	322,748
Motor and Special Fuel Taxes ²	500,049	484,677	425,343	371,412	359,176
Other Taxes ³	399,286	354,863	355,229	386,066	432,178
Federal Contracts and Grants ⁴	3,893,654	3,828,715	3,573,699	3,478,563	3,463,045
Charges for Services/Royalties	740,282	667,665	630,300	682,288	706,125
Licenses, Permits, and Fees	211,045	203,830	199,748	194,648	188,653
Federal Mineral Lease ⁵	76,693	73,787	69,245	138,635	158,193
Intergovernmental	11,801	19,273	11,264	12,620	7,211
Investment Income ⁶	198,082	266,775	34,168	133,092	353,653
Miscellaneous and Other ⁷	448,431	394,167	388,295	384,968	327,880
Total Revenues	13,582,658	12,668,912	11,737,879	11,564,700	11,356,126
Expenditures					
General Government ⁸	460,569	409,626	412,204	386,059	374,134
Health and Human Services ⁹	—	—	—	—	—
Human Services and Juvenile Justice Services ⁹	858,099	804,283	766,186	723,663	692,277
Corrections	317,425	305,438	290,217	272,053	266,246
Public Safety	294,693	253,976	263,417	266,586	271,716
Courts	170,233	152,262	146,510	137,901	132,886
Environmental Quality ⁹	—	—	—	—	—
Health and Environmental Quality ⁹	2,823,947	2,733,374	2,622,797	2,517,513	2,434,410
Higher Education—State Administration ¹⁰	78,773	73,641	79,567	56,935	48,920
Higher Education—Colleges and Universities	1,018,286	981,938	915,432	875,610	781,998
Employment and Family Services	749,620	754,530	708,184	730,972	703,441
Natural Resources ¹¹	231,665	225,387	196,188	190,378	184,465
Cultural and Community Engagement ¹²	30,965	29,335	27,826	24,041	24,231
Business, Labor, and Agriculture	119,158	107,800	111,186	101,331	105,915
Public Education ¹³	3,983,098	3,732,813	3,556,897	3,340,290	3,202,007
Transportation ¹⁴	1,024,576	975,662	835,111	903,700	902,788
Capital Outlay ¹⁵	778,543	668,768	523,937	499,705	380,930
Debt Service – Principal Retirement	288,051	342,622	348,576	319,739	329,659
Debt Service – Interest and Other Charges	103,866	105,023	118,805	135,994	150,101
Total Expenditures	13,331,567	12,656,478	11,923,040	11,482,470	10,986,124
Revenues Over (Under) Expenditures	251,091	12,434	(185,161)	82,230	370,002
Other Financing Sources (Uses)					
General Obligation Bonds Issued ¹⁶	485,225	—	—	—	226,175
Revenue Bonds Issued	2,920	—	93,625	—	—
Refunding Bonds Issued	144,610	—	—	221,765	—
Premium on Bonds Issued	71,360	—	4,405	47,562	24,656
Payment to Refunded Bond Escrow Agent	(118,495)	—	—	(267,870)	—
Leases/Contracts Issued	13,705	—	5,100	—	—
Sale of Capital Assets	40,277	53,025	30,688	29,274	24,596
Transfers In	1,880,116	1,792,074	1,998,019	1,659,616	1,489,272
Transfers Out	(1,784,551)	(1,657,967)	(1,876,592)	(1,549,960)	(1,445,189)
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)	719,698	188,339	255,245	158,615	319,510
Net Change in Fund Balances	\$ 970,789	\$ 200,773	\$ 70,084	\$ 240,845	\$ 689,512
Debt Service as a Percentage of Noncapital Expenditures	3.18 %	3.78 %	4.17 %	4.22 %	4.60 %

⁵ In fiscal year 2023, federal mineral lease revenue increased due to higher energy prices and a increase in production.
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 2023, miscellaneous and other revenues primarily decreased due to an decrease in unclaimed property transfer.
⁸ In fiscal year 2023, general government expenditures increased due to DFCM project 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 2023 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 discrete component unit) was dissolved and the remaining cash balance was transferred to the State’s General Fund.

State of Utah

Schedule B-1
Revenue Base
Last Ten Calendar Years
(dollars expressed in thousands)

	Calendar Year				
	2022	2021	2020	2019	2018
Taxable Sales, Services, and Use Tax Purchases¹					
Agriculture, Forestry, and Fishing	\$ 42,228	\$ 40,881	\$ 36,411	\$ 22,535	\$ 20,664
Mining	555,783	350,208	231,015	320,753	562,722
Construction	1,807,296	1,513,228	1,281,216	1,147,119	1,048,607
Manufacturing	4,884,759	4,152,264	3,389,590	2,942,959	2,692,334
Transportation	269,838	180,482	147,661	150,515	165,418
Communications and Utilities	6,489,594	5,365,479	4,862,836	4,797,280	4,554,313
Wholesale Trade	9,374,894	7,990,132	6,331,798	5,774,636	5,420,375
Retail	56,166,728	51,976,015	44,323,114	38,154,835	34,806,178
Finance, Insurance, and Real Estate	2,784,889	2,495,014	2,107,424	2,171,717	1,835,800
Services	17,237,574	14,884,632	11,155,388	12,239,990	11,229,829
Public Administration	321,571	306,885	278,380	272,759	275,969
Prior Period Payments and Refunds	958,392	850,000	585,873	928,042	2,370,315
Total Taxable Sales, Services and Use Tax Purchases	<u>\$ 100,893,546</u>	<u>\$ 90,105,220</u>	<u>\$ 74,730,706</u>	<u>\$ 68,923,140</u>	<u>\$ 64,982,524</u>
State Sales Tax Rate	4.85 %	4.85 %	4.85 %	4.85 %	4.70 %
Personal Income by Industry					
Federal Civilian	\$ 4,491,607	\$ 4,310,633	\$ 4,154,092	\$ 3,913,587	\$ 3,755,880
Federal Military	1,004,536	980,001	929,445	882,696	807,528
State and Local Government	15,795,733	14,944,234	13,868,093	13,270,480	12,670,392
Forestry, Fishing, and Related Activities	104,842	110,151	111,891	99,777	93,312
Mining	1,628,944	1,446,946	952,304	983,443	917,021
Utilities	2,733,432	1,684,115	1,248,804	1,204,996	962,616
Construction	13,609,584	12,018,858	10,902,966	9,801,500	8,847,094
Manufacturing	13,456,511	12,657,653	11,272,173	10,837,710	10,251,192
Wholesale Trade	6,331,727	6,047,750	5,522,614	5,216,033	4,998,104
Retail Trade	10,978,508	10,085,319	9,058,716	8,387,261	8,090,145
Transportation and Warehousing	5,663,723	5,323,967	5,146,101	4,943,933	4,515,650
Information	5,785,245	5,386,442	4,502,472	4,118,870	3,763,888
Financial, Insurance, Real Estate, Rental, and Leasing	12,852,373	12,806,081	12,661,680	11,409,294	10,540,492
Services	52,598,173	47,007,607	42,381,551	40,946,697	37,687,654
Farm Earnings	752,986	432,762	691,575	423,694	393,503
Other ²	53,223,888	51,748,008	46,251,871	40,895,078	39,946,150
Total Personal Income	<u>\$ 201,011,812</u>	<u>\$ 186,990,527</u>	<u>\$ 169,656,348</u>	<u>\$ 157,335,049</u>	<u>\$ 148,240,621</u>
Highest Income Tax Rate	4.85 %	4.95 %	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.

State of Utah

Schedule B-1
Revenue Base - continued
 Last Ten Calendar Years
(dollars expressed in thousands)

	Calendar Year				
	2017	2016	2015	2014	2013
Taxable Sales, Services, and Use Tax Purchases¹					
Agriculture, Forestry, and Fishing	\$ 19,438	\$ 16,790	\$ 15,400	\$ 16,721	\$ 15,083
Mining	555,332	473,021	606,129	842,837	850,275
Construction	930,707	793,332	719,199	718,877	686,116
Manufacturing	2,500,510	2,334,180	2,394,889	2,439,019	2,251,708
Transportation	150,783	129,326	119,530	116,776	151,582
Communications and Utilities	4,575,019	4,603,701	4,640,315	4,764,084	4,609,452
Wholesale Trade	4,922,340	4,508,459	4,544,672	4,564,362	4,397,645
Retail	33,029,982	30,458,131	28,847,726	27,160,751	25,848,614
Finance, Insurance, and Real Estate	1,715,813	1,562,251	1,518,729	1,441,941	1,378,991
Services	10,636,808	10,058,980	9,383,910	8,696,364	8,108,526
Public Administration	265,678	256,124	254,337	262,250	250,212
Prior Period Payments and Refunds	1,729,282	1,308,139	888,441	685,181	855,842
Total Taxable Sales, Services and Use Tax Purchases	<u>\$ 61,031,692</u>	<u>\$ 56,502,434</u>	<u>\$ 53,933,277</u>	<u>\$ 51,709,163</u>	<u>\$ 49,404,046</u>
State Sales Tax Rate	4.70 %	4.70 %	4.70 %	4.70 %	4.70 %
Personal Income by Industry					
Federal Civilian	\$ 3,640,850	\$ 3,503,288	\$ 3,362,932	\$ 3,226,299	\$ 3,127,049
Federal Military	754,588	745,003	715,450	732,507	758,348
State and Local Government	12,023,320	11,377,417	11,214,437	10,932,387	10,438,482
Forestry, Fishing, and Related Activities	81,560	79,894	73,334	71,162	79,070
Mining	728,766	677,740	919,572	1,055,022	1,488,131
Utilities	734,147	581,721	559,871	518,729	509,579
Construction	8,126,268	7,497,605	6,757,362	6,139,119	5,749,752
Manufacturing	9,839,547	9,335,841	9,074,439	8,607,123	8,372,774
Wholesale Trade	4,772,174	4,433,918	4,457,942	4,019,735	3,920,138
Retail Trade	7,659,363	7,462,318	7,036,881	6,688,936	6,245,965
Transportation and Warehousing	4,219,443	4,055,241	3,664,221	3,319,368	3,148,136
Information	3,508,693	3,308,820	2,939,164	2,729,627	2,527,863
Financial, Insurance, Real Estate, Rental, and Leasing	9,683,027	9,169,397	7,951,465	7,068,780	7,101,517
Services	34,897,156	32,839,863	30,551,475	28,810,801	27,872,193
Farm Earnings	334,015	338,436	465,109	509,130	510,235
Other ²	35,540,769	33,000,523	28,980,981	26,415,095	24,223,342
Total Personal Income	<u>\$ 136,543,686</u>	<u>\$ 128,407,025</u>	<u>\$ 118,724,635</u>	<u>\$ 110,843,820</u>	<u>\$ 106,072,574</u>
Highest Income Tax Rate	5.00 %	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.

State of Utah

Schedule B-2 Revenue Payers by Industry – Taxable Sales, Services, and Use Tax Purchases

Most Current Calendar Year and Historical Comparison
(dollars expressed in thousands)

	Calendar Year 2013		Calendar Year 2022	
	Taxable Sales and Purchases	Percent of Total	Taxable Sales and Purchases	Percent of Total
Agriculture, Forestry, and Fishing	\$ 15,083	0.03 %	\$ 42,228	0.04 %
Mining	850,275	1.71 %	555,783	0.55 %
Construction	868,116	1.75 %	1,807,296	1.79 %
Manufacturing	2,251,708	4.54 %	4,884,759	4.84 %
Transportation	151,582	0.31 %	269,838	0.27 %
Communications and Utilities	4,609,452	9.30 %	6,489,594	6.43 %
Wholesale Trade	4,397,645	8.87 %	9,374,894	9.29 %
Retail	25,848,614	52.13 %	56,166,728	55.67 %
Finance, Insurance, and Real Estate	1,378,991	2.78 %	2,784,889	2.76 %
Services	8,108,526	16.35 %	17,237,574	17.08 %
Public Administration	250,212	0.50 %	321,571	0.32 %
Prior Period Payments, Refunds	855,842	1.73 %	958,392	0.95 %
Total Taxable Sales, Services, and Use Tax Purchases	<u>\$ 49,586,046</u>	<u>100.00 %</u>	<u>\$ 100,893,546</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)

	Calendar Year 2012				Calendar Year 2021			
	Number of Filers	Percent of Total	Tax Liability	Percent of Total	Number of Filers	Percent of Total	Tax Liability	Percent of Total
Adjusted Gross Income Class								
\$10,000 and under	164,322	15.25 %	\$ 515	0.02 %	157,529	11.54 %	\$ 594	0.01 %
\$10,001–20,000	158,381	14.70 %	20,624	0.82 %	144,238	10.56 %	7,088	0.13 %
\$20,001–30,000	138,054	12.81 %	59,751	2.39 %	136,031	9.96 %	54,867	1.00 %
\$30,001–40,000	109,120	10.13 %	93,280	3.72 %	135,230	9.90 %	117,746	2.15 %
\$40,001–50,000	88,667	8.23 %	119,426	4.77 %	109,881	8.05 %	149,743	2.74 %
\$50,001–75,000	166,909	15.49 %	369,858	14.76 %	209,863	15.37 %	470,278	8.60 %
\$75,001–100,000	108,135	10.04 %	374,463	14.95 %	147,336	10.79 %	510,152	9.33 %
\$100,001–250,000	124,036	11.51 %	774,254	30.91 %	264,236	19.35 %	1,784,315	32.62 %
Over \$250,000	19,693	1.83 %	693,064	27.66 %	61,152	4.48 %	2,375,541	43.43 %
Total	<u>1,077,317</u>	<u>100.00 %</u>	<u>\$ 2,505,235</u>	<u>100.00 %</u>	<u>1,365,496</u>	<u>100.00 %</u>	<u>\$ 5,470,324</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 2021.

**Schedule B-4
Personal Income Tax Rates
Last Ten Calendar Years**

	Calendar Year		
	2022	2018 to 2021	2012 to 2017
	<u>Single and Married Filing Separately</u>		
Tax Rate	4.85 %	4.95 %	5.00 %
	<u>Married Filing Joint, Head of Household, and Qualifying Widow(er)</u>		
Tax Rate	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.

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Schedule C-1
Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
(dollars expressed in millions)

	Fiscal Year				
	2023	2022	2021	2020	2019
Governmental Activities					
General Obligation Bonds	\$ 1,922	\$ 2,314	\$ 2,706	\$ 3,061	\$ 2,374
State Building Ownership Authority					
Lease Revenue Bonds	150	163	177	191	205
Leases ⁶	175	192	26	28	31
Software Subscriptions ⁷	10	—	—	—	—
Contracts/Notes Payable	3	4	—	—	—
Total Governmental Activities	<u>2,260</u>	<u>2,673</u>	<u>2,909</u>	<u>3,280</u>	<u>2,610</u>
Business-type Activities					
Student Assistance Revenue Bonds ^{1,4,5}	—	—	931	1,069	1,254
State Building Ownership Authority					
Lease Revenue Bonds	116	126	84	91	77
Leases ⁶	28	17	—	—	—
Software Subscriptions ⁷	—	—	—	—	—
Water Loan Recapitalization Revenue Bonds	—	7	13	20	26
Contracts/Notes Payable ^{1,4}	—	—	—	—	1
Total Business-type Activities	<u>144</u>	<u>150</u>	<u>1,028</u>	<u>1,180</u>	<u>1,358</u>
Total Primary Government	<u>\$ 2,404</u>	<u>\$ 2,823</u>	<u>\$ 3,937</u>	<u>\$ 4,460</u>	<u>\$ 3,968</u>
Debt as a Percentage of Personal Income ²	1.12 %	1.44 %	2.20 %	2.61 %	2.53 %
Amount of Debt Per Capita (expressed in dollars) ²	\$ 702	\$ 830	\$ 1,183	\$ 1,320	\$ 1,237
Net General Obligation Bonded Debt					
General Obligation Bonds	<u>\$ 1,922</u>	<u>\$ 2,314</u>	<u>\$ 2,706</u>	<u>\$ 3,061</u>	<u>\$ 2,374</u>
Net General Obligation Bonded Debt as a Percentage of Taxable Property Value ³	0.38 %	0.59 %	0.76 %	0.80 %	0.92 %
Amount of Net General Obligation Bonded Debt Per Capita (expressed in dollars) ²	\$ 561	\$ 681	\$ 813	\$ 932	\$ 734

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.

Note: Net general obligation and revenue bonded debt includes principal, premiums, discounts, and deferred amount on refundings of bonded debt for years prior to 2014. Beginning in 2014, deferred amounts on refunding of bonded debt was no longer reported as part of long-term liabilities, but as Deferred Outflows or Inflows of Resources per the implementation of Governmental Accounting Standards Board (GASB) Statement 65, *Items Previously Reported as Assets and Liabilities*.

¹ During 2015 the Student Assistance Programs issued a line of credit to acquire federally guaranteed student loans. In 2017, the Student Assistance Programs issued additional bonds to retire its line of credit issued in 2015 related to acquiring federally guaranteed student loans.

² Ratios are calculated using personal income and population data. See [Schedule D-1](#) for personal income and population data. During 2010 to 2012, the State issued just under \$1 billion in General Obligation bonds to take advantage of historically low interest rates and ease budget constraints for highway and building construction projects.

³ The percentage of Net General Obligation Bonded Debt based upon taxable property value is presented for comparative purposes. The State does not presently levy ad valorem property taxes for General Obligation Bonded Debt, but is authorized to do so in accordance with Title 59, Chapter 2, Part 901 of the *Utah Code*. See [Schedule C-3](#) for taxable property value.

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				
	2018	2017	2016	2015	2014
Governmental Activities					
General Obligation Bonds.....	\$ 2,498	\$ 2,235	\$ 2,585	\$ 2,950	\$ 3,271
State Building Ownership Authority					
Lease Revenue Bonds.....	244	230	249	170	187
Leases ⁶	33	22	23	20	22
Software Subscriptions ⁷	—	—	—	—	—
Contracts/Notes Payable.....	—	—	—	—	6
Total Governmental Activities.....	<u>2,775</u>	<u>2,487</u>	<u>2,857</u>	<u>3,140</u>	<u>3,486</u>
Business-type Activities					
Student Assistance Revenue Bonds ^{1,4,5}	1,495	1,812	1,255	1,511	1,284
State Building Ownership Authority					
Lease Revenue Bonds.....	83	73	79	80	81
Leases ⁶	—	—	—	—	—
Software Subscriptions ⁷	—	—	—	—	—
Water Loan Recapitalization Revenue Bonds.....	31	37	42	47	52
Contracts/Notes Payable ^{1,4}	1	—	922	1,152	—
Total Business-type Activities.....	<u>1,610</u>	<u>1,922</u>	<u>2,298</u>	<u>2,790</u>	<u>1,417</u>
Total Primary Government.....	<u>\$ 4,385</u>	<u>\$ 4,409</u>	<u>\$ 5,155</u>	<u>\$ 5,930</u>	<u>\$ 4,903</u>
Debt as a Percentage of Personal Income ²	2.96 %	3.23 %	4.01 %	5.04 %	4.42 %
Amount of Debt Per Capita (expressed in dollars) ²	\$ 1,390	\$ 1,421	\$ 1,693	\$ 1,979	\$ 1,665
Net General Obligation Bonded Debt					
General Obligation Bonds.....	<u>\$ 2,498</u>	<u>\$ 2,235</u>	<u>\$ 2,585</u>	<u>\$ 2,950</u>	<u>\$ 3,271</u>
Net General Obligation Bonded Debt as a Percentage of Taxable Property Value ³	0.92 %	0.89 %	1.10 %	1.33 %	1.58 %
Amount of Net General Obligation Bonded Debt Per Capita (expressed in dollars) ²	\$ 784	\$ 721	\$ 849	\$ 985	\$ 1,111

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*. See [Note 2](#) for more information.

Schedule C-2
Long-term Debt and Other Long-term Liabilities

Last Ten Fiscal Years
(expressed in thousands)

	Fiscal Year				
	2023	2022	2021	2020	2019
Governmental Activities					
General Obligation Bonds	\$ 1,694,190	\$ 2,049,115	\$ 2,397,925	\$ 2,704,640	\$ 2,155,675
General Obligation Bonds – Direct Placement ¹	112,200	113,600	115,000	116,300	117,600
State Building Ownership Authority					
Lease Revenue Bonds	144,797	151,864	159,261	166,693	174,076
SBOA Lease Revenue Bonds – Direct Placement ¹	5,440	10,525	15,985	21,105	25,910
Net Unamortized Premiums	115,627	152,374	195,167	243,120	106,066
Leases ¹	174,961	192,038	23,372	25,849	28,203
Software Subscriptions ⁹	10,004	—	—	—	—
Capital Leases	—	—	2,252	2,531	2,803
Notes Payable	3,035	3,794	134	183	227
Compensated Absences ²	254,992	231,060	217,280	210,811	211,138
Claims Liability	71,636	66,886	87,317	73,622	63,558
Pollution Remediation Obligation	4,921	5,183	10,639	5,308	5,324
Settlement Obligations	366	461	768	1,113	227
Net Pension Liability ⁵	631,147	927	405,970	719,708	1,140,766
Net Other Post Employment Benefit Obligation ⁶	—	—	—	—	—
Net Other Post Employment Benefit Liability ⁶	1,610	2,012	608	18,410	68,335
Arbitrage Liability	—	—	198	418	544
Total Governmental Activities	<u>3,224,926</u>	<u>2,979,839</u>	<u>3,631,876</u>	<u>4,309,811</u>	<u>4,100,452</u>
Business-type Activities					
Student Assistance Revenue Bonds ^{3, 7, 8}	—	—	940,447	1,081,161	1,265,880
State Building Ownership Authority					
Lease Revenue Bonds	107,198	114,916	79,109	85,612	72,549
Water Loan Recapitalization Revenue Bonds	—	6,830	13,345	19,565	25,520
Net Unamortized Premiums/(Discounts)	9,122	10,711	(4,610)	(6,811)	(8,000)
Leases ¹	28,013	16,510	—	—	—
Software Subscriptions ⁹	275	—	—	—	—
Notes Payable ⁴	—	—	—	—	618
Claims and Uninsured Liabilities	239,260	246,992	257,864	79,789	3,279
Net Pension Liability ⁵	10,360	—	5,447	11,064	19,065
Net Other Post Employment Benefit Liability ⁶	—	—	—	350	1,108
Total Business-type Activities	<u>394,228</u>	<u>395,959</u>	<u>1,291,602</u>	<u>1,270,730</u>	<u>1,380,019</u>
Total Primary Government Other Long-term Liabilities	<u>\$ 3,619,154</u>	<u>\$ 3,375,798</u>	<u>\$ 4,923,478</u>	<u>\$ 5,580,541</u>	<u>\$ 5,480,471</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				
	2018	2017	2016	2015	2014
Governmental Activities					
General Obligation Bonds	\$ 2,396,875	\$ 2,173,985	\$ 2,498,895	\$ 2,830,150	\$ 3,136,755
General Obligation Bonds – Direct Placement ¹	—	—	—	—	—
State Building Ownership Authority					
Lease Revenue Bonds	237,426	225,163	242,976	166,773	183,590
SBOA Lease Revenue Bonds – Direct Placement ¹	—	—	—	—	—
Net Unamortized Premiums	108,115	66,423	92,827	122,321	138,187
Leases ¹	33,132	21,616	23,498	20,287	21,794
Software Subscriptions ⁹	—	—	—	—	—
Capital Leases	—	—	—	—	—
Notes Payable	268	305	339	370	5,983
Compensated Absences ²	184,505	181,557	182,707	185,792	184,679
Claims Liability	57,330	53,645	48,092	46,931	48,585
Pollution Remediation Obligation	5,366	5,891	6,401	5,086	5,327
Settlement Obligations	273	319	365	4,471	6,928
Net Pension Liability ⁵	763,753	1,031,449	992,495	802,543	—
Net Other Post Employment Benefit Obligation ⁶	—	—	3,848	4,126	4,331
Net Other Post Employment Benefit Liability ⁶	99,058	109,618	—	—	—
Arbitrage Liability	—	—	—	—	—
Total Governmental Activities	<u>3,886,101</u>	<u>3,869,971</u>	<u>4,092,443</u>	<u>4,188,850</u>	<u>3,736,159</u>
Business-type Activities					
Student Assistance Revenue Bonds ^{3, 7, 8}	1,506,965	1,822,807	1,256,026	1,509,543	1,277,837
State Building Ownership Authority					
Lease Revenue Bonds	77,704	67,438	72,674	73,207	79,106
Water Loan Recapitalization Revenue Bonds	31,225	36,680	41,915	46,940	51,800
Net Unamortized Premiums/(Discounts)	(6,418)	(5,437)	5,434	8,696	9,110
Leases ¹	—	—	—	—	—
Software Subscriptions ⁹	—	—	—	—	—
Notes Payable ⁴	635	—	921,995	1,152,207	—
Claims and Uninsured Liabilities	4,365	4,810	5,726	7,587	9,283
Net Pension Liability ⁵	12,038	17,468	17,845	12,853	—
Net Other Post Employment Benefit Liability ⁶	1,564	1,731	—	—	—
Total Business-type Activities	<u>1,628,078</u>	<u>1,945,497</u>	<u>2,321,615</u>	<u>2,811,033</u>	<u>1,427,136</u>
Total Primary Government Other Long-term Liabilities	<u>\$ 5,514,179</u>	<u>\$ 5,815,468</u>	<u>\$ 6,414,058</u>	<u>\$ 6,999,883</u>	<u>\$ 5,163,295</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*. See [Note 2](#) for more information.

Schedule C-3
Legal Debt Margin
 Last Ten Fiscal Years
 (dollars expressed in millions)

	Fiscal Year				
	2023	2022	2021	2020	2019
Taxable Property, Taxable Value ¹	\$ 504,084	\$ 393,665	\$ 353,750	\$ 329,096	\$ 298,114
Taxable Property, Fair Market Value ¹	728,724	559,692	497,914	461,064	415,650
Debt Limit (Fair Market Value times 1.50 %)	1.50 %	1.50 %	1.50 %	1.50 %	1.50 %
Debt Limit Amount	10,931	8,395	7,469	6,916	6,235
Net General Obligation Bonded Debt ²	1,922	2,314	2,706	3,061	2,374
Legal Debt Margin	<u>\$ 9,009</u>	<u>\$ 6,081</u>	<u>\$ 4,763</u>	<u>\$ 3,855</u>	<u>\$ 3,861</u>
Net General Obligation Bonded Debt					
As a Percentage of the Debt Limit Amount	17.58 %	27.57 %	36.23 %	44.26 %	38.08 %

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 \$142.258 million as of fiscal yearend. These contract liabilities do not affect the State’s compliance with the constitutional debt limit.

¹ Taxable property is assessed January 1 of each year. The value used for the fiscal year limitation is from the prior calendar year; assessed values as of January 1, 2022, are used for fiscal year 2023.

Schedule C-4
Statutory Debt Limit
 Last Ten Fiscal Years
 (dollars expressed in millions)

	Fiscal Year				
	2023	2022	2021	2020	2019
Appropriations Limitation Amount	\$ 4,845	\$ 4,412	\$ 4,162	\$ 3,990	\$ 3,911
Limit (Appropriations Limitation Amount times applicable percentage)	45.00 %	45.00 %	45.00 %	45.00 %	45.00 %
Statutory Debt Limit Amount	2,180	1,985	1,873	1,796	1,760
Net General Obligation Bonded Debt ¹	1,922	2,314	2,706	3,061	2,374
Less: Exempt Highway Construction Bonds	(1,565)	(1,890)	(2,214)	(2,534)	(2,175)
Net General Obligation Bonded Debt Subject to Statutory Debt Limit	357	425	492	527	199
Additional General Obligation Debt Incurring Capacity	<u>\$ 1,823</u>	<u>\$ 1,561</u>	<u>\$ 1,381</u>	<u>\$ 1,269</u>	<u>\$ 1,561</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 \$142.258 million as of fiscal yearend. These contract liabilities do not affect the State’s compliance with the constitutional debt limit.

Schedule C-3
Legal Debt Margin - continued
 Last Ten Fiscal Years
 (dollars expressed in millions)

	Fiscal Year				
	2018	2017	2016	2015	2014
Taxable Property, Taxable Value ¹	\$ 271,649	\$ 251,598	\$ 235,273	\$ 221,650	\$ 207,211
Taxable Property, Fair Market Value ¹	377,260	347,716	323,367	303,725	282,489
Debt Limit (Fair Market Value times 1.50 %)	1.50 %	1.50 %	1.50 %	1.50 %	1.50 %
Debt Limit Amount	5,659	5,216	4,851	4,556	4,237
Net General Obligation Bonded Debt ²	2,498	2,235	2,585	2,950	3,271
Legal Debt Margin	<u>\$ 3,161</u>	<u>\$ 2,981</u>	<u>\$ 2,266</u>	<u>\$ 1,606</u>	<u>\$ 966</u>
Net General Obligation Bonded Debt					
As a Percentage of the Debt Limit Amount	44.14 %	42.85 %	53.29 %	64.75 %	77.20 %

² Net general obligation bonded debt includes principal, premiums, discounts, and deferred amount on refundings of bonded debt for years prior to 2014. Beginning in 2014, deferred amount on refundings of bonded debt was no longer reported as part of long-term liabilities, but as Deferred Outflows or Inflows of Resources per the implementation of Governmental Accounting Standards Board (GASB) Statement 65, *Items Previously Reported as Assets and Liabilities*.

Schedule C-4
Statutory Debt Limit - continued
 Last Ten Fiscal Years
 (dollars expressed in millions)

	Fiscal Year				
	2018	2017	2016	2015	2014
Appropriations Limitation Amount	\$ 3,738	\$ 3,567	\$ 3,469	\$ 3,315	\$ 3,250
Limit (Appropriations Limitation Amount times applicable percentage)	45.00 %	45.00 %	45.00 %	45.00 %	45.00 %
Statutory Debt Limit Amount	1,682	1,605	1,561	1,492	1,463
Net General Obligation Bonded Debt ¹	2,498	2,235	2,585	2,950	3,271
Less: Exempt Highway Construction Bonds	(2,282)	(2,180)	(2,402)	(2,622)	(2,860)
Net General Obligation Bonded Debt Subject to Statutory Debt Limit	216	55	183	328	411
Additional General Obligation Debt Incurring Capacity	<u>\$ 1,466</u>	<u>\$ 1,550</u>	<u>\$ 1,378</u>	<u>\$ 1,164</u>	<u>\$ 1,051</u>

¹ Net general obligation bonded debt includes principal, premiums, discounts, and deferred amount on refundings of bonded debt for years prior to 2014. Beginning in 2014, deferred amount on refundings of bonded debt was no longer reported as part of long-term liabilities, but as Deferred Outflows or Inflows of Resources per the implementation of Governmental Accounting Standards Board (GASB) Statement 65, *Items Previously Reported as Assets and Liabilities*.

Schedule C-5
Pledged Revenue Bond Coverage
 Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year	Gross Revenues ¹	Less Operating Expenses ²	Net Available Revenue	Debt Service		Coverage ³
				Principal	Interest	
Water Loan Programs						
2014	\$ 3,877	\$ —	\$ 3,877	\$ 4,745	\$ 2,197	0.56
2015	3,920	—	3,920	4,860	2,067	0.57
2016	3,744	—	3,744	5,025	1,851	0.54
2017	3,628	—	3,628	5,235	1,658	0.53
2018	3,756	—	3,756	5,455	1,406	0.55
2019	4,113	—	4,113	5,705	1,167	0.60
2020	3,648	—	3,648	5,955	908	0.53
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	—	0.56
Student Assistance Programs						
2014	\$ 49,679	\$ 36,697	\$ 12,982	\$ 171,000	\$ 7,631	0.07
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 Prior to 2015, only Student Loan Purchase Program bonds were presented. During 2015, a line of credit was issued for \$1.600 billion in order to acquire federally guaranteed student loans.

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.

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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			
2014	2,945	1.52 %	319,500	0.88 %	3.80 %	6.20 %	6,000
2015	2,991	1.56 %	321,500	0.63 %	3.50 %	5.30 %	14,200
2016	3,044	1.77 %	324,000	0.78 %	3.40 %	4.90 %	25,300
2017	3,103	1.94 %	326,000	0.62 %	3.30 %	4.40 %	30,000
2018	3,188	2.74 %	329,000	0.92 %	2.90 %	3.90 %	22,300
2019	3,237	1.54 %	330,000	0.30 %	2.50 %	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 %	31,600
2022	3,381	1.26 %	334,000	0.60 %	2.30 %	3.60 %	18,600
2023 (est.)	3,428	1.39 %	336,000	0.60 %	2.60 %	3.60 %	22,800

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
2014	\$ 110,844	5.66 %	\$14,810,000	4.54 %	\$ 37,638	4.08 %	\$ 46,354	3.62 %
2015	\$ 118,725	7.11 %	\$15,553,000	5.02 %	\$ 39,694	5.46 %	\$ 48,376	4.36 %
2016	\$ 128,407	8.15 %	\$16,125,000	3.68 %	\$ 42,184	6.27 %	\$ 49,769	2.88 %
2017	\$ 136,544	6.34 %	\$16,879,000	4.68 %	\$ 44,004	4.31 %	\$ 51,776	4.03 %
2018	\$ 148,241	8.57 %	\$17,852,000	5.76 %	\$ 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	4.22 %	\$ 65,392	1.41 %
2023 (est.)	\$ 213,944	6.43 %	\$22,992,000	5.27 %	\$ 62,411	4.97 %	\$ 68,429	4.64 %

Source: Population – Utah Population Estimates Committee at July 1 each year. The 2023 estimate is from the Utah Revenue Assumption Committee.

Source: Unemployment Rate – Utah Department of Workforce Services. The 2023 estimate is from the Utah Revenue Assumption Committee.

Source: Utah Net Migration – Utah Population Estimates Committee at July 1 each year. The 2023 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 2023 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 2013			Calendar Year 2022		
	Number of Employees	Rank	Percent of All Employees	Number of Employees	Rank	Percent of All Employees
Intermountain Health Care (IHC).....	20,000 +	1	2.60 %	20,000 +	1	2.20 %
University of Utah (includes Hospital).....	20,000 +	2	1.90 %	20,000 +	2	1.80 %
Wal-Mart Stores	20,000 +	5	1.30 %	20,000 +	3	1.40 %
State of Utah	20,000 +	3	1.70 %	20,000 +	4	1.30 %
Brigham Young University	15,000 – 19,999	4	1.40 %	15,000-19,999	5	1.00 %
Hill Air Force Base	10,000 – 14,999	6	0.90 %	10,000-14,999	6	0.80 %
Davis County School District	7,000 – 9,999	7	0.70 %	7,000-9,999	7	0.60 %
Utah State University	7,000 – 9,999	9	0.70 %	7,000-9,999	8	0.60 %
Smith's Food and Drug Centers	7,000 – 9,999	10	0.50 %	7,000-9,999	9	0.60 %
Alpine School District				7,000-9,999	10	0.50 %
Granite School District	6,000 – 6,999	8	0.70 %			
Total Employees of Principal Employers.....	157,000		12.40 %	180,000		10.80 %

Source: Utah Department of Workforce Services.

Notes: Number of employees is based on a calendar year average.

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Schedule D-3
Composition of the Labor Force
 Last Ten Calendar Years

	Calendar Year				
	2022	2021	2020	2019	2018
Nonagricultural Jobs					
Government	256,173	251,682	248,608	253,697	247,904
Mining	9,909	8,822	8,658	9,361	9,470
Construction	131,058	122,346	115,432	109,486	104,341
Manufacturing	151,605	145,654	136,420	136,924	133,006
Trade, Transportation, and Utilities	313,247	306,785	290,381	290,908	286,355
Information	45,127	41,050	38,474	39,572	38,080
Financial Activity	98,051	97,694	93,313	90,007	87,540
Professional and Business Services	247,044	234,350	225,252	223,789	217,642
Education and Health Services	224,931	216,456	208,847	209,998	203,484
Leisure and Hospitality	162,737	148,307	133,416	153,446	148,530
Other Services	45,594	43,690	42,037	42,379	41,189
Total Nonagricultural Jobs	1,685,476	1,616,836	1,540,838	1,559,567	1,517,541
Civilian Labor Force	1,743,054	1,681,494	1,640,426	1,618,055	1,583,703
Total Employed	1,702,674	1,636,150	1,562,799	1,576,421	1,537,389
Unemployed	40,380	45,344	77,627	41,634	46,314
Unemployment Rate	2.30 %	2.70 %	4.70 %	2.60 %	2.90 %

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				
	2017	2016	2015	2014	2013
Nonagricultural Jobs					
Government	244,311	239,416	233,658	230,619	225,917
Mining	8,618	8,494	10,372	12,160	12,107
Construction	97,495	91,537	84,676	78,676	73,462
Manufacturing	129,199	125,926	123,695	120,706	118,747
Trade, Transportation, and Utilities	278,526	271,432	263,158	252,574	246,900
Information	38,429	36,860	34,402	33,320	32,427
Financial Activity	84,072	81,710	79,020	74,965	72,869
Professional and Business Services	206,987	202,175	194,127	185,121	177,462
Education and Health Services	198,251	190,935	182,273	174,309	170,541
Leisure and Hospitality	143,029	138,591	133,657	128,086	123,521
Other Services	40,210	39,472	38,689	37,604	36,425
Total Nonagricultural Jobs	1,469,127	1,426,548	1,377,727	1,328,140	1,290,378
Civilian Labor Force	1,554,352	1,500,137	1,453,457	1,415,779	1,418,522
Total Employed	1,505,413	1,449,981	1,401,945	1,364,353	1,355,720
Unemployed	46,314	50,156	51,512	51,426	62,802
Unemployment Rate	3.10 %	3.30 %	3.50 %	3.60 %	4.40 %

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State of Utah

Schedule D-4 Public Education Student Enrollment (K-12) Last Ten Academic Years

	Academic Year				
	2022-23	2021-22	2020-21	2019-20	2018-19
Elementary	353,570	354,817	350,621	358,817	358,908
Secondary	321,080	319,534	314,685	308,008	299,893
Total All Grades	<u>674,650</u>	<u>674,351</u>	<u>665,306</u>	<u>666,825</u>	<u>658,801</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				
	2023-24	2022-23	2021-22	2020-21	2019-20
University of Utah	35,310	34,734	34,462	33,080	32,852
Utah State University	28,063	27,943	27,426	27,691	27,810
Weber State University	30,536	29,914	29,774	29,596	29,644
Southern Utah University	15,033	14,330	13,611	12,582	11,224
Salt Lake Community College	26,764	26,348	27,225	27,293	29,517
Utah Valley University	44,653	43,099	41,262	40,936	41,728
Utah Tech University ¹	12,567	12,556	12,266	12,043	11,193
Snow College	5,506	5,997	6,106	5,800	5,383
Technical Colleges	20,455	20,083	19,852	18,284	20,130
Total All Institutions	<u>218,887</u>	<u>215,004</u>	<u>211,984</u>	<u>207,305</u>	<u>209,481</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.

Schedule D-4
Public Education Student Enrollment (K-12) - continued
 Last Ten Academic Years

	Academic Year				
	2017-18	2016-17	2015-16	2014-15	2013-14
Elementary	358,190	356,686	353,050	349,382	345,967
Secondary	294,158	287,790	280,846	272,771	266,584
Total All Grades	<u>652,348</u>	<u>644,476</u>	<u>633,896</u>	<u>622,153</u>	<u>612,551</u>

Schedule D-5
Public Higher Education Enrollment - continued
 Last Ten Academic Years

	Academic Year				
	2018-19	2017-18	2016-17	2015-16	2014-15
University of Utah	33,023	32,800	32,061	31,673	31,515
Utah State University	27,932	27,679	28,118	28,622	27,662
Weber State University	28,247	27,949	26,809	25,955	26,266
Southern Utah University	10,196	9,468	8,955	8,881	7,656
Salt Lake Community College	29,156	29,620	29,901	28,814	29,537
Utah Valley University	39,931	37,282	34,978	33,211	31,332
Utah Tech University ¹	9,950	9,673	8,993	8,503	8,570
Snow College	5,514	5,563	5,350	5,111	4,779
Technical Colleges	19,418	16,838	17,293	16,933	14,834
Total All Institutions	<u>203,367</u>	<u>196,872</u>	<u>192,458</u>	<u>187,703</u>	<u>182,151</u>

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Schedule E-1
Full-Time Equivalent State Employees by Function
 Last Ten Fiscal Years

	Fiscal Year				
	2023	2022	2021	2020	2019
General Government:					
Government Operations	2,153	2,101	2,169	2,180	2,150
Tax Commission	631	627	650	674	685
All Other	211	213	198	196	191
Health and Human Services ³	5,262	5,213	5,161	5,098	4,970
Corrections	2,557	2,499	2,520	2,501	2,513
Public Safety:					
Department of Public Safety	1,485	1,424	1,427	1,435	1,403
Utah National Guard	252	254	266	266	261
State Courts	1,035	1,005	998	1,009	1,004
Environmental Quality ³	361	359	358	361	358
Employment and Family Services ^{1,2}	2,035	2,044	2,053	2,026	2,013
Natural Resources	1,488	1,419	1,427	1,384	1,355
Cultural and Community Engagement ¹	162	151	140	142	128
Business, Labor, and Agriculture	840	804	798	806	796
Education:					
Public Education Support ²	893	837	800	786	749
Higher Education Support	74	163	196	369	422
Transportation	1,728	1,685	1,687	1,694	1,693
Total Full-time Equivalent State Employees	21,167	20,798	20,848	20,927	20,691

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.

Schedule E-1
Full-Time Equivalent State Employees by Function - continued
 Last Ten Fiscal Years

	Fiscal Year				
	2018	2017	2016	2015	2014
General Government:					
Government Operations	2,122	2,095	2,063	2,055	2,066
Tax Commission	690	690	697	708	715
All Other	184	185	181	176	166
Health and Human Services ³	5,023	5,067	4,980	4,888	4,937
Corrections	2,527	2,453	2,392	2,307	2,295
Public Safety:					
Department of Public Safety	1,341	1,333	1,329	1,324	1,327
Utah National Guard	253	247	226	210	218
State Courts	983	986	994	994	1,009
Environmental Quality ³	361	365	367	373	371
Employment and Family Services ^{1,2}	2,043	1,989	1,719	1,758	1,768
Natural Resources	1,361	1,334	1,320	1,315	1,304
Cultural and Community Engagement ¹	124	126	125	120	117
Business, Labor, and Agriculture	786	773	767	748	728
Education:					
Public Education Support ²	721	816	1,138	1,135	1,119
Higher Education Support	399	274	236	277	227
Transportation	1,638	1,642	1,616	1,569	1,583
Total Full-time Equivalent State Employees	<u>20,556</u>	<u>20,375</u>	<u>20,150</u>	<u>19,957</u>	<u>19,950</u>

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Schedule E-2
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year				
	2023	2022	2021	2020	2019
General Government					
Government Operations:					
Construction Projects Managed	1,193	1,198	1,099	1,058	1,052
Tax Commission:					
Percent of Data Managed Electronically	92.00 %	91.00 %	88.00 %	89.00 %	86.00 %
Number of Returns Filed Electronically	1,567,315	1,493,502	1,603,914	1,256,658	1,307,267
Motor Vehicle Registrations (in thousands)	3,618	3,577	3,352	3,113	2,976
Health and Human Services ⁶					
Food Stamp Recipients	248,071	244,599	254,397	265,352	273,779
Percent of Population	7.24 %	7.20 %	7.64 %	8.16 %	8.52 %
Juveniles, Daily Average in Justice System Placement	312	301	330	380	425
Rate of Recombinment to Juvenile Custody	22.80 %	21.70 %	28.90 %	25.80 %	16.90 %
Children’s Health Insurance Program Enrollment	7,114	7,145	15,388	17,235	18,198
Medicaid Eligible (unduplicated)	571,705	514,438	451,244	413,533	404,861
Percent of Population	16.68 %	15.13 %	13.56 %	12.72 %	12.60 %
Corrections ¹					
Incarcerated Offenders	N/A	5,935	5,765	5,986	6,772
Supervised Offenders	N/A	15,034	15,013	16,180	16,775
Utah Incarceration Rate (per 100,000 population)	N/A	N/A	175	166	206
US Incarceration Rate (per 100,000 population)	N/A	N/A	350	358	419
State Courts ²					
State Court Filings	270,533	253,926	260,461	277,250	284,152
State Court Dispositions	242,155	234,012	232,952	243,996	255,926
Employment and Family Services					
Individuals Registered for Employment	444,157	490,587	553,241	382,178	121,759
Percent Who Entered Employment	68.40 %	70.10 %	67.30 %	71.00 %	67.00 %
Natural Resources					
Hatchery Fish, Pounds Raised	1,008,841	1,152,293	1,148,452	1,162,722	1,155,821
Hunting and Fishing Licenses Sold ^{1,3}	620,852	638,152	725,191	605,957	590,111
State Park Visitations (in thousands)	11,011	10,795	12,080	8,705	7,424
Business, Labor, and Agriculture					
Department of Commerce:					
Licenses and Registrations Issued ⁴	521,421	494,471	454,816	440,481	417,172
Department of Agriculture and Food: ¹					
Dairy Farm Inspections	N/A	329	361	465	435
Pounds of Turkey Inspected and Graded (in thousands)	N/A	N/A	N/A	18,805	27,692
Gas Pumps and Scales Inspected	N/A	39,883	28,290	43,762	31,655
Higher Education					
Number of Certificates and Degrees Awarded	56,553	53,619	47,974	44,031	38,622
Transportation					
Percent of Roads which are Deficient ⁵	N/A	4.50 %	4.90 %	6.74 %	8.82 %
Vehicles Weighed or Inspected (in thousands)	9,245	8,367	9,728	8,583	8,542

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				
	2018	2017	2016	2015	2014
General Government					
Government Operations:					
Construction Projects Managed	1,155	896	910	802	1,020
Tax Commission:					
Percent of Data Managed Electronically	84.50 %	83.80 %	83.20 %	81.80 %	79.90 %
Number of Returns Filed Electronically	1,246,011	1,196,647	1,171,287	1,103,323	1,051,940
Motor Vehicle Registrations (in thousands)	2,950	3,027	2,961	2,846	2,863
Health and Human Services ⁶					
Food Stamp Recipients	298,396	323,768	338,362	348,459	363,154
Percent of Population	9.45 %	10.41 %	11.09 %	11.65 %	12.33 %
Juveniles, Daily Average in Justice System Placement	467	604	686	812	922
Rate of Recombitment to Juvenile Custody	14.90 %	9.90 %	8.40 %	7.80 %	6.60 %
Children's Health Insurance Program Enrollment	19,338	19,248	17,058	15,775	29,953
Medicaid Eligible (unduplicated)	404,303	414,519	418,356	415,843	391,139
Percent of Population	12.80 %	13.33 %	13.71 %	13.90 %	13.28 %
Corrections ¹					
Incarcerated Offenders	6,522	6,309	6,298	6,723	7,113
Supervised Offenders	17,329	16,855	16,590	13,897	15,307
Utah Incarceration Rate (per 100,000 population)	208	205	201	215	237
US Incarceration Rate (per 100,000 population)	431	441	450	458	471
State Courts ²					
State Court Filings	278,392	283,449	288,797	305,778	311,187
State Court Dispositions	245,764	262,841	260,952	273,731	279,903
Employment and Family Services					
Individuals Registered for Employment	131,386	150,168	185,347	215,861	260,138
Percent Who Entered Employment	67.00 %	73.00 %	71.00 %	66.00 %	65.00 %
Natural Resources					
Hatchery Fish, Pounds Raised	1,089,720	1,081,766	1,093,205	1,212,696	1,204,984
Hunting and Fishing Licenses Sold ^{1,3}	587,443	582,751	558,893	585,666	583,460
State Park Visitations (in thousands)	6,712	5,691	5,176	4,482	3,741
Business, Labor, and Agriculture					
Department of Commerce:					
Licenses and Registrations Issued ⁴	409,301	387,348	378,478	355,124	350,416
Department of Agriculture and Food: ¹					
Dairy Farm Inspections	515	525	533	560	693
Pounds of Turkey Inspected and Graded (in thousands)	108,130	121,106	102,511	79,060	107,833
Gas Pumps and Scales Inspected	33,774	30,116	32,486	32,131	26,612
Higher Education					
Number of Certificates and Degrees Awarded	37,756	36,701	33,822	32,797	32,491
Transportation					
Percent of Roads which are Deficient ⁵	8.60 %	9.64 %	N/A	10.68 %	12.49 %
Vehicles Weighed or Inspected (in thousands)	8,116	7,893	5,969	6,706	7,484

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				
	2023	2022	2021	2020	2019
General Government					
Buildings	331	333	333	333	332
Vehicles	8,233	8,138	8,045	8,049	7,969
Data Processing Equipment and Software	1,193	1,113	1,059	1,367	1,315
Reproduction and Printing Equipment	969	896	831	841	1,133
Health and Human Services					
Data Processing Equipment and Software	146	147	145	141	144
Medical and Lab Equipment	344	323	311	308	299
Corrections					
Data Processing Equipment and Software	223	222	220	216	217
Security and Surveillance Equipment	108	110	109	79	83
Public Safety					
Department of Public Safety:					
Vehicles	37	36	35	35	35
Data Processing Equipment and Software	264	256	241	230	219
Medical and Lab Equipment	347	330	296	216	208
Utah National Guard:					
Buildings	239	239	239	239	237
State Courts					
Data Processing Equipment and Software	84	80	78	78	72
Audio Visual Equipment	134	134	132	136	134
Environmental Quality					
Monitoring and Lab Equipment	583	521	522	534	555
Employment and Family Services					
Data Processing Equipment and Software	390	414	407	407	402
Natural Resources					
Division of Parks and Recreation:					
State Parks	46	46	46	44	44
Buildings	798	800	794	793	789
Vehicles	376	371	369	368	359
Division of Wildlife Resources:					
Wildlife Management Areas	193	193	92	92	92
Fish Hatcheries	12	12	12	12	12
Buildings	205	203	103	202	195
Vehicles	238	236	236	234	229
Business, Labor, and Agriculture					
Data Processing Equipment and Software	127	125	121	116	115
Monitoring and Lab Equipment	160	157	153	156	142
Transportation					
Highway Center Line Miles	6,919	6,920	5,865	5,859	5,787
Buildings	463	462	457	456	456
Vehicles	416	399	333	345	330
Heavy Equipment	2,589	2,583	2,437	2,395	2,412

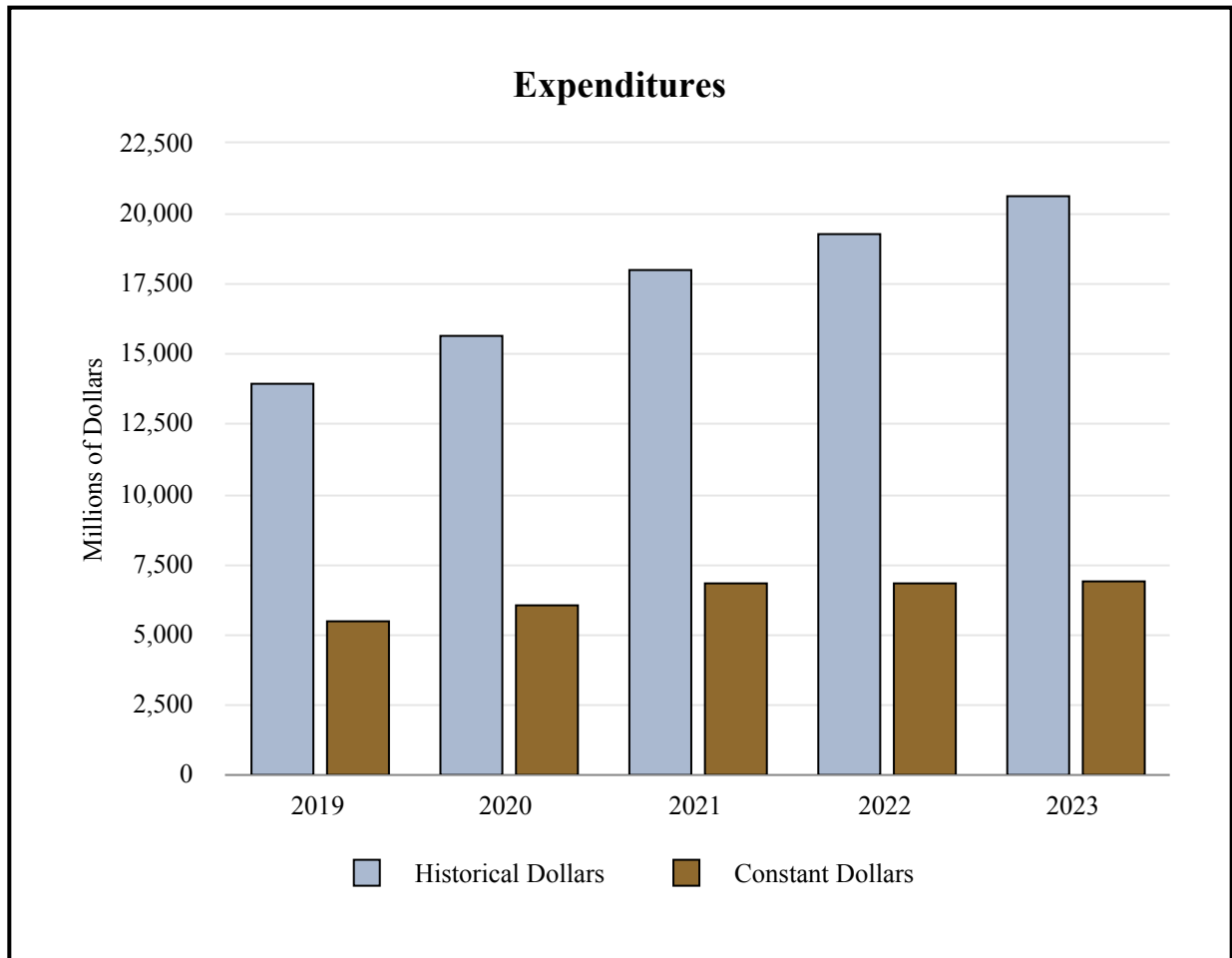
Source: Utah Department of Government Operations, Division of Finance and various agencies of the State.

*Leased assets under GASB Statement No. 87, *Leases*, implemented in 2022, and subscription based-software under GASB Statement No. 96, *Subscription-Base 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				
	2018	2017	2016	2015	2014
General Government					
Buildings	326	323	319	315	314
Vehicles	7,828	7,732	7,886	7,781	7,524
Data Processing Equipment and Software	1,314	1,397	2,428	2,383	2,931
Reproduction and Printing Equipment	1,112	1,138	1,140	1,178	1,209
Health and Human Services					
Data Processing Equipment and Software	143	137	153	176	184
Medical and Lab Equipment	287	283	295	291	302
Corrections					
Data Processing Equipment and Software	219	220	222	220	216
Security and Surveillance Equipment	70	75	73	69	55
Public Safety					
Department of Public Safety:					
Vehicles	35	35	35	34	35
Data Processing Equipment and Software	208	222	213	204	249
Medical and Lab Equipment	205	236	220	207	197
Utah National Guard:					
Buildings	237	237	235	229	223
State Courts					
Data Processing Equipment and Software	65	60	63	63	52
Audio Visual Equipment	134	146	150	151	143
Environmental Quality					
Monitoring and Lab Equipment	562	510	448	433	404
Employment and Family Services					
Data Processing Equipment and Software	393	387	370	358	396
Natural Resources					
Division of Parks and Recreation:					
State Parks	44	43	43	43	43
Buildings	785	779	778	756	736
Vehicles	356	351	344	340	334
Division of Wildlife Resources:					
Wildlife Management Areas	92	92	92	92	92
Fish Hatcheries	12	11	11	12	11
Buildings	192	191	190	183	182
Vehicles	224	220	214	209	203
Business, Labor, and Agriculture					
Data Processing Equipment and Software	112	110	101	114	117
Monitoring and Lab Equipment	143	138	122	118	114
Transportation					
Highway Center Line Miles	5,780	5,880	5,825	5,830	5,719
Buildings	446	442	440	423	402
Vehicles	1,010	956	931	904	878
Heavy Equipment	2,635	2,602	2,599	2,595	2,593

Schedule F-1
Expenditures — Historical and Constant Dollars
All Governmental Fund Types
 Last Five Fiscal Years

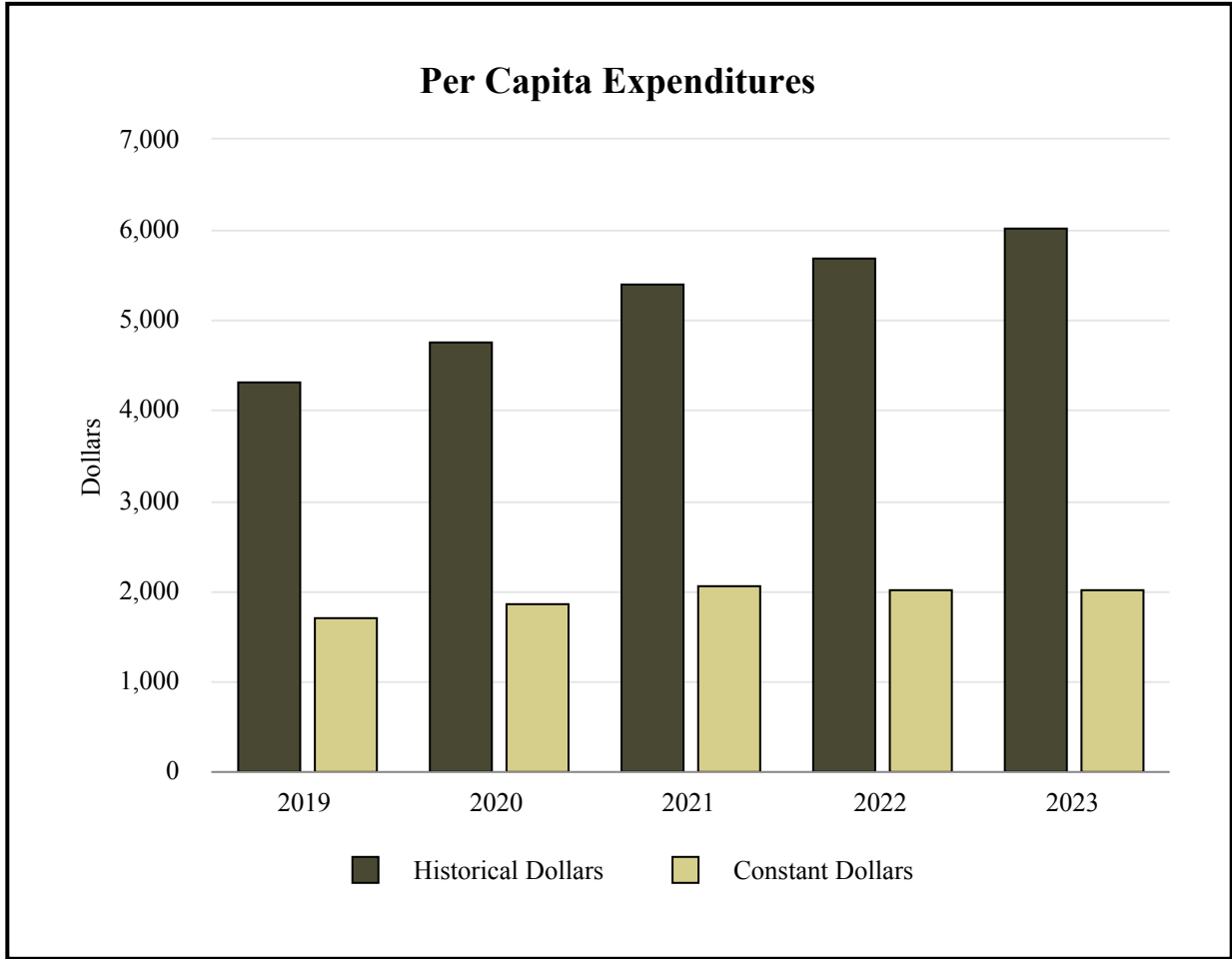


Fiscal Year	Historical Dollars		Constant Dollars	
	(in millions)	Change	(in millions)	Change
2019	\$13,949	4.63 %	\$5,508	2.51 %
2020	\$15,659	12.26 %	\$6,088	10.53 %
2021	\$18,029	15.13 %	\$6,851	12.54 %
2022	\$19,282	6.95 %	\$6,837	(0.21)%
2023	\$20,652	7.10 %	\$6,891	0.79 %

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
2019	\$4,309	3.05 %	\$1,701	0.96 %
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	\$6,024	5.64 %	\$2,010	(0.59)%

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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2023
STATE OF UTAH
★
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

★
For the fiscal year ended June 30, 2023

Photo by Kyle Janzen



Utah Department of
**Government
Operations**