

Continuing Disclosure Memorandum

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

For The

State of Utah

And The

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



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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 percent 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, 2024 as follows:

Constitutional Debt Limit (in thousands)

| | |
|---|-----------------------|
| Fair Market Value of Ad Valorem Taxable Property ¹ | \$ 775,430,196 |
| Fees in Lieu of Ad Valorem Taxable Property ² | 15,035,823 |
| Total Fair Market Value of Taxable Property ¹ | <u>\$ 790,466,019</u> |
| Constitutional Debt Limit (1.5 percent) | \$ 11,856,990 |
| Less: Currently Outstanding General Obligation Debt (Net) ³ | (1,174,841) |
| Less: Long-term contract liabilities ⁴ | (153,616) |
| Estimated Additional Constitutional Debt Incurring Capacity of the State ⁵ | <u>\$ 10,528,533</u> |

- (1) Based on 2023 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 2023 "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 percent) 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 \$153.616 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 percent 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 \$1,102,700,000, \$892,115,000 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 2025, 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, 2024, as follows:

Statutory General Obligation Debt Limit

(in thousands)

| | |
|---|----------------------------|
| Statutory General Obligation Debt Limit ¹ | \$ 2,500,095 |
| Less: Statutorily Applicable General Obligation Debt (Net) ² | (223,271) |
| Less: Long-term contract liabilities ³ | <u>(153,616)</u> |
| Remaining Statutory General Obligation Debt Incurring Capacity | <u><u>\$ 2,123,208</u></u> |

- (1) 45 percent of the fiscal year 2025 appropriation limit of \$5,555,766,000.
- (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 \$153.616 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 percent 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 2025, the additional transportation debt incurring capacity of the State as of December 31, 2024, is as follows:

Additional Statutory Limitation for Transportation Debt Issuance

(in thousands)

| | |
|--|----------------------------|
| 50 % of the Constitutional Debt Limit ¹ | \$ 5,928,495 |
| Less: Currently Outstanding General Obligation Debt (Net) ² | (1,174,841) |
| Less: Long-term contract liabilities ³ | <u>(153,616)</u> |
| Remaining Transportation Debt Incurring Capacity | <u><u>\$ 4,600,038</u></u> |

- (1) 50 percent of the Constitutional Debt Limit of \$11,856,990,285.
- (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 \$153.616 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, 2024, 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 one projects totaling \$12 million, the projects specified in the statutory authorizations were appropriated

cash funding during the 2022 and 2023 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 CONTINUING 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 2020 through 2024 is as follows:

| | Fiscal Year Ended June 30 (in thousands) | | | | |
|---|--|---------------------|---------------------|---------------------|---------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Fair Market Value of Ad Valorem Taxable Property ¹ | \$775,430,196 | \$714,152,036 | \$544,941,047 | \$484,739,862 | \$447,545,072 |
| Fees in lieu of Ad Valorem Tax ² | 15,035,823 | 14,572,157 | 14,751,411 | 13,174,279 | 13,519,278 |
| Fair Market Value for Debt Incurring Capacity | <u>790,466,019</u> | <u>728,724,193</u> | <u>559,692,458</u> | <u>497,914,141</u> | <u>461,064,350</u> |
| Constitutional: | | | | | |
| Constitutional General Obligation Debt Limit (1.5% of Fair Market Value) | 11,856,990 | 10,930,863 | 8,395,387 | 7,468,712 | 6,915,965 |
| Outstanding General Obligation Debt (Net) ³ | <u>(1,554,245)</u> | <u>(1,921,877)</u> | <u>(2,314,259)</u> | <u>(2,706,205)</u> | <u>(3,060,792)</u> |
| Additional General Obligation Debt Incurring Capacity | <u>10,302,745</u> | <u>9,008,986</u> | <u>6,081,128</u> | <u>4,762,507</u> | <u>3,855,173</u> |
| Statutory: | | | | | |
| Statutory General Obligation Debt Limit | 2,514,148 | 2,180,250 | 1,985,400 | 1,872,900 | 1,795,500 |
| Outstanding Statutorily Applicable General Obligation Debt (Net) ^{3,4} | <u>(288,440)</u> | <u>(356,856)</u> | <u>(424,621)</u> | <u>(491,832)</u> | <u>(526,659)</u> |
| Additional General Obligation Debt Incurring Capacity | <u>\$ 2,225,708</u> | <u>\$ 1,823,394</u> | <u>\$ 1,560,779</u> | <u>\$ 1,381,068</u> | <u>\$ 1,268,841</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 percent) 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, 2024, 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 | \$ 268,080,000 |
| 2020 | Highways | \$ 448,430,000 | July 1, 2034 | 351,030,000 |
| 2019 | Highways | \$ 127,715,000 | July 1, 2033 | 87,310,000 |
| 2018 ³ | Prison/highways | \$ 343,155,000 | July 1, 2032 | 180,810,000 |
| 2017 ⁴ | Refunding | \$ 118,700,000 | July 1, 2028 | 76,400,000 |
| 2017 ⁵ | Prison/highways | \$ 142,070,000 | July 1, 2032 | 62,655,000 |
| 2010B ⁶ | Highways (BABs) | \$ 621,980,000 | July 1, 2025 | 76,415,000 |
| Total principal amount of outstanding general obligation debt ⁷ | | | | <u>\$ 1,102,700</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) \$150.315 million of these bonds is included in Statutory Appropriations General Obligation Debt Limit calculations.
- (3) \$23.590 million of these bonds is included in Statutory Appropriations General Obligation Debt Limit calculations.
- (4) Issued as a direct purchase.
- (5) \$36.680 million of these bonds is included in Statutory Appropriations General Obligation Debt Limit calculations.
- (6) Issued as federally taxable, originally 35 percent 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 \$53,951 for the federal fiscal year ending September 30, 2025.
- (7) 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 \$72.141 million (as of December 31, 2024), together with current debt outstanding of \$1.103 billion, results in total outstanding net direct debt of \$1.175 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 |
| 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 | <u>316,415,000</u> | <u>47,715,175</u> | <u>371,930,000</u> | <u>82,580,025</u> | <u>94,800,000</u> | <u>25,648,750</u> | <u>207,515,000</u> | <u>36,121,611</u> |
| 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 |
| 2025 | \$ 18,100,000 ² | \$ 1,884,173 | \$ 13,700,000 | \$ 3,167,000 | \$ 39,235,000 | \$ 980,875 | \$ 104,430,000 ⁴ | \$ 4,552,216 |
| 2026 | 18,500,000 ² | 1,480,658 | 14,425,000 | 2,463,875 | 0 ³ | 0 | 76,415,000 ⁴ | 1,352,163 |
| 2027 | 18,900,000 ² | 1,068,323 | 15,175,000 | 1,723,875 | 0 ³ | 0 | — | — |
| 2028 | 19,300,000 ² | 647,168 | 15,930,000 | 946,250 | — | — | — | — |
| 2029 | 19,700,000 ² | 217,193 | 3,200,000 | 500,000 | — | — | — | — |
| 2030 | — | — | 3,300,000 | 402,500 | — | — | — | — |
| 2031 | — | — | 3,425,000 | 284,500 | — | — | — | — |
| 2032 | — | — | 3,550,000 | 162,750 | — | — | — | — |
| 2033 | — | — | 3,650,000 | 54,750 | — | — | — | — |
| 2034 | — | — | — | — | — | — | — | — |
| 2035 | — | — | — | — | — | — | — | — |
| Totals | <u>94,500,000</u> | <u>5,297,513</u> | <u>76,355,000</u> | <u>9,705,500</u> | <u>39,235,000</u> | <u>980,875</u> | <u>180,845,000</u> | <u>5,904,379</u> |
| Year Ending June 30 | Series 2009D \$491,760,000 | | | | | | | |
| | Principal | Interest | | | | | | |
| 2025 | \$ 87,915,000 ⁶ | \$ 2,001,825 | | | | | | |
| 2026 | 0 | 0 | | | | | | |
| 2027 | 0 | 0 | | | | | | |
| 2028 | — | — | | | | | | |
| 2029 | — | — | | | | | | |
| 2030 | — | — | | | | | | |
| 2031 | — | — | | | | | | |
| 2032 | — | — | | | | | | |
| 2033 | — | — | | | | | | |
| 2034 | — | — | | | | | | |
| 2035 | — | — | | | | | | |
| Totals | <u>87,915,000</u> | <u>2,001,825</u> | | | | | | |

(Table continues 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 |
| 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 | <u>\$1,469,510,000</u> | <u>\$215,955,652</u> | <u>\$1,685,465,652</u> |

- (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 \$388.26 million 3.539% term bond due July 1, 2025.
- (5) Issued as federally taxable Build America Bonds (BABs). Does not reflect an originally 35 percent 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 \$53,951 for the federal fiscal year ending September 30, 2025.
- (6) Mandatory sinking fund principal payments from a \$329.90 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 | | | | |
|---|---------------------------|-------------|-------------|-------------|-------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Outstanding General Obligation Debt (in thousands)..... | \$1,469,510 | \$1,806,390 | \$2,162,715 | \$2,512,925 | \$2,820,940 |
| Debt Ratios: | | | | | |
| Per Capita | \$ 424 | \$ 527 | \$ 636 | \$ 755 | \$ 868 |
| As % of State Total Personal Income | 0.66 % | 0.84 % | 1.11 % | 1.40 % | 1.65 % |
| As % of Taxable Value | 0.27 % | 0.37 % | 0.57 % | 0.74 % | 0.89 % |
| As % of Fair Market Value | 0.19 % | 0.25 % | 0.40 % | 0.52 % | 0.63 % |
| Outstanding general obligation debt (as of 12/31/2024) | \$1,102,700,000 | | | | |
| Debt Ratios: | | | | | |
| Per capita (2024 estimate - 3,462,000) | \$319 | | | | |
| As % of State Personal Income (2024 estimate - \$224,135,000,000) | 0.49% | | | | |
| As % of Taxable Value (2023 actual - \$537,573,835,229) | 0.21% | | | | |
| As % of Fair Market Value (2023 actual - \$775,430,196,222) | 0.14% | | | | |

Sources: Office of State Treasurer; Department of Government Operations, Division of Finance; and the 2024 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) | | | | |
|--|--|--------------|--------------|--------------|--------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| General Fund Expenditures | \$12,493,247 | \$11,769,561 | \$10,729,051 | \$ 9,647,977 | \$ 8,079,513 |
| Debt Service Expenditures | \$ 419,786 | \$ 454,036 | \$ 464,627 | \$ 440,050 | \$ 471,915 |
| Ratio of Debt Service Expenditures to General Fund Expenditures | 3.36% | 3.86% | 4.33% | 4.56% | 5.84% |
| Total All Governmental Funds Expenditures | \$22,565,119 | \$20,626,142 | \$19,259,089 | \$18,017,106 | \$15,635,751 |
| Ratio of Debt Service Expenditures to All Governmental Fund Expenditures | 1.86% | 2.20% | 2.41% | 2.44% | 3.02% |

Sources: Office of State Treasurer; Department of Government Operations, Division of Finance; and the 2024 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, 2024, the Authority has \$251.10 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, 2024, 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 percent 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, 2024, 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 | \$ 775,430,196 |
| Fees in Lieu of Ad Valorem Taxable Property ² | 15,035,823 |
| Total Fair Market Value of Taxable Property ¹ | <u>\$ 790,466,019</u> |
| 1.5 % Debt Limit Amount | \$ 11,856,990 |
| Less: Outstanding State General Obligation Debt (Net) ³ | (1,174,841) |
| Less: Authority’s Outstanding Lease Revenue Bonds (Net) ³ | (265,013) |
| Less: Long-term contract liabilities ⁴ | (153,616) |
| Plus: Statutorily Exempt State General Obligation Highway Debt (Net) ³ | 951,570 |
| Authority’s Estimated Additional Debt Incurring Capacity | <u>\$ 11,215,090</u> |

(1) Based on 2023 taxable values. See [Property Tax Matters—Taxable Value Compared with Fair Market Value of All Taxable Property in the State](#).

(2) Based on 2023 “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 percent) 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 \$153.616 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 2024 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 Computershare Trust Company, N.A. (as successor in interest to 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, 2024, the Authority has the following State Lease Revenue Bonds outstanding under the State Facilities Master Lease Program:

| Outstanding Lease Revenue Bonds (in thousands) | | | | |
|--|--|---------------------------------|------------------------|-------------------------------------|
| Series ¹ | Purpose | Original Principal Amount | Final Maturity Date | Current Principal Outstanding |
| 2024 | Refunding/DABS Facilities ² | \$ 97,155 | May 15, 2044 | \$ 97,155 |
| 2022 | DABS Facilities | \$ 42,675 | May 15, 2042 | 42,445 |
| 2020 | DABS Facilities | \$ 18,865 | May 15, 2039 | 16,145 |
| 2018 | Provo Courts/DABS Facilities | \$ 18,465 | May 15, 2039 | 15,225 |
| 2016 | Provo Courts/DABS Facility | \$ 98,150 | May 15, 2038 | 75,575 |
| 2012A | Refunding | \$ 15,610 | May 15, 2027 | 4,555 |
| Total principal amount of outstanding State Lease Revenue Bonds ³ | | | | <u>\$ 251,100</u> |

- (1) All 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) Department of Alcohol Beverage Services (DABS).
- (3) For accounting purposes, the total unamortized bond premium is \$13.913 million (as of December 31, 2024), which together with current debt outstanding of \$251.100 million results in total outstanding net direct debt of \$265.013 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.

After the issuance of the 2024 Bonds, there is no remaining authorization for the Authority to issue lease revenue bonds. 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.

The State has created the State Store Land Acquisition and Building Construction Fund that may be used in the future to fund the construction of new State liquor stores similar to the facilities being financed with the 2024 Bonds.

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

| Year Ending June 30 | Series 2024 \$97,155,000 | | Series 2022 \$42,675,000 | | Series 2020 \$18,865,000 | | Series 2018 \$18,465,000 | |
|---------------------------|-----------------------------|----------------------|-----------------------------|----------------------|-----------------------------|---------------------|-----------------------------|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2025 | \$ 11,835,000 | \$ 3,211,513 | \$ 1,175,000 | \$ 2,122,250 | \$ 805,000 | \$ 511,450 | \$ 745,000 | \$ 589,150 |
| 2026 | 13,285,000 | 4,266,000 | 1,680,000 | 2,063,500 | 845,000 | 471,200 | 785,000 | 551,900 |
| 2027 | 14,515,000 | 3,601,750 | 1,760,000 | 1,979,500 | 890,000 | 428,950 | 825,000 | 512,650 |
| 2028 | 15,630,000 | 2,876,000 | 1,850,000 | 1,891,500 | 935,000 | 384,450 | 865,000 | 471,400 |
| 2029 | 15,195,000 | 2,094,500 | 1,940,000 | 1,799,000 | 985,000 | 337,700 | 905,000 | 428,150 |
| 2030 | 13,785,000 | 1,334,750 | 2,045,000 | 1,702,000 | 1,030,000 | 288,450 | 940,000 | 391,950 |
| 2031 | 740,000 | 645,500 | 2,140,000 | 1,599,750 | 1,060,000 | 257,550 | 980,000 | 354,350 |
| 2032 | 685,000 | 608,500 | 2,245,000 | 1,492,750 | 1,095,000 | 225,750 | 1,010,000 | 324,950 |
| 2033 | 725,000 | 574,250 | 2,360,000 | 1,380,500 | 1,130,000 | 192,900 | 1,035,000 | 294,650 |
| 2034 | 760,000 | 538,000 | 2,480,000 | 1,262,500 | 1,160,000 | 159,000 | 1,085,000 | 253,250 |
| 2035 | 795,000 | 500,000 | 2,605,000 | 1,138,500 | 1,190,000 | 124,200 | 1,125,000 | 209,850 |
| 2036 | 835,000 | 460,250 | 2,735,000 | 1,008,250 | 1,220,000 | 100,400 | 1,175,000 | 164,850 |
| 2037 | 875,000 | 418,500 | 2,865,000 | 871,500 | 1,240,000 | 76,000 | 1,210,000 | 126,663 |
| 2038 | 925,000 | 374,750 | 3,005,000 | 728,250 | 1,270,000 | 51,200 | 1,250,000 | 87,338 |
| 2039 | 965,000 | 328,500 | 2,680,000 | 578,000 | 1,290,000 | 25,800 | 1,290,000 | 45,150 |
| 2040 | 1,015,000 | 280,250 | 2,815,000 | 444,000 | — | — | — | — |
| 2041 | 1,065,000 | 229,500 | 2,960,000 | 303,250 | — | — | — | — |
| 2042 | 1,120,000 | 176,250 | 3,105,000 | 155,250 | — | — | — | — |
| 2043 | 1,175,000 | 120,250 | — | — | — | — | — | — |
| 2044 | 1,230,000 | 61,500 | — | — | — | — | — | — |
| Totals | <u>\$ 97,155,000</u> | <u>\$ 22,700,513</u> | <u>\$ 42,445,000</u> | <u>\$ 22,520,250</u> | <u>\$ 16,145,000</u> | <u>\$ 3,635,000</u> | <u>\$ 15,225,000</u> | <u>\$ 4,806,251</u> |

| Year Ending June 30 | Series 2016 \$98,150,000 | | Series 2012A \$15,610,000 | |
|---------------------------|-----------------------------|----------------------|------------------------------|-------------------|
| | Principal | Interest | Principal | Interest |
| 2025 | \$ 4,400,000 | \$ 2,307,906 | \$ 2,850,000 | \$ 136,650 |
| 2026 | 4,650,000 | 2,087,906 | 1,135,000 | 51,150 |
| 2027 | 4,750,000 | 1,983,281 | 570,000 | 17,100 |
| 2028 | 4,850,000 | 1,864,531 | — | — |
| 2029 | 5,000,000 | 1,731,156 | — | — |
| 2030 | 5,150,000 | 1,581,156 | — | — |
| 2031 | 5,300,000 | 1,426,656 | — | — |
| 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 | — | — | — | — |
| 2043 | — | — | — | — |
| 2044 | — | — | — | — |
| Totals | <u>\$ 75,575,000</u> | <u>\$ 18,236,278</u> | <u>\$ 4,555,000</u> | <u>\$ 204,900</u> |

(Table continues on next page.)

| Year Ending June 30 | State Facilities Master Lease Program Totals | | |
|---------------------------|--|----------------------|-----------------------|
| | Principal | Interest | Debt Service |
| 2025 | \$ 21,810,000 | \$ 8,878,919 | \$ 30,688,919 |
| 2026 | 22,380,000 | 9,491,656 | 31,871,656 |
| 2027 | 23,310,000 | 8,523,231 | 31,833,231 |
| 2028 | 24,130,000 | 7,487,881 | 31,617,881 |
| 2029 | 24,025,000 | 6,390,506 | 30,415,506 |
| 2030 | 22,950,000 | 5,298,306 | 28,248,306 |
| 2031 | 10,220,000 | 4,283,806 | 14,503,806 |
| 2032 | 10,485,000 | 3,919,606 | 14,404,606 |
| 2033 | 10,875,000 | 3,546,456 | 14,421,456 |
| 2034 | 11,260,000 | 3,148,156 | 14,408,156 |
| 2035 | 11,665,000 | 2,734,706 | 14,399,706 |
| 2036 | 12,115,000 | 2,317,406 | 14,432,406 |
| 2037 | 12,515,000 | 1,891,819 | 14,406,819 |
| 2038 | 12,650,000 | 1,443,038 | 14,093,038 |
| 2039 | 6,225,000 | 977,450 | 7,202,450 |
| 2040 | 3,830,000 | 724,250 | 4,554,250 |
| 2041 | 4,025,000 | 532,750 | 4,557,750 |
| 2042 | 4,225,000 | 331,500 | 4,556,500 |
| 2043 | 1,175,000 | 120,250 | 1,295,250 |
| 2044 | 1,230,000 | 61,500 | 1,291,500 |
| Totals | <u>\$ 251,100,000</u> | <u>\$ 72,103,192</u> | <u>\$ 323,203,192</u> |

- (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.

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 2024 – 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 ‘lease assets’, see ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2024 – 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 2024 were \$22.414 million and \$4.514 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 2024 totaled \$189.779 million and \$10.720 million for software subscriptions. Principal and interest payments for primary government and discretely presented component unit units are scheduled through fiscal years 2064 and 2094, respectively:

| Fiscal Year Ending June 30 | Lease Principal and Interest Requirements (expressed in thousands) | | Total Amount Required |
|---|--|-----------|-----------------------------|
| | Principal | Interest | |
| Primary Government ¹ | \$ 230,682 | \$ 26,425 | \$ 257,107 |
| Discretely presented component unit Units ² | 311,533 | 239,474 | 551,007 |

(1) Principal and interest requirements for Primary Government includes leases and software subscriptions.

(2) Principal and interest requirements for discretely presented component unit Units includes leases and software subscriptions.

For detailed information regarding leases, see ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2024 – 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, 2024, 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, 2024, the State will have at least \$3.696 billion principal amount outstanding of Guaranteed Bonds. Currently, the Guaranteed Bond program’s annual principal and interest payments are scheduled through fiscal year 2044 (for fiscal year 2025 the program’s annual principal and interest payments total \$508.208 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 2024 – 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 2024 ACFR, and those of this CONTINUING DISCLOSURE MEMORANDUM.

State Board of Regents. ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE STATE OF UTAH FOR FISCAL YEAR 2024 – Notes to the Financial Statements – Note 10. Long-term Liabilities – C. Revenue Bonds, and Note 20. Subsequent Events.

Utah Charter School Finance Authority. ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE STATE OF UTAH FOR FISCAL YEAR 2024 – 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 2024 highlights, financial analyses, economic outlook and a review of fiscal year 2024’s budget, see ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE STATE OF UTAH FOR FISCAL YEAR 2024 – 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. During the 2024 General Session, the state continued to concentrate on the post COVID-19 economic environment. Current and other liabilities decreased 4.71 percent, primarily due to a decrease of \$261.210 million in unearned revenue, resulting from the State spending COVID-19 related revenue received in prior periods. Total General Fund’s federal contracts and grants decreased \$272.740 million as a result of a reduction in DWS expenses from the winding down of pandemic-era programs. Expenditures increased by \$723.686 million driven by the State’s response to economic growth and increased demand for services during the COVID-19 recovery. Notable increases included \$538.300 million in Health and Human Services, mainly due to a \$427 million rise in Medicaid costs and \$55 million for Correctional Health Services; Natural Resources, expenditures rose by \$120.870 million, driven by an \$83 million increase in American Rescue Plan Act of 2021 and a \$15 million rise in capital improvements for state parks.

For additional information see, [ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE STATE OF UTAH FOR FISCAL YEAR 2024 – 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 2024 – 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, 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 2023 is subject to a single rate of 4.65 percent 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 2024 – 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 percent to 4.85 percent, 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 percent (when including the 1.25 percent local option), residential fuels rate is \$0.319 per gallon (effective January 1, 2022) and the general sales tax rate is 4.85 percent.

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 percent 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 percent 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 STATE OF UTAH FOR FISCAL YEAR 2024 – Statistical Section – Schedule B-1, Revenue Base; and Schedule B-2, Revenue Payers by Industry–Taxable Sales, Services and Use Tax Purchases.

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 2024 and 2025 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

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 \$76,415,000 in outstanding BABs of general obligation 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 2024 – 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 (dollars in thousands) | | | | | | | | | | |
| | 2024 | % ² | 2023 | % ² | 2022 | % ² | 2021 | % ² | 2020 | % ² |
| Taxes | \$ 12,878,344 | 55.4 | \$ 13,010,005 | 56.2 | \$ 13,088,081 | 57.8 | \$ 10,708,868 | 56.3 | \$ 9,155,600 | 58.8 |
| Federal contracts and grants... | 6,859,413 | 29.5 | 7,273,641 | 31.4 | 7,366,055 | 32.5 | 6,223,486 | 32.7 | 4,648,234 | 29.9 |
| All other misc. revenues | 3,497,561 | 15.1 | 2,880,663 | 12.4 | 2,186,836 | 9.7 | 2,092,887 | 11.0 | 1,751,558 | 11.3 |
| Total all funds | <u>\$ 23,235,318</u> | <u>100.0</u> | <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> |

(1) Includes all governmental fund types except Trust Lands.

(2) Percentage of total Governmental Fund Revenue.

Source: Office of State Treasurer

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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)*

| Taxes: | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---------------|---------------|---------------|---------------|---------------|
| Sales and Use Tax | \$ 4,527,203 | \$ 4,417,953 | \$ 4,201,118 | \$ 3,569,706 | \$ 3,068,002 |
| Individual Income Tax | 6,243,189 | 6,510,385 | 6,814,382 | 5,451,297 | 4,758,082 |
| Corporate Tax | 902,927 | 894,682 | 960,035 | 687,791 | 405,632 |
| Motor and Special Fuels Tax | 639,781 | 608,170 | 577,407 | 560,763 | 498,402 |
| Other Taxes | 565,244 | 578,815 | 535,139 | 439,311 | 425,482 |
| Total Taxes | 12,878,344 | 13,010,005 | 13,088,081 | 10,708,868 | 9,155,600 |
| Other Revenues: | | | | | |
| Federal Contracts and Grants ² | 6,859,413 | 7,273,641 | 7,366,055 | 6,223,486 | 4,648,234 |
| Charges for Services/Royalties | 1,550,803 | 1,280,498 | 1,161,139 | 1,070,764 | 818,178 |
| Licenses, Permits, and Fees | 299,816 | 262,371 | 246,782 | 237,702 | 225,258 |
| Federal Mineral Lease | 84,283 | 137,559 | 75,616 | 49,039 | 58,606 |
| Intergovernmental | — | — | — | — | 8,057 |
| Investment Income | 748,434 | 492,119 | (59,331) | 88,567 | 81,321 |
| Miscellaneous and Other | 814,225 | 708,116 | 762,630 | 646,815 | 560,138 |
| Total Other Revenues | 10,356,974 | 10,154,304 | 9,552,891 | 8,316,373 | 6,399,792 |
| Total Revenues | \$ 23,235,318 | \$ 23,164,309 | \$ 22,640,972 | \$ 19,025,241 | \$ 15,555,392 |

(1) Includes all governmental fund types, except Trust Lands.

(2) In fiscal year 2024, federal contracts and grants decreased primarily due a decrease of \$272.740 million as a result of Department of Workforce Services (DWS) expenses from the winding down of pandemic-era programs and a decrease of \$141.488 million due to a decrease in COVID-19 related grants and federal expenditures. 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

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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 2025 and 2026.

Fiscal Year Revenue Collections

| | Nominal Revenue (dollars in millions) | | | | | | | Annual Percentage Change | | | | | |
|---|---------------------------------------|-----------|----------------------|-----------|-----------|-----------|------------|--------------------------|---------|---------|---------|---------|---------|
| | 2026 (f) | 2025 (r) | 2024 | 2023 | 2022 | 2021 | 2020 | 2025-26 | 2024-25 | 2023-24 | 2022-23 | 2021-22 | 2020-21 |
| Sales and use tax | \$3,499.3 | \$3,388.5 | \$3,315.6 | \$3,262.8 | \$3,098.5 | \$2,625.3 | \$ 2,265.3 | 3.3 | 2.2 | 1.6 | 5.3 | 18.0 | 15.9 |
| Earmarked sales and use tax | 1,295.6 | 1,254.5 | 1,226.1 | 1,194.7 | 1,088.3 | 929.3 | 815.0 | 3.3 | 2.3 | 2.6 | 9.8 | 17.1 | 14.0 |
| Total sales and use tax | 4,794.9 ¹ | 4,643.0 | 4,541.6 | 4,457.5 | 4,186.8 | 3,554.6 | 3,080.3 | 3.3 | 2.2 | 1.9 | 6.5 | 17.8 | 15.4 |
| Cable/satellite excise tax | 19.4 | 20.0 | 20.6 | 24.0 | 27.6 | 26.7 | 28.4 | (3.1) | (2.7) | (14.2) | (13.1) | 3.4 | (5.9) |
| Liquor profits | 133.9 | 130.2 | 113.3 | 136.3 | 134.7 | 123.7 | 121.7 | 2.8 | 14.9 | (16.8) | 1.2 | 8.9 | 1.6 |
| Insurance premiums | 236.7 | 225.0 | 212.1 | 192.1 | 179.8 | 157.4 | 142.2 | 5.2 | 6.1 | 10.4 | 6.9 | 14.2 | 10.7 |
| Beer, cigarette and tobacco | 80.6 | 84.0 | 87.7 | 93.9 | 99.5 | 103.1 | 108.5 | (4.1) | (4.1) | (6.6) | (5.7) | (3.5) | (5.0) |
| Oil and gas severance tax | 36.1 | 35.1 | 33.9 | 53.1 | 40.3 | 11.4 | 19.5 | 3.0 | 3.4 | (36.1) | 31.7 | 252.9 | (41.5) |
| Metal severance tax | 8.2 | 7.9 | 6.2 | 6.6 | 8.6 | 10.0 | 10.8 | 4.1 | 26.4 | (5.5) | (23.6) | (13.9) | (6.8) |
| Investment income | 126.3 | 184.7 | 288.0 | 225.2 | 22.9 | 10.3 | 30.5 | (31.6) | (35.9) | 27.9 | 882.0 | 123.3 | (66.3) |
| General Fund (other) | 117.6 | 115.6 | 115.1 | 109.9 | 113.3 | 109.7 | 108.0 | 1.7 | 0.5 | 4.7 | (3.0) | 3.3 | 1.5 |
| Property and energy credit | (7.6) | (7.5) | (7.0) | (6.5) | (5.8) | (6.0) | (5.9) | 1.5 | 7.4 | 6.5 | 12.0 | (2.2) | 2.0 |
| Total General Fund | 4,250.6 ¹ | 4,183.6 | 4,185.6 ¹ | 4,097.3 | 3,719.4 | 3,171.6 | 2,829.0 | 1.6 | 0.0 | 2.2 | 10.2 | 17.3 | 12.1 |
| Total General Fund and earmarks | 5,546.2 ¹ | 5,438.1 | 5,411.6 ¹ | 5,292.1 | 4,807.7 | 4,100.9 | 3,644.0 | 2.0 | 0.5 | 2.3 | 10.1 | 17.2 | 12.5 |
| Individual income tax | 6,775.0 | 6,468.8 | 6,214.5 | 6,432.1 | 6,771.9 | 6,110.5 | 3,985.4 | 4.7 | 4.1 | (3.4) | (5.0) | 10.8 | 53.3 |
| Corporate taxes | 886.8 | 874.5 | 883.4 | 869.9 | 937.0 | 742.7 | 355.9 | 1.4 | (1.0) | 1.6 | (7.2) | 26.2 | 108.7 |
| Mineral production withholding | 58.0 | 56.0 | 57.0 | 64.8 | 40.2 | 16.2 | 26.0 | 3.4 | (1.6) | (12.2) | 61.1 | 149.1 | (38.0) |
| Income Tax Fund (other) | 85.9 | 94.8 | 120.4 | 42.9 | 55.8 | 26.3 | 48.0 | (9.4) | (21.3) | 180.5 | (23.1) | 111.9 | (45.2) |
| Total Income Tax Fund | 7,805.6 | 7,494.1 | 7,275.3 | 7,409.8 | 7,805.0 | 6,895.7 | 4,415.4 | 4.2 | 3.0 | (1.8) | (5.1) | 13.2 | 56.2 |
| Total General Fund and Income Tax Fund | 12,056.2 | 11,677.7 | 11,460.8 | 11,507.2 | 11,524.4 | 10,067.3 | 7,244.4 | 3.2 | 1.9 | (0.4) | (0.1) | 14.5 | 39.0 |
| Total General Fund and Income Tax Fund and earmarks | 13,351.8 | 12,932.1 | 12,686.9 | 12,701.9 | 12,612.7 | 10,996.6 | 8,059.4 | 3.2 | 1.9 | (0.1) | 0.7 | 14.7 | 36.4 |
| Motor fuel tax | 494.4 | 479.6 | 446.0 | 422.8 | 399.3 | 379.5 | 351.0 | 3.1 | 7.5 | 5.5 | 5.9 | 5.2 | 8.1 |
| Special fuel tax | 212.7 | 203.0 | 196.9 | 182.0 | 173.9 | 172.0 | 153.4 | 4.8 | 3.1 | 8.2 | 4.7 | 1.1 | 12.1 |
| Other | 207.4 | 200.5 | 187.8 | 148.5 | 121.4 | 114.5 | 109.6 | 3.5 | 6.8 | 26.4 | 22.3 | 6.0 | 4.5 |
| Total Transportation Fund | 914.5 | 883.1 | 830.7 | 753.4 | 694.6 | 665.9 | 614.0 | 3.6 | 6.3 | 10.3 | 8.5 | 4.3 | 8.5 |
| Mineral lease payments | 104.5 | 100.1 | 87.1 | 140.8 | 77.8 | 50.5 | 60.2 | 4.4 | 14.9 | (38.2) | 81.0 | 54.2 | (16.1) |
| Totals | 13,075.1 | 12,660.8 | 12,378.6 | 12,401.4 | 12,296.8 | 10,783.8 | 7,918.5 | 3.3 | 2.3 | (0.2) | 0.9 | 14.0 | 36.2 |
| Totals and earmarks | 14,370.7 | 13,915.3 | 13,604.7 | 13,596.1 | 13,385.1 | 11,713.1 | 8,733.5 | 3.3 | 2.3 | 0.1 | 1.6 | 14.3 | 34.1 |

(f) forecast; (r) revised

Source: Governor's Office of Planning and Budget

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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*)

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|----------------------|----------------------|----------------------|---------------------|---------------------|
| Revenues: | | | | | |
| Federal Contracts and Grants ¹ | \$ 5,557,294 | \$ 5,830,034 | \$ 5,945,597 | \$ 5,117,824 | \$ 3,652,812 |
| Sales and Use Tax | 3,458,181 | 3,377,229 | 3,207,116 | 2,711,382 | 2,302,910 |
| Charges for Services | 739,151 | 632,535 | 607,031 | 552,524 | 537,191 |
| Other Taxes | 468,117 | 463,726 | 446,509 | 385,635 | 364,794 |
| Miscellaneous and Other | 497,845 | 486,627 | 496,536 | 430,007 | 343,952 |
| Federal Mineral Lease | 84,283 | 137,559 | 75,616 | 49,039 | 58,606 |
| Licenses, Permits, and Fees | 28,048 | 25,119 | 24,367 | 25,635 | 25,659 |
| Investment Income | 376,965 | 286,414 | (4,304) | 27,415 | 35,148 |
| Total Revenues | <u>\$ 11,209,884</u> | <u>\$ 11,239,243</u> | <u>\$ 10,798,468</u> | <u>\$ 9,299,461</u> | <u>\$ 7,321,072</u> |
| % change over previous year | (0.3)% | 4.1% | 16.1% | 27.0% | 12.5% |
| Expenditures | <u>\$ 12,493,247</u> | <u>\$ 11,769,561</u> | <u>\$ 10,729,051</u> | <u>\$ 9,647,977</u> | <u>\$ 8,079,513</u> |
| % change over previous year | 6.1% | 9.7% | 11.2% | 19.4% | 9.4% |
| Fund Balance: ² | | | | | |
| Nonspendable: | | | | | |
| Long-term Portion of Interfund Loans | \$ 30,442 | \$ 18,150 | \$ 5,703 | \$ 6,272 | \$ 9,388 |
| Prepaid Items ³ | 17,925 | 163,936 | 38,683 | 209,933 | 183,074 |
| Inventories ⁴ | 23,067 | 43,581 | 48,212 | 43,823 | 27,564 |
| Restricted | 286,445 | 363,660 | 117,384 | 85,032 | 69,366 |
| Committed | 2,381,591 | 1,835,230 | 1,692,944 | 1,181,796 | 855,925 |
| Assigned | 663,230 | 1,451,406 | 1,359,364 | 607,794 | 294,255 |
| Unassigned | — | 69,264 | 130,243 | 109,774 | 14,456 |
| Total Fund Balances | <u>\$ 3,402,700</u> | <u>\$ 3,945,227</u> | <u>\$ 3,392,533</u> | <u>\$ 2,244,424</u> | <u>\$ 1,454,028</u> |
| % change over previous year | (13.8)% | 16.3% | 51.2% | 54.4% | 17.4% |

- (1) In fiscal year 2024, federal contracts and grants decreased primarily due a decrease of \$272.740 million as a result of DWS expenses from the winding down of pandemic-era programs. 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 \$827.773 million or 16.7 percent primarily due to an increase in federal funding for Medicaid and COVID-19 relief funding from the American Rescue Act (ARPA) of 2021. 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 2024, prepaid items decreased primarily due to a \$138 million decrease in prepaid items related to the timing of Medicaid Provider Payments being disbursed. 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 2024 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 2020 through 2024, however the following summaries have not been audited.

Fund Balances – All Governmental Fund Types ¹

As of June 30 (in thousands)

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|--|----------------------|----------------------|----------------------|---------------------|---------------------|
| General | \$ 3,402,700 | \$ 3,945,227 | \$ 3,392,533 | \$ 2,244,424 | \$ 1,454,028 |
| Special Revenue: | | | | | |
| Income Tax | 2,879,539 | 3,763,665 | 3,698,729 | 2,435,735 | 1,919,739 |
| Transportation | 993,917 | 706,596 | 586,906 | 503,487 | 487,323 |
| State Endowment | 427,944 | 376,772 | 304,860 | 314,574 | 260,080 |
| Rural Development | 38,454 | 31,340 | 26,163 | 22,249 | 24,179 |
| Utah Capital Investment Corp ² | 39,570 | — | — | — | — |
| Medicaid Expansion | 324,062 | 297,978 | 197,844 | 158,920 | 109,317 |
| Environmental Reclamation | 55,569 | 53,384 | 53,523 | 47,678 | 49,320 |
| Miscellaneous Special Revenue | 306,169 | 209,866 | 134,239 | 94,528 | 50,375 |
| Consumer Education ³ | — | — | — | 5,277 | 4,728 |
| Crime Victim Reparation ³ | — | — | — | 8,112 | 7,021 |
| Universal Telephone Services | 5,061 | 12,178 | 15,848 | 16,812 | 11,480 |
| Higher Education Student Success Endowment | 307,491 | — | — | — | — |
| Capital Projects: | | | | | |
| Transportation Investment | 4,071,693 | 2,860,148 | 1,714,449 | 688,839 | 957,985 |
| General Government | 1,239,753 | 1,043,593 | 643,538 | 616,363 | 542,938 |
| State Building Ownership Authority | 1,945 | 1,989 | 1,989 | 5,148 | 5,265 |
| Debt Service: | | | | | |
| General Government ⁴ | 190,358 | 230,099 | 20,675 | 20,333 | 19,020 |
| State Building Ownership Authority | 8,356 | 8,738 | 8,560 | 5,951 | 6,028 |
| Total | <u>\$ 14,292,581</u> | <u>\$ 13,541,573</u> | <u>\$ 10,799,856</u> | <u>\$ 7,188,430</u> | <u>\$ 5,908,826</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) Beginning fiscal year 2024, the Utah Capital Investment Corp (previously Utah Fund of Funds) is classified as a special revenue fund, whereas in the previous year, it was reported in the General Fund.
- (3) Beginning fiscal year 2022, Consumer Education and Crime Victim Reparation were aggregated within Miscellaneous Special Revenue Fund Balance.
- (4) In fiscal year 2023, debt service fund balance increased due to additional appropriations for debt payoff purposes which did not come to fruition due to limitations in the ability to pay off the debt early. In the 2022 General Session HB002 appropriated \$310 million and HB003 cut appropriations by \$100 million for a net change of \$210 million.

Sources: Office of State Treasurer; Department of Government Operations, Division of Finance; and the 2024 ACFR

Summary of Changes in Fund Balance – All Governmental Fund Types ¹

Fiscal Year Ended June 30 (dollars in thousands)

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|-------------------|---------------------|---------------------|---------------------|---------------------|
| Revenues | \$ 23,235,318 | \$ 23,164,309 | \$ 22,640,972 | \$ 19,025,241 | \$ 15,555,392 |
| % change over previous year | 0.31% | 2.30% | 19.00% | 22.30% | 9.80% |
| Expenditures | (22,565,119) | (20,626,142) | (19,259,089) | (18,017,106) | (15,635,751) |
| % change over previous year | 9.40% | 7.10% | 6.90% | 15.20% | 12.20% |
| Net other financing sources (uses) ² | (286,929) | 140,420 | 181,894 | 269,956 | 1,334,678 |
| Adjustment to beginning fund balance ³ | 367,739 | 63,130 | 47,649 | 1,513 | — |
| Net change in Fund Balance | <u>\$ 751,009</u> | <u>\$ 2,741,717</u> | <u>\$ 3,611,426</u> | <u>\$ 1,279,604</u> | <u>\$ 1,254,319</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 2024, the State made the following adjustments to the beginning fund balances: \$31.680 million to the General Fund, \$0.596 million to the Transportation Investment Fund, and \$335.463 million to Nonmajor Governmental Funds. The latter includes a \$282.570 million adjustment due to the Utah Board of Higher Education's change in reporting entity, as Senate Bill 146 from the 2023 General Session revoked the Board's authority to operate as a separate legal entity, effective July 1, 2023; a \$52.665 million adjustment resulting from the State's decision to report the main fund of the Capital Investment Corporation as a nonmajor special revenue fund, in accordance with GASB Statement 34, paragraph 54; and a \$0.228 million adjustment following a review of remaining balances in the debt service fund related to the 2010A Water Bonds. 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 2024 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 | 2024 | 2023 | 2022 | 2021 | 2020 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Public Education | \$ 6,118,349 | \$ 5,577,981 | \$ 5,249,375 | \$ 4,829,615 | \$ 4,409,279 |
| Environmental Quality ² | 81,980 | 83,608 | 4,771,546 | 4,048,719 | 3,427,211 |
| Transportation | 1,420,977 | 1,238,165 | 1,131,668 | 1,206,786 | 1,166,194 |
| Higher Education (Colleges and Universities) | 1,817,311 | 1,517,586 | 1,319,456 | 1,267,376 | 1,105,108 |
| Employment and Family Services | 1,251,901 | 1,567,466 | 1,385,699 | 1,067,848 | 778,046 |
| Health and Human Services ² | 6,700,697 | 6,158,813 | 1,107,034 | 1,023,128 | 984,607 |
| Debt Service | 419,786 | 454,036 | 464,627 | 440,050 | 471,915 |
| Capital Outlay | 1,377,974 | 925,911 | 1,117,262 | 1,394,526 | 1,286,659 |
| General Government | 1,219,076 | 1,184,952 | 1,091,477 | 1,197,643 | 589,499 |
| Public Safety | 527,380 | 516,054 | 458,918 | 363,518 | 341,668 |
| Corrections | 441,627 | 430,889 | 377,325 | 341,174 | 337,885 |
| Natural Resources | 530,598 | 398,983 | 297,321 | 274,500 | 272,994 |
| Courts | 220,607 | 198,450 | 176,715 | 162,466 | 165,465 |
| Business, Labor, and Agriculture | 208,713 | 164,679 | 136,921 | 149,968 | 132,022 |
| Higher Education - State Administration | 148,389 | 133,320 | 114,235 | 182,070 | 125,335 |
| Cultural and Community Engagement ³ | 79,754 | 75,249 | 59,510 | 67,719 | 41,864 |
| Total Expenditures | <u>\$22,565,119</u> | <u>\$20,626,142</u> | <u>\$19,259,089</u> | <u>\$18,017,106</u> | <u>\$15,635,751</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 2024 ACFR

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The following table represents legislative appropriations for fiscal years 2024 and 2025, 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 2024 and 2025
(dollars in thousands)

| | Fiscal Year 2024 | | | | Fiscal Year 2025 | |
|--|----------------------|-----------------------|----------------------|----------------|----------------------|----------------|
| | Appropriated | Supplemental | Revised | Percent Change | Appropriated | Percent Change |
| Sources of Finance | | | | | | |
| Beginning Balance | \$ 5,902,448 | \$ 3,977,023 | \$ 9,879,471 | 67.40 | \$ 9,413,548 | (4.70) |
| Federal Funds | 8,142,813 | 150,689 | 8,293,502 | 1.90 | 8,298,247 | 0.10 |
| Federal Funds - CARES Act | 26,333 | 20,800 | 47,133 | 79.00 | 9,180 | (80.50) |
| Federal Funds - ARPA | 170,000 | 701 | 240,063 | 41.20 | | (100.00) |
| Income Tax Fund | 2,209,027 | | 2,209,027 | | 2,369,139 | 7.20 |
| Income Tax Fund, One-time | 2,158,142 | (794,111) | 1,364,031 | (36.80) | 949,382 | (30.40) |
| Internal Service Funds | 1 | 3,495 | 3,608 | 3092.90 | 1,500 | (58.40) |
| General Fund | 4,010,875 | | 4,010,875 | | 4,101,448 | 2.30 |
| General Fund, One-time | 1,424,457 | (140,961) | 1,283,496 | (9.90) | 414,879 | (67.70) |
| Dedicated Credits | 3,047,625 | 160,436 | 3,208,061 | 5.30 | 3,316,778 | 3.40 |
| Other Financing Sources | 758,846 | 291,754 | 1,050,601 | 38.40 | 1,021,737 | (2.70) |
| Capital Project Funds | 421,713 | 11,057 | 432,770 | 2.60 | 164,753 | (61.90) |
| Transfers | 834,532 | 57,157 | 891,690 | 6.80 | 1,134,088 | 27.20 |
| Transportation Fund | 812,793 | | 812,793 | | 865,614 | 6.50 |
| Transportation Fund, One-time | 36,880 | 13,316 | 50,197 | 36.10 | 85,486 | 70.30 |
| Other Trust and Agency Funds | 496,337 | (2) | 496,335 | — | 436,431 | (12.10) |
| General Fund Restricted | 953,330 | 162,727 | 1,116,056 | 17.10 | 768,771 | (31.10) |
| Enterprise Funds | 232,849 | (4,267) | 228,582 | (1.80) | 234,470 | 2.60 |
| Education Special Revenue | 967,959 | (80,472) | 887,487 | (8.30) | 1,127,687 | 27.10 |
| Local Education Revenue | 1,660,647 | | 1,660,647 | | 1,704,008 | 2.60 |
| Special Revenue | 294,052 | 1,646 | 295,698 | 0.60 | 288,477 | (2.40) |
| Federal Mineral Lease | 62,080 | 26 | 62,106 | — | 62,220 | 0.20 |
| Transportation Special Revenue | 63,956 | 869 | 64,825 | 1.40 | 70,513 | 8.80 |
| Transportation Investment Fund | 1,569,520 | (87,888) | 1,481,632 | (5.60) | 1,808,401 | 22.10 |
| Uniform School Fund | 4,893,121 | | 4,893,121 | | 5,093,771 | 4.10 |
| Uniform School Fund, One-time | (96,155) | 9,123 | (87,032) | (9.50) | 17,400 | (120.00) |
| Pass-through | 5,744 | | 5,744 | | 2,554 | (55.50) |
| Private Purpose Trust Funds | 5,167 | 34 | 5,201 | 0.70 | 5,424 | 4.30 |
| Lapsing Balance | (1,695) | (28,305) | (30,000) | 1670.10 | | (100.00) |
| Closing Balance | (4,724,915) | (4,965,551) | (9,690,465) | 105.10 | (7,499,266) | (22.60) |
| Total | <u>\$ 36,338,596</u> | <u>\$ (1,171,341)</u> | <u>\$ 35,167,255</u> | (3.20) | <u>\$ 36,266,480</u> | 3.10 |
| Appropriation Categories | | | | | | |
| Operating and Capital Budgets | \$ 29,410,428 | \$ (676,240) | \$ 28,734,188 | (2.30) | \$ 29,374,068 | 2.20 |
| Capital Project Funds | 3,625,392 | (653,394) | 2,971,998 | (18.00) | 4,110,817 | 38.30 |
| Enterprise/Loan Funds | 756,758 | 123,258 | 880,016 | 16.30 | 587,853 | (33.20) |
| Internal Service Funds | 499,907 | 18,553 | 518,459 | 3.70 | 557,839 | 7.60 |
| Fiduciary Funds | 389,316 | (76,157) | 313,159 | (19.60) | 232,877 | (25.60) |
| Transfers to Restricted Funds/Accounts | 1,516,879 | (127,078) | 1,389,801 | (8.40) | 1,402,134 | 0.90 |
| Transfers to Unrestricted Funds | 139,917 | 219,717 | 359,633 | 157.00 | 893 | (99.80) |
| Total | <u>\$ 36,338,596</u> | <u>\$ (1,171,341)</u> | <u>\$ 35,167,255</u> | (3.20) | <u>\$ 36,266,480</u> | 3.10 |

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 | | | | |
|----------|-------------|-----------|-----------|-----------|-----------|
| | 2025 | 2024 | 2023 | 2022 | 2021 |
| Forecast | \$3,384.7 | \$3,860.1 | \$3,400.1 | \$3,726.8 | \$2,154.0 |
| Revised | — | \$4,086.2 | \$3,869.2 | \$3,780.7 | \$2,725.1 |

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 percent of any General Fund revenue surplus be deposited in the General Fund Budget Reserve Account not to exceed 9 percent of the General Fund appropriations for the fiscal year and 25 percent of any Income Tax Fund revenue surplus be deposited in the Income Tax Fund Budget Reserve Account not to exceed 11 percent 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 percent of the applicable surplus or the amount necessary to reach the statutory limit of 9 percent for the General Fund and 11 percent for the Income Tax Fund. Subject to the automatic transfer limits specified above, an additional 25 percent 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, 2024 the balance in the General Fund Budget Reserve Account was \$330 million; the balance in the Income Tax Fund Budget Reserve Account was \$858 million; the balance in the Public Education Economic Stabilization Restricted Account was \$45 million; the balance in the Medicaid Growth Reduction and Budget Stabilization Account was \$221 million, and the combined balance in the Wildland Fire Suppression and Disaster Recovery accounts was \$221 million.

State Employee Workforce and Public Retirement Systems

State Employee Workforce. The State is among the largest employers in the State employing 22,101 people (full-time equivalents) in Fiscal Year 2024. For a 10-year history of the State's employment numbers see ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2024 – 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 2023 calendar year ACFR, are reported as pension trust funds in the State's 2024 ACFR. See ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2024 – Fiduciary Fund Financial Statements. Copies of URS's ACFR for Calendar Year 2023 may be found at <https://www.urs.org/general/publications>.

For fiscal year 2024, 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, 2023) \$934.471 thousand in net pension assets, \$521.654 million in deferred

outflows of resources, \$689,849 million in net pension liability and \$3,581 million in deferred inflows of resources for the primary government. For Fiscal Year 2024, the State contributed approximately \$323,303 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 |
|------|---|---|---|--|---|
| 2023 | \$42,465,000 | 8.50% | 9.44% | 6.85% | 9.76% |
| 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 |

- (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 percent 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 2023, 9.27 percent 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, 2023 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 |
|------|------------------------------|-----------------------------------|----------------|
| 2023 | \$45.8 | \$48.0 | 95% |
| 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 |

Source: URS December 31, 2023 ACFR

As of December 31, 2023, URS pension plans' fiduciary net position as a percent of the total pension liability is 94.4 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 2024 – 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 2024, the State reported a collective \$18.272 million in deferred outflows of resources, \$13.620 million in deferred inflows of resources and \$34.467 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 116.05 percent and 106.58 percent, 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 2024, the State contributed \$6.375 million to the State Employee OPEB Plan and \$1.249 million to the Elected Official OPEB Plan, which were \$11.607 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 2024 – Notes to the Financial Statements – Note 18. Other Postemployment Benefits.

Risk Management and Insurance; Cybersecurity

Property Insurance. 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 injury of \$10 million per occurrence and \$10 million aggregate with a \$1 million deductible per occurrence. The State of Utah General Liability Captive Insurance Company provides an annual aggregate limit of \$10 million in excess of the Fund’s coverage. An additional policy provides an additional annual limit of \$5 million per occurrence and \$10 million aggregate in addition to the coverage provided by the Fund and the Captive.

Property is covered up to \$1 billion each occurrence, subject to the Fund’s \$15 million self-insured retention, insured through a captive and the excess property policies through a variety of carriers.

For the past 10 years, Risk’s property exposure did not exceed the \$3.5 million retention plus any additional deductibles. For liability, the exposure was up to \$2 million per year.

As of June 30, 2024, the Administrative Services Risk Management Fund contained approximately \$74.387 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 2024 – Supplementary Information – Internal Service Funds – Risk Management. Also see ANNUAL COMPREHENSIVE REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2024 – 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’s property insurance is \$525 million for earthquake and \$1 billion for all other perils. Beginning fiscal year 2023, the State’s per occurrence deductible for earthquakes is 2 percent 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 purposes 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) an \$8.3 million annual budget for security operations and security privacy and compliance; (ii) a Utah Cyber Task Force comprised of the state’s technology services agency, department of public safety, the Federal Bureau of Investigation and Homeland Security. These entities work collaboratively to monitor and respond to incidents 24/7; (iii) a Chief Information Security Officer reporting directly to the State’s Chief Information Officer; (iv) a security team of 21 employees; (v) a self-assessment every two years in cooperation with the Department of Homeland Security using National Institute of Standards and Technology standards; (vi) compliance audits regularly performed by the Internal Revenue Service, Federal Bureau of Investigation, homeland security, and the Social Security Administration; and (vii) 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 carries commercial liability insurance policy regarding cybersecurity.

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 percent 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 percent 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 percent. 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 percent 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 |
|----------|----------------------------|--------------------------|-------------------|--------------------------|
| 2023 | \$ 537,573,835 | 9.8% | \$ 775,430,196 | 8.6% |
| 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% |

(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 percent 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)

| | 2023 | | 2022 | | 2021 | | 2020 | | 2019 | |
|--|-----------------------|---------------|-----------------------|---------------|-----------------------|---------------|-----------------------|---------------|-----------------------|---------------|
| | 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> (Centrally Assessed) | | | | | | | | | | |
| Natural Resources | \$ 11,070,228 | 2.1 % | \$ 9,407,777 | 1.9 % | \$ 9,062,078 | 2.4 % | \$ 8,408,505 | 2.5 % | \$ 9,778,940 | 3.1 % |
| Utilities | 14,409,981 | 2.7 | 20,243,198 | 4.2 | 18,136,855 | 4.8 | 18,479,465 | 5.4 | 17,342,823 | 5.5 |
| Total Centrally Assessed | 25,480,209 | 4.8 | 29,650,975 | 6.1 | 27,198,933 | 7.2 | 26,887,970 | 7.9 | 27,121,763 | 8.6 |
| <i>Set by County Assessor</i> (Locally Assessed) | | | | | | | | | | |
| Real Property: | | | | | | | | | | |
| Primary Residential | 290,713,330 | 54.1 | 274,560,462 | 56.1 | 202,922,129 | 53.5 | 176,200,448 | 51.7 | 161,294,774 | 51.1 |
| Commercial | 111,823,349 | 20.8 | 95,100,467 | 19.4 | 79,863,422 | 21.1 | 74,931,533 | 22.0 | 69,264,564 | 22.0 |
| Other Real | 80,889,740 | 15.0 | 67,025,586 | 13.7 | 47,981,886 | 12.7 | 42,610,740 | 12.5 | 38,860,173 | 12.3 |
| Total Real Property | 483,426,419 | 89.9 | 436,686,515 | 89.2 | 330,767,437 | 87.3 | 293,742,721 | 86.2 | 269,419,511 | 85.4 |
| Personal Property: | | | | | | | | | | |
| Total Personal Property | 28,667,207 | 5.3 | 23,174,169 | 4.7 | 20,947,480 | 5.5 | 19,945,167 | 5.9 | 19,035,346 | 6.0 |
| Total Locally Assessed | 512,093,626 | 95.2 | 459,860,684 | 93.9 | 351,714,917 | 92.8 | 313,687,888 | 92.1 | 288,454,857 | 91.4 |
| Total Taxable Value | <u>\$ 537,573,835</u> | <u>100.0%</u> | <u>\$ 489,511,659</u> | <u>100.0%</u> | <u>\$ 378,913,850</u> | <u>100.0%</u> | <u>\$ 340,575,858</u> | <u>100.0%</u> | <u>\$ 315,576,621</u> | <u>100.0%</u> |

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 2020 through 2024. 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)

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|--|----------------------|----------------------|----------------------|----------------------|---------------------|
| Assets: | | | | | |
| Cash and Investments ² | \$ 143,840 | \$ 312,298 | \$ 401,300 | \$ 4,868,178 | \$ 1,924,994 |
| Pooled Cash and Investments ³ | 12,927,009 | 12,580,448 | 10,291,633 | — | — |
| Investments ⁴ | 590,813 | 293,848 | 280,449 | 2,556,089 | 3,378,708 |
| Receivables: | | | | | |
| Accrued Taxes, net ⁶ | 1,712,729 | 1,807,618 | 2,230,925 | 1,856,947 | 2,349,189 |
| Accounts, net | 1,738,429 | 1,432,981 | 1,317,742 | 906,400 | 864,566 |
| Capital Lease Payments, net ⁷ | — | — | — | 58,455 | 57,630 |
| Notes/Mortgages, net ⁷ | 68,492 | 75,815 | 73,791 | 17,584 | 23,233 |
| Accrued Interest | 1,555 | 2,588 | 4,848 | 87 | 6,658 |
| Prepaid Items ⁸ | 21,241 | 164,936 | 39,485 | 210,502 | 183,603 |
| Interfund Loans Receivable | 50,560 | 33,354 | 17,403 | 20,523 | 24,891 |
| Restricted Pooled Cash and Investments ⁵ | 35,668 | 32,277 | 28,632 | — | — |
| Restricted Cash and Cash Equivalents ¹⁰ | 101,738 | 121,342 | — | — | — |
| Due From Other Funds | 160,622 | 142,939 | 130,682 | 91,261 | 88,348 |
| Due From Component Units | 98,055 | 75,396 | 123,640 | 55,412 | 38,849 |
| Inventories | 43,041 | 58,121 | 63,008 | 56,881 | 40,657 |
| Other Assets | 17,120 | 17,129 | 17,120 | 16,620 | — |
| Total Assets | \$ 17,710,912 | \$ 17,151,090 | \$ 15,020,658 | \$ 10,714,939 | \$ 8,981,326 |
| Liabilities: | | | | | |
| Accounts Payable and Accrued Liabilities | \$ 1,908,545 | \$ 1,721,938 | \$ 1,601,913 | \$ 1,428,961 | \$ 1,387,482 |
| Unearned Revenue ⁹ | 622,303 | 861,815 | 1,107,589 | 1,110,167 | 924,797 |
| Deposits | 81,620 | 77,700 | 68,601 | 35,291 | — |
| Due To Other Funds | 128,976 | 143,908 | 163,573 | 88,850 | 80,582 |
| Due To Other Governments | 496 | 468 | 448 | 434 | — |
| Due To Component Units | 353 | 2,378 | 161 | 178 | 1,501 |
| Total Liabilities | 2,742,293 | 2,808,207 | 2,942,285 | 2,663,881 | 2,394,362 |
| Deferred Inflows of Resources: | | | | | |
| Unavailable Revenue | 676,038 | 801,310 | 1,278,517 | 862,628 | 678,138 |
| Total Deferred Inflows of Resources | 676,038 | 801,310 | 1,278,517 | 862,628 | 678,138 |
| Fund Balance: | | | | | |
| Nonspendable: | | | | | |
| Long-term Portion of Interfund Loans Receivable | 30,442 | 18,150 | 5,703 | 6,272 | 9,388 |
| Prepaid Items ⁸ | 21,241 | 164,936 | 39,485 | 210,502 | 183,603 |
| Inventories | 43,041 | 58,121 | 63,008 | 56,881 | 40,657 |
| Restricted | 4,423,384 | 4,938,831 | 4,447,520 | 3,458,239 | 3,430,824 |
| Committed | 7,671,382 | 5,546,475 | 4,033,649 | 2,437,499 | 1,730,514 |
| Assigned | 2,103,091 | 2,745,796 | 2,080,248 | 909,263 | 499,384 |
| Unassigned | — | 69,264 | 130,243 | 109,774 | 14,456 |
| Total Fund Balances | 14,292,581 | 13,541,573 | 10,799,856 | 7,188,430 | 5,908,826 |
| Total Liabilities, Deferred Inflows and Fund Balances | \$ 17,710,912 | \$ 17,151,090 | \$ 15,020,658 | \$ 10,714,939 | \$ 8,981,326 |

(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 2024 the Higher Education Student Success Endowment was recategorized as a nonmajor special revenue fund, prior to fiscal year 2024 was reported as private purpose type fund. 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 Statement No. 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 2024, Prepaid Items decreased primarily due to a \$138 million decrease in prepaid items related to the timing of Medicaid Provider Payments being disbursed. 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, Prepaid Items 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 2024, Unearned Revenue decreased primarily due to State spending \$261.210 million in COVID-19 related revenue received in prior periods. 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 2024 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 | | | | | | | | | |
|---|---------------------|--------------------------------------|---------------------|--------------------------------------|---------------------|--------------------------------------|---------------------|--------------------------------------|---------------------|--------------------------------------|
| | 2024 | | 2023 | | 2022 | | 2021 | | 2020 | |
| | 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 | \$6,783,573 | (6.0)% | \$7,214,537 | (1.1)% | \$7,295,923 | 18.2 % | \$6,172,978 | 34.3 % | \$4,596,925 | 17.3 % |
| Individual and Corporate Income Taxes | 7,146,116 | (3.5)% | 7,405,067 | (4.8)% | 7,774,417 | 26.6 % | 6,139,088 | 18.9 % | 5,163,714 | 6.0 % |
| Sales and Use Tax | 4,367,040 | 2.3 % | 4,268,796 | 5.1 % | 4,061,879 | 17.7 % | 3,452,294 | 16.8 % | 2,955,253 | 6.2 % |
| Other Taxes | 529,197 | 2.3 % | 517,239 | 3.8 % | 498,206 | 16.5 % | 427,700 | 4.8 % | 408,211 | 6.7 % |
| Motor and Special Fuels Tax | 639,781 | 5.2 % | 608,170 | 5.3 % | 577,407 | 3.0 % | 560,763 | 12.5 % | 498,402 | (4.4)% |
| Other Revenues | 2,608,508 | 17.8 % | 2,214,559 | 32.4 % | 1,672,333 | 8.7 % | 1,538,109 | 5.1 % | 1,464,090 | 8.4 % |
| Total Revenues | <u>\$22,074,215</u> | (0.7)% | <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 % |
| Total Expenditures | <u>\$20,898,048</u> | 8.9 % | <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 % |

- (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 2024, federal contracts and grants decreased primarily due a decrease of \$272.740 million as a result of DWS expenses from the winding down of pandemic-era programs and a decrease of \$141.488 million due to a decrease in COVID-19 related grants and federal expenditures. 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 2024 ACFR

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund Type - General Fund

Fiscal Year Ended June 30

(dollars in thousands)

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenues: | | | | | |
| Taxes: | | | | | |
| Sales and Use Tax | \$ 3,458,181 | \$ 3,377,229 | \$ 3,207,116 | \$ 2,711,382 | \$ 2,302,910 |
| Other Taxes | 468,117 | 463,726 | 446,509 | 385,635 | 364,794 |
| Total Taxes | <u>3,926,298</u> | <u>3,840,955</u> | <u>3,653,625</u> | <u>3,097,017</u> | <u>2,667,704</u> |
| Other Revenues: | | | | | |
| Federal Contracts and Grants ¹ | 5,557,294 | 5,830,034 | 5,945,597 | 5,117,824 | 3,652,812 |
| Charges for Services/Royalties | 739,151 | 632,535 | 607,031 | 552,524 | 537,191 |
| Miscellaneous and Other | 497,845 | 486,627 | 496,536 | 430,007 | 343,952 |
| Federal Mineral Lease | 84,283 | 137,559 | 75,616 | 49,039 | 58,606 |
| Licenses, Permits, and Fees | 28,048 | 25,119 | 24,367 | 25,635 | 25,659 |
| Investment Income ² | 376,965 | 286,414 | (4,304) | 27,415 | 35,148 |
| Total Revenues | <u>11,209,884</u> | <u>11,239,243</u> | <u>10,798,468</u> | <u>9,299,461</u> | <u>7,321,072</u> |
| Expenditures: | | | | | |
| Environmental Quality ³ | 79,222 | 77,454 | 4,766,967 | 4,043,152 | 3,423,327 |
| Higher Education-Colleges and Universities | 1,761,881 | 1,478,339 | 1,274,218 | 1,221,898 | 1,063,339 |
| Employment and Family Services | 1,246,725 | 1,559,233 | 1,379,278 | 1,057,614 | 769,126 |
| Health and Human Services ³ | 6,686,617 | 6,148,317 | 1,092,554 | 1,013,956 | 969,244 |
| General Government | 723,800 | 721,791 | 697,259 | 851,602 | 525,846 |
| Corrections | 431,368 | 420,654 | 358,339 | 330,760 | 331,116 |
| Public Safety | 462,768 | 459,988 | 405,790 | 320,785 | 299,167 |
| Natural Resources | 504,023 | 383,153 | 294,380 | 271,596 | 263,264 |
| Courts | 216,665 | 190,730 | 170,465 | 159,020 | 161,204 |
| Capital Outlay | — | — | 3,342 | — | — |
| Business, Labor, and Agriculture | 173,961 | 137,843 | 115,282 | 129,151 | 108,421 |
| Public Education | 31 | — | — | — | — |
| Higher Education-State Administration | 147,522 | 133,320 | 114,235 | 182,070 | 125,335 |
| Cultural and Community Engagement ⁴ | 58,664 | 58,739 | 56,942 | 66,373 | 40,124 |
| Total Expenditures | <u>12,493,247</u> | <u>11,769,561</u> | <u>10,729,051</u> | <u>9,647,977</u> | <u>8,079,513</u> |
| Excess Revenues Over (Under) Expenditures | <u>(1,283,363)</u> | <u>(530,318)</u> | <u>69,417</u> | <u>(348,516)</u> | <u>(758,441)</u> |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | 2,998,546 | 2,890,303 | 2,560,643 | 1,907,321 | 1,124,262 |
| Transfers Out | (2,326,067) | (1,877,332) | (1,532,650) | (768,776) | (150,520) |
| Lease Proceeds | 36,678 | 6,329 | 3,342 | — | — |
| Sale of Capital Assets | — | 2 | — | — | 207 |
| Total Other Financing Sources (Uses) | <u>709,157</u> | <u>1,019,302</u> | <u>1,031,335</u> | <u>1,138,545</u> | <u>973,949</u> |
| Net Change in Fund Balances | <u>(574,206)</u> | <u>488,984</u> | <u>1,100,752</u> | <u>790,029</u> | <u>215,508</u> |
| Beginning Fund Balances | 3,945,226 | 3,392,533 | 2,244,424 | 1,454,028 | 1,238,520 |
| Adjustments to Beginning Fund Balances ⁵ | 31,680 | 63,710 | 47,357 | 367 | — |
| Beginning Fund Balances As Adjusted | <u>3,976,906</u> | <u>3,456,243</u> | <u>2,291,781</u> | <u>1,454,395</u> | <u>1,238,520</u> |
| Ending Fund Balances | <u>\$ 3,402,700</u> | <u>\$ 3,945,227</u> | <u>\$ 3,392,533</u> | <u>\$ 2,244,424</u> | <u>\$ 1,454,028</u> |

- (1) In fiscal year 2024, federal contracts and grants decreased primarily due a decrease of \$272.740 million as a result of DWS expenses from the winding down of pandemic-era programs. 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 years 2023 and 2024, 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) Beginning fiscal year 2024 reference the ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE STATE OF UTAH FOR FISCAL YEAR 2024 – Notes to the Financial Statements - Note 2 - Accounting Changes, Error Corrections and Other Information - Schedule of Corrections of Errors and Changes in Reporting Entity. 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 2024 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)

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|--------------|--------------|--------------|--------------|--------------|
| Revenues | | | | | |
| Taxes: | | | | | |
| Individual Income Tax | \$ 6,243,189 | \$ 6,510,385 | \$ 6,814,382 | \$ 5,451,297 | \$ 4,758,082 |
| Sales and Use Tax | 908,859 | 891,567 | 854,763 | 740,912 | 652,343 |
| Motor and Special Fuels Tax | 639,781 | 608,170 | 577,407 | 560,763 | 498,402 |
| Corporate Tax | 902,927 | 894,682 | 960,035 | 687,791 | 405,632 |
| Other Taxes | 61,080 | 53,513 | 51,697 | 42,065 | 43,417 |
| Total Taxes | 8,755,836 | 8,958,317 | 9,258,284 | 7,482,828 | 6,357,876 |
| Other Revenues: | | | | | |
| Federal Contracts and Grants ² | 1,226,279 | 1,384,503 | 1,350,326 | 1,055,154 | 944,113 |
| Licenses, Permits, and Fees | 271,768 | 237,252 | 222,415 | 212,067 | 199,599 |
| Charges for Services/Royalties | 79,262 | 77,935 | 70,907 | 69,964 | 63,350 |
| Liquor Sales Allocated for School Lunch | 57,887 | 57,914 | 54,498 | 51,746 | 50,022 |
| Miscellaneous and Other | 190,683 | 110,564 | 139,693 | 109,015 | 118,321 |
| Investment Income ³ | 282,616 | 162,640 | (14,426) | 10,697 | 32,242 |
| Total Other Revenues | 2,108,495 | 2,030,808 | 1,823,413 | 1,508,643 | 1,407,647 |
| Total Revenues | 10,864,331 | 10,989,125 | 11,081,697 | 8,991,471 | 7,765,523 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Public Education | 6,117,563 | 5,577,745 | 5,248,996 | 4,829,288 | 4,408,707 |
| Transportation | 1,416,893 | 1,232,348 | 1,125,558 | 1,202,511 | 1,162,676 |
| Capital Outlay | 870,345 | 602,564 | 707,923 | 780,978 | 805,739 |
| Total Expenditures | 8,404,801 | 7,412,657 | 7,082,477 | 6,812,777 | 6,377,122 |
| Excess Revenues Over (Under) Expenditures | 2,459,530 | 3,576,468 | 3,999,220 | 2,178,694 | 1,388,401 |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | 1,621,388 | 1,168,022 | 1,347,225 | 242,725 | 157,120 |
| General Obligation Bonds Issued | — | — | — | — | 600,055 |
| Premium on Bonds Issued | — | — | — | — | 116,741 |
| Sale of Capital Assets | 16,974 | 24,489 | 27,877 | 18,644 | 28,736 |
| Lease Proceeds | 2,175 | 4,159 | 24 | — | — |
| Transfers Out | (3,485,923) | (3,442,813) | (3,002,323) | (2,177,049) | (1,311,603) |
| Total Other Financing Sources (Uses) | (1,845,386) | (2,246,143) | (1,627,197) | (1,915,680) | (408,951) |
| Net Change in Fund Balances | 614,144 | 1,330,325 | 2,372,023 | 263,014 | 979,450 |
| Beginning Fund Balances | 7,330,409 | 6,000,084 | 3,628,061 | 3,365,047 | 2,385,597 |
| Ending Fund Balances | \$ 7,945,149 | \$ 7,330,409 | \$ 6,000,084 | \$ 3,628,061 | \$ 3,365,047 |

- (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 2024, the Income Tax Fund saw a decrease of \$181.135 million in federal contracts and grants, primarily due to a reduction in COVID-19 related grants. In contrast, the Transportation Fund experienced an increase of \$22.911 million in federal contracts and grants, driven by the receipt of larger and more federal grants. 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 years 2023 and 2024, 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.

2024

STATE OF UTAH



Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Logan Canyon Spring Sunset

Photo by Gavin Vanderbeek

State of Utah ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

CONSTITUTIONAL OFFICERS OF THE STATE OF UTAH

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

OTHER STATE OFFICIALS

| | |
|---------------------------------|--|
| Marvin L. Dodge | Executive Director, Department of Government Operations |
| Van H. Christensen, CPA | Director, Division of Finance |
| Sophia M. DiCaro | Executive Director, Governor's Office of Planning and Budget |
| Jonathan C. Ball | Director, Office of the Legislative Fiscal Analyst |
| Kade R. Minchey, CIA, CFE | Auditor General, Office of the Legislative Auditor General |
| John Q. Cannon | Director, Office of Legislative Research and General Counsel |

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Special appreciation is given to all of the budget and accounting officers throughout the State whose extra time and effort has made this report possible. Thank you also to Clark Kidman at Design Type Service for providing photo images and captions throughout the report.



Utah Department of
**Government
Operations**

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

State of Utah
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2024
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State of Utah
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

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State of Utah

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

Department of Government Operations

Division of Finance

MARVIN L. DODGE
Executive Director

VAN H. CHRISTENSEN, CPA
Division Director

December 16, 2024

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

It is our pleasure to present the 2024 Annual Comprehensive Financial Report of the State of Utah in accordance with Section 63A-3-204 of the *Utah Code*. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the State's management. To the best of our knowledge and belief, the enclosed data accurately presents the State's financial position and results of operations in all material respects in accordance with generally accepted accounting principles (GAAP). We believe that all disclosures necessary to enable the reader to gain an understanding of the State's financial activities are included.

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

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

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

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

PROFILE OF THE GOVERNMENT

Structure – As shown in the [Organizational Chart](#), state government is divided into three separate branches: legislative, executive, and judicial. The duties of each branch are outlined in the *Utah Constitution*, which can be amended only by vote of the Legislature and a majority vote of the State's citizens, and in the *Utah Code*, which can be amended by the Legislature or by citizen initiatives. State government provides various services to over 3,462,000 citizens. Services include building and maintaining roads; providing public safety, health, and environmental protection services to protect the general welfare of the State's citizens; helping adults, children, and families through difficult times such as abuse, divorce, illness, death, and unemployment; fostering an attractive business climate to encourage economic growth; and protecting public lands and natural

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

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

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

INFORMATION USEFUL IN ASSESSING A GOVERNMENT’S ECONOMIC CONDITION

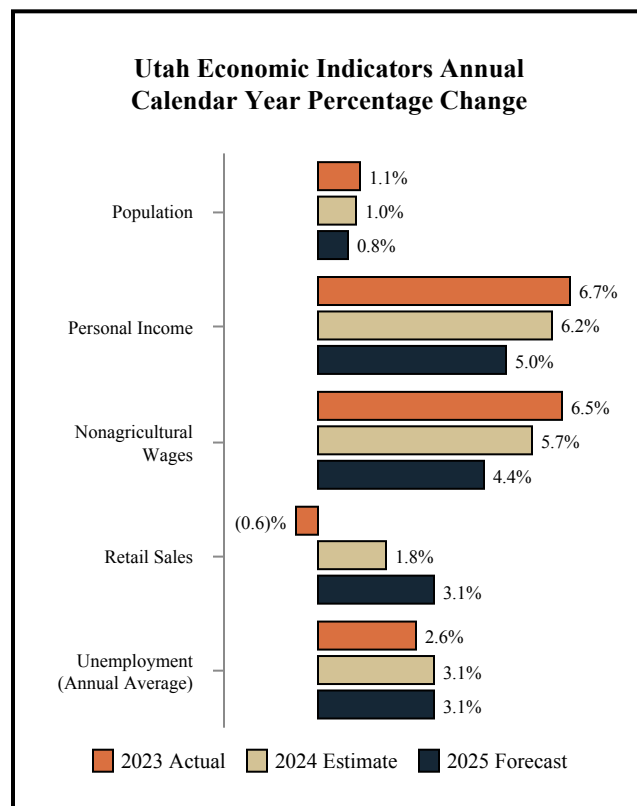
Local Economy – Utah’s economy has continued to outperform the national average. During fiscal year 2024, the state added an additional 32,100 new jobs. The State’s economy experienced moderate growth compared to 2023’s vigorous pace while challenges remain in areas such as inflation and housing affordability.

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

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

In 2024, Utah’s population is estimated at 3,462,000, which is an increase of 1.3 percent over the prior year. Utah had positive net migration of approximately 11,600

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



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

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

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

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

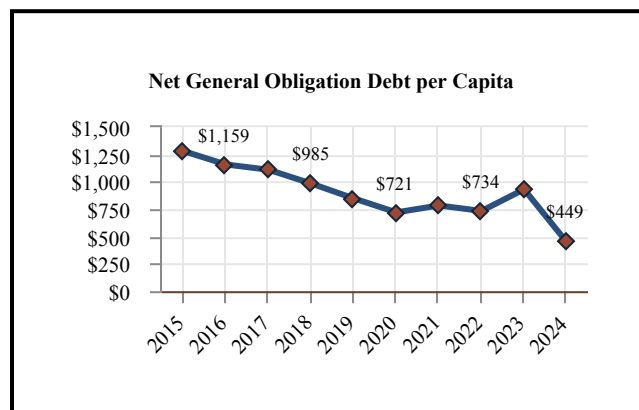
Source: Utah Department of Workforce Services and the U.S. Bureau of Labor Statistics, September 2024.

(p) = preliminary (r) = revised

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

FINANCIAL PLANNING AND POLICIES

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



In fiscal year 2015, the State authorized \$474.7 million in general obligation debt for the new prison project. There were no general obligation bond issuances, authorizations, or refundings in fiscal year 2016. In fiscal year 2017, the State authorized \$1.0 billion in general obligation bonds for highway construction projects and authorized an additional \$101.0 million for the prison project. In fiscal year 2018, the State authorized no new general obligation bonds, but issued \$295.8 million for highway construction projects and \$189.4 million for the prison project from prior authorizations. The State also advance refunded \$118.7 million of general obligation bonds to take advantage of the low interest rate environment. In fiscal year 2019, the State issued \$127.7 million for highway construction projects from prior bond authorizations. In fiscal year 2020, the State authorized \$89.5 million in general obligation bonds for highway projects, cash defeased \$78.4 million of highway bonds, and issued

\$600.1 million for highway construction projects and \$295.7 million for the prison project from fiscal year 2020 and prior authorizations. In fiscal year 2021, the State authorized \$52.1 million in general obligation bonds for highway projects and \$266.6 million for rail and transit projects. There were no general obligation bond issuances, authorizations, or refundings in fiscal years 2023 or 2024. As of June 30, 2024, the State's general obligation debt per capita was \$449. The State has an aggressive policy of repaying its general obligation debt within ten years for debt associated with capital facilities and fifteen years for highway construction projects. More information about the State's long-term debt is found in [Note 10](#) to the Basic Financial Statements.

Revenue and Expenditure Forecasts – Economists and budget analysts from the Executive and Legislative branches of government work with experts from the private sector and academia to develop the consensus revenue forecast used for establishing the State's annual budget. The final 2024 consensus revenue forecast projected an decrease of 0.4 percent in fiscal year 2024 from 2023 actual revenue for the General and Income Tax Funds combined. For fiscal year 2025, a 15.3 percent decrease is projected. The long-term average revenue growth rate, adjusted for inflation, was approximately 3.7 percent for fiscal periods 1971 through 2023. See the Budgetary Highlights – General Fund in the [MD&A](#) for a comparison of budgeted to actual results for fiscal year 2024.

Budget Stabilization – In accordance with Sections 63J-1-312 and 313 of the *Utah Code*, the State maintains the General Fund Budget Reserve Account in the General Fund (the "Rainy Day Fund") and an Income Tax Fund Budget Reserve Account in the Income Tax Fund (the "Income Tax Reserve"). State law requires 25 percent of any revenue surplus in the General Fund to be deposited in the Rainy Day Fund after any required Medicaid growth savings transfer is made (see Medicaid Sustainability section below) and 25 percent of any revenue surplus in the Income Tax Fund to be deposited in the Income Tax Reserve, in each case up to a statutory limit. State law limits the totals of the Rainy Day Fund and Income Tax Reserve based on the amount of appropriations from the General Fund and Income Tax Fund, respectively, for the fiscal year in which the surplus occurred. The General Fund did not have a revenue surplus in fiscal year 2024; therefore, no transfer was made to the Rainy Day Fund. However, the Income Tax Fund had a revenue surplus in fiscal year 2024, resulting in a \$1.953 million transfer to the Income Tax Fund Budget Reserve Account. For additional information on the State's budget stabilization accounts see [Note 12.B](#).

Medicaid Sustainability – The State implemented reforms in the Medicaid program in an effort to bring Medicaid growth more in line with overall revenue growth. The reforms align financial incentives in the health care system by replacing the fee-for-service model with one or more risk-based delivery models. When a General Fund revenue surplus occurs, an amount representing the Medicaid growth savings from the risk-based delivery models will be deposited into the "Medicaid Budget Stabilization Account." The account will then be used to meet the growing needs in the program in years when growth is expected to be at least 8 percent. There was no transfer made into the account in fiscal year 2024 because there was no revenue surplus. For additional information on the State's budget stabilization accounts see [Note 12.B](#).

Public Education Growth – Projections indicate that student enrollment will continue to decline over the next decade. Although projected enrollment growth is expected to decline, public education remains a top priority for the Governor and the Legislature.

Federal Funding – In an effort to prepare for potential future reductions in federal funding, Section 63J-5-302 of the *Utah Code* requires qualifying agencies to prepare a federal funds contingency plan that identifies both short-term and long-term risks of federal funding reductions, outlines strategies to address these risks, and designates personnel responsible for implementing these strategies. Agencies are required to update their contingency plans at least every two years or when submitting federal funding requests exceeding \$10 million.

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

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

Spending Limitation – The State has a statutory appropriations limit. The appropriations limit adjusts annually pursuant to a statutory formula based on population and inflation. Section 63J-3-103 of the *Utah Code* states the definition of appropriations includes only appropriations from General Fund and Income Tax Fund sources (i.e., spending for public education and for transportation is exempt from the limitation). For the fiscal year ended June 30, 2024, the State was \$82.3 million below the appropriations limitation.

Adequate Funding for Ongoing Programs – The Legislature works to ensure all programs have adequate ongoing funding. Coming into the 2024 General Session of the Legislature, before accounting for growth in either costs or revenues, Utah had a temporal surplus of \$26.6 million (i.e., ongoing projected revenue exceeded ongoing commitments by this amount). A temporal balance is a short-term measure of structural balance, comparing current year revenue to current budget year commitments to determine whether ongoing revenue equals or exceeds ongoing appropriations. However, most of the temporal surplus was associated with budgeted reserves. At the end of the 2024 General Session, Utah’s budget had a \$7.5 million temporal surplus—most of which was associated with budgeted reserves.

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

MAJOR INITIATIVES

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

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

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

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

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

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

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

establishing the OPEB budget for fiscal year 2025. If paid on an ongoing basis, the ADC represents a level of funding that is projected actuarially to fund the unfunded liability over a period of two years.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded the *Certificate of Achievement for Excellence in Financial Reporting* to the State of Utah for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the thirty-ninth consecutive year the State has achieved this prestigious award.

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

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

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

Sincerely,

A handwritten signature in blue ink that reads "Van Christensen". The signature is fluid and cursive, with a long horizontal stroke at the end.

Van H. Christensen, CPA
Division of Finance Director



Government Finance Officers Association

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

Presented to

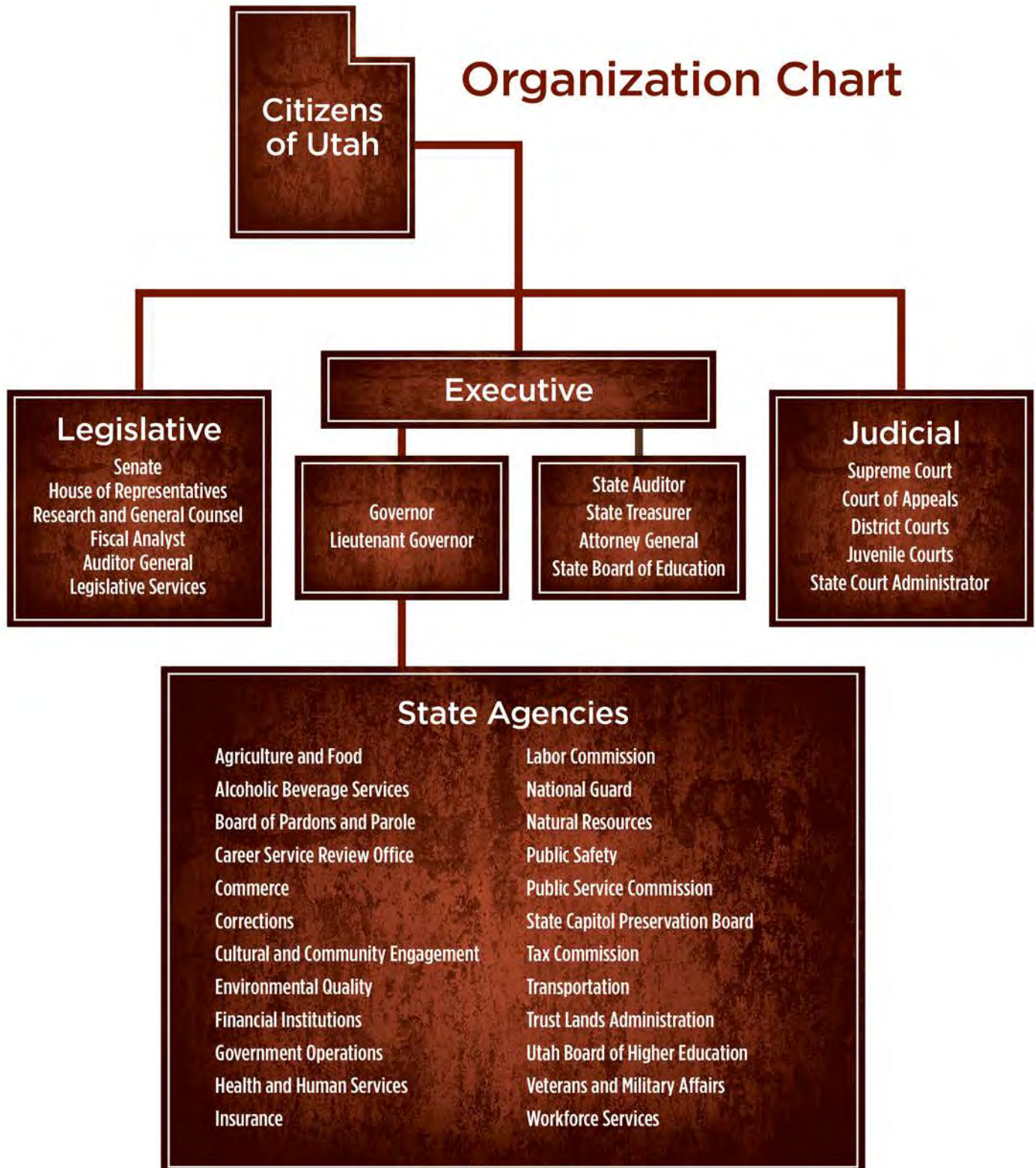
State of Utah

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

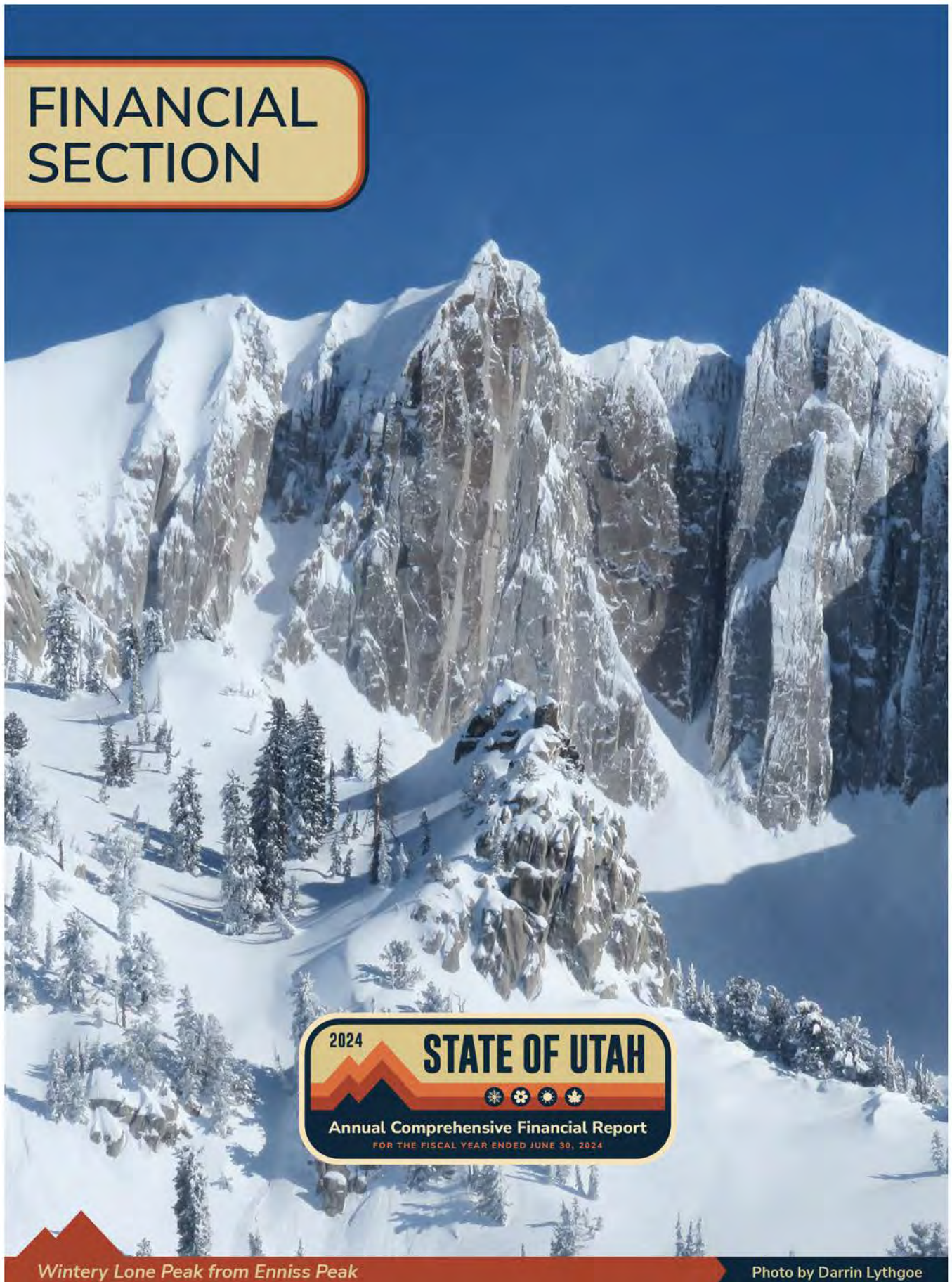
Christopher P. Morill

Executive Director/CEO



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FINANCIAL SECTION



Wintery Lone Peak from Enniss Peak

Photo by Darrin Lythgoe



OFFICE OF THE
STATE AUDITOR

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Utah (State), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

Basis for Opinions

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

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules and Information about Budgetary Reporting, and Information about the State's Pension Plans, Other Postemployment Benefit Plans, and Infrastructure Assets, comprising the Required Supplementary Information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.



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

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MD&A

MANAGEMENT'S DISCUSSION AND ANALYSIS



Time in the Spring as Seen from Provo

Photo by Kevin Hehl

INTRODUCTION

The following is a discussion and analysis of the State of Utah's financial performance and condition providing an overview of the State's activities for the fiscal year ended June 30, 2024. Please read this in conjunction with the [Letter of Transmittal](#) located in the Introductory Section of this report along with the State's [Basic Financial Statements](#) that follow this section.

HIGHLIGHTS

Government-wide

- Total assets and deferred outflows of resources of the State exceeded liabilities and deferred inflows of resources by \$46.471 billion (reported as net position). Of this amount, \$12.249 billion (unrestricted net position) may be used to meet the government's ongoing obligations, while \$34.222 billion is restricted for specific uses or invested in capital assets.
- The State's total net position increased \$3.082 billion or 7.10 percent over the prior year. Net position of governmental activities increased \$2.412 billion or 6.10 percent. Net position of business-type activities increased \$670.507 million or 17.37 percent.

Fund Level

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

Long-term Debt

- The State's long-term bonded debt decreased by a net \$390 million or 17.78 percent. General obligation bonds for the primary government decreased \$368 million or 19.15 percent, while revenue bonds for the primary government decreased \$22 million or 8.24 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Statements – Reporting the State as a Whole

The [Statement of Net Position](#) and the [Statement of Activities](#) together comprise the *government-wide financial statements*. These statements provide a broad overview of the State's finances as a whole with a long-term focus and are prepared using the *full-accrual* basis of accounting, similar to private-sector companies. This means all revenues and expenses are recognized regardless of when cash is received or spent, and all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term debt, are reported at the entity level. The government-wide statements report the State's *net position*—the difference between assets and deferred outflows of resources, compared to liabilities and deferred inflows of resources—and how it has changed from the prior year. Over time, increases and decreases in net position measure whether the State's overall financial condition is improving or deteriorating. In evaluating the State's overall condition, additional non-financial factors should be considered such as the State's economic outlook, changes in its demographics, and the condition of its capital assets and infrastructure. The government-wide statements report three activities:

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

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

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

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

Reconciliation between Government-wide and Fund Statements

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

- Capital assets and long-term debt are included on the government-wide statements, but are not reported on the governmental fund statements.
- Capital outlay expenses result in capital assets on the government-wide statements, but are reported as expenditures on the governmental fund statements.
- Bond proceeds result in liabilities on the government-wide statements, but are other financing sources on the governmental fund statements.
- Certain tax revenues that are earned but not yet available are reported as revenue on the government-wide statements, but are deferred inflows of resources (unavailable revenue) on the governmental fund statements.

Notes to the Financial Statements

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

governmental fund financial statements.

Required Supplementary Information (RSI)

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

Supplementary Information

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

Statistical Section

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

Adjustments to Beginning Net Position and Other Significant Changes

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

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

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

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

FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

Net Position

The largest component of the State's net position, 50.77 percent, reflects investments in capital assets (e.g., land, buildings, equipment, intangible assets, roads, and other infrastructure) less the outstanding debt issued to finance those assets. These types of assets are not available for future spending, nor can they be readily liquidated to pay off their related liabilities. Resources needed to repay capital-related debt must be provided from other sources.

Restricted net position comprises 22.87 percent of total net position and is subject to constitutional, legal, or external constraints on use. Net position that is restricted by the *Utah Constitution* includes individual income and corporate income taxes that can

be used only for public and higher education costs, proceeds from fees, taxes, charges related to motor vehicles that can be used only for transportation expenses, and earnings received from investment of the permanent State School Fund.

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

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

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

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

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

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

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

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

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

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

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

The State's total net position increased \$3.082 billion or 7.10 percent in fiscal year 2024, compared to a \$4.300 billion increase, or 11.00 percent, in the prior year. The increase in total net position, while slower than the prior year, continues to reflect a recovering economy and the active management of the State's resources. The change in net position is comprised of the following:

- *Net Investment in Capital Assets* – Total net investment in capital assets increased by \$1.228 billion 5.49 percent or as the State continues to construct infrastructure projects and repay associated debt.
- *Restricted Net Position* – Total restricted net position decreased \$102.678 million or 0.96 percent over the prior year adjusted net position as follows:

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

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

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

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

(MD&A continues on next page.)

Changes in Net Position

The following table and charts summarize the State's total revenues, expenses, and changes in net position for fiscal year 2024:

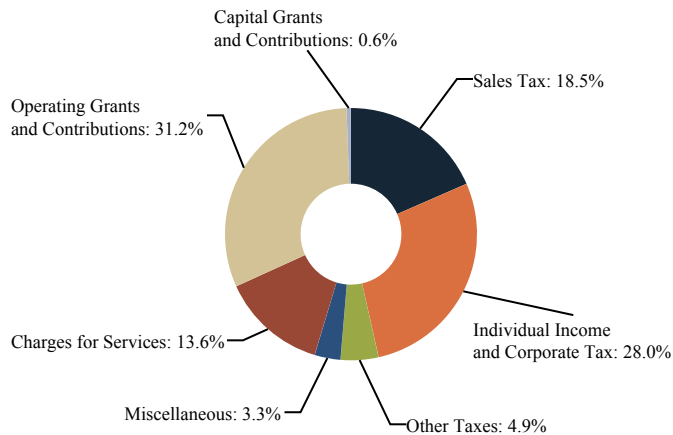
State of Utah
Changes in Net Position
for the Fiscal Year Ended June 30
(dollars expressed in thousands)

| | Governmental Activities | | Business-type Activities | | Total Primary Government | | Total Percentage Change |
|--|--------------------------------|-------------------------|---------------------------------|-------------------------|---------------------------------|-------------------------|--------------------------------|
| | 2024 | 2023¹ | 2024 | 2023¹ | 2024 | 2023¹ | 2023–2024 |
| Revenues | | | | | | | |
| General Revenues: | | | | | | | |
| Taxes | \$12,691,762 | \$12,549,042 | \$ 57,187 | \$ 56,074 | \$12,748,949 | \$12,605,116 | 1.14 % |
| Other General Revenues | 693,525 | 489,704 | 130,971 | 83,534 | 824,496 | 573,238 | 43.83 % |
| Program Revenues: | | | | | | | |
| Charges for Services | 2,454,958 | 2,066,252 | 910,939 | 922,902 | 3,365,897 | 2,989,154 | 12.60 % |
| Operating Grants and Contributions | 7,720,490 | 7,904,918 | 28,542 | 103,582 | 7,749,032 | 8,008,500 | (3.24)% |
| Capital Grants and Contributions | 141,509 | 118,509 | — | — | 141,509 | 118,509 | 19.41 % |
| Total Revenues | 23,702,244 | 23,128,425 | 1,127,639 | 1,166,092 | 24,829,883 | 24,294,517 | 2.20 % |
| Expenses | | | | | | | |
| General Government | 1,360,294 | 1,341,897 | — | — | 1,360,294 | 1,341,897 | 1.37 % |
| Health and Human Services | 6,722,540 | 6,132,422 | — | — | 6,722,540 | 6,132,422 | 9.62 % |
| Corrections | 467,488 | 429,819 | — | — | 467,488 | 429,819 | 8.76 % |
| Public Safety | 521,151 | 493,163 | — | — | 521,151 | 493,163 | 5.68 % |
| Courts | 206,578 | 195,907 | — | — | 206,578 | 195,907 | 5.45 % |
| Environmental Quality | 77,260 | 80,236 | — | — | 77,260 | 80,236 | (3.71)% |
| Higher Education | 2,097,529 | 1,796,650 | — | — | 2,097,529 | 1,796,650 | 16.75 % |
| Employment and Family Services | 1,243,690 | 1,568,934 | — | — | 1,243,690 | 1,568,934 | (20.73)% |
| Natural Resources | 510,952 | 381,099 | — | — | 510,952 | 381,099 | 34.07 % |
| Cultural and Community Engagement | 89,760 | 75,018 | — | — | 89,760 | 75,018 | 19.65 % |
| Business, Labor, and Agriculture | 203,409 | 161,471 | — | — | 203,409 | 161,471 | 25.97 % |
| Public Education | 6,106,108 | 5,566,960 | — | — | 6,106,108 | 5,566,960 | 9.68 % |
| Transportation | 1,652,445 | 1,136,207 | — | — | 1,652,445 | 1,136,207 | 45.44 % |
| Interest and Charges on Long-term Debt | 43,027 | 52,921 | — | — | 43,027 | 52,921 | (18.70)% |
| Student Assistance Programs | — | — | 1,267 | 146,354 | 1,267 | 146,354 | (99.13)% |
| Unemployment Compensation | — | — | 296,011 | 209,626 | 296,011 | 209,626 | 41.21 % |
| Water Loan Programs | — | — | 44,664 | 17,227 | 44,664 | 17,227 | 159.27 % |
| Community and Economic Loan Programs | — | — | 48,457 | 24,855 | 48,457 | 24,855 | 94.96 % |
| Liquor Retail Sales | — | — | 367,934 | 364,409 | 367,934 | 364,409 | 0.97 % |
| Other Business-type Activities | — | — | 56,826 | 47,159 | 56,826 | 47,159 | 20.50 % |
| Total Expenses | 21,302,231 | 19,412,704 | 815,159 | 809,630 | 22,117,390 | 20,222,334 | 9.37 % |
| Excess (Deficit) Before Transfers | 2,400,013 | 3,715,721 | 312,480 | 356,462 | 2,712,493 | 4,072,183 | |
| Transfers | (358,027) | 2,748 | 358,027 | (41,508) | — | (38,760) | |
| Change in Net Position | 2,041,986 | 3,718,469 | 670,507 | 314,954 | 2,712,493 | 4,033,423 | |
| Net Position – Beginning | 39,567,936 | 35,537,283 | 3,863,277 | 3,551,198 | 43,431,213 | 39,088,481 | |
| Adjustment to Beginning Net position | 331,010 | 273,642 | (4,123) | (6,998) | 326,887 | 266,644 | |
| Net Position – Beginning as Adjusted | 39,898,946 | 35,810,925 | 3,859,154 | 3,544,200 | 43,758,100 | 39,355,125 | |
| Net Position – Ending | \$41,940,932 | \$39,529,394 | \$ 4,529,661 | \$ 3,859,154 | \$46,470,593 | \$43,388,548 | 7.10 % |

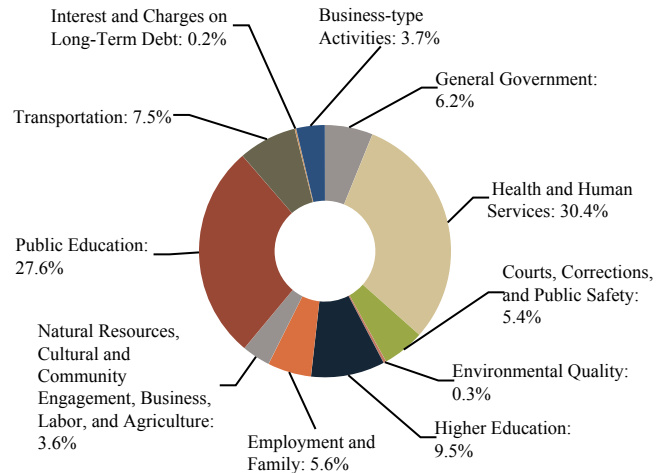
¹ Figures for June 30, 2023 have been restated to include fiscal year 2024 adjustments to beginning net position related accounting error corrections in accordance with the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*. See [Note 2](#).

(Charts on next page)

State of Utah Total Revenues FY 2024



State of Utah Total Expenses FY 2024



This year the State received 51.35 percent of its revenues from state taxes and 31.78 percent of its revenues from grants and contributions, primarily from federal sources. In the prior year, state taxes accounted for 51.88 percent and grants and contributions were 33.45 percent of total revenues. Charges for goods and services such as licenses, permits, liquor sales, park fees, and court fees, combined with other miscellaneous collections, comprised 16.87 percent of total revenues in fiscal year 2024 as compared to 14.67 percent in fiscal year 2023.

Governmental Activities

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

Due to differences in measurement focus and timing of collections, the increase at the government-wide level should not be used to predict future increases at the fund statement or budget level.

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

(MD&A continues on next page.)

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

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

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

Business-type Activities

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

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

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

FINANCIAL ANALYSIS OF THE STATE'S GOVERNMENTAL FUNDS

Fund Balances

At June 30, 2024, the State's governmental funds reported combined ending fund balances of \$18.019 billion. Of this amount:

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

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

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

General Fund

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

Specific changes in the General Fund balance include the following:

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

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

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

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

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

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

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

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

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

Budgetary Highlights – General Fund

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

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

Income Tax Fund

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

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

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

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

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

Transportation Fund

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

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

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

Authorized federal funding for highway construction remains relatively stable from year to year. However, the spending of state and federal revenue may vary from year to year since it reflects the timing of highway construction projects. These projects may span fiscal years and are impacted by a variety of circumstances such as environmental studies or supply chain issues. In addition, the Department of Transportation has discretion on allocating federal funds among projects, which impacts the amount of federal revenue reported in the Transportation Fund.

Transportation Investment Fund

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

Trust Lands Permanent Fund

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

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

fiscal year.

FINANCIAL ANALYSIS OF THE STATE'S PROPRIETARY FUNDS

Student Assistance Programs

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

Unemployment Compensation Fund

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

Employers' Reinsurance Fund

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

Water Loan Programs

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

Community Impact Loan Fund

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

Alcoholic Beverage Services Fund

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

CAPITAL ASSET AND LONG-TERM DEBT ADMINISTRATION

Capital Assets

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

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

Several buildings financed by the State are actually owned by the colleges and universities, which are discretely presented component units of the State. Therefore, while the capital assets are on the discretely presented component unit's financial statements, any outstanding debt issued by the State to finance the construction of those assets is reported as a liability of the State's governmental activities. This in turn reduces unrestricted net position. As of June 30, 2024, the State had \$58.255 million of outstanding debt related to capital assets of discretely presented component units.

At June 30, 2024, the State had commitments in capital projects funds of \$1.062 billion for building projects and \$1.156 billion for highway construction and improvement projects. The State also had commitments of \$545.893 million for road construction and other contract commitments in the Transportation Fund. Funding for the commitments will come from existing resources in these funds and from future appropriations and bond proceeds.

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

The State's established condition level for state roads is to maintain a certain percentage of mileage at a "fair" or better condition. The overall system has a target of 80 percent rated as "fair" or better. The most recent condition assessment completed in 2023 indicated that 95.51 percent of roads were in "fair" or better condition. These results reflect maintaining roads above target percentages and are consistent with calendar year 2022, when 95.50 percent of roads were assessed as "fair" or better condition.

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

During fiscal year 2024, the State spent \$530.096 million and \$93.546 million to maintain and preserve roads and bridges, respectively. These combined amounts were 24.21 percent below the estimated amounts of \$699.143 million and \$123.378 million needed to maintain these roads and bridges at established condition levels, respectively.

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

Long-term Debt

The *Utah Constitution* allows the State to contract debts not exceeding 1.50 percent of the value of the total taxable property of the State (i.e., constitutional debt limit). The Legislature authorizes general obligation indebtedness within this limit. The *State Appropriation and Tax Limitation Act* (i.e., statutory debt limit) further limits the outstanding general obligation debt of the State to not exceed 45 percent of the maximum allowable state budget appropriation limit. As of June 30, 2024, the general obligation indebtedness of the State was \$10.303 billion below the constitutional debt limit and \$2.226 billion below the statutory debt limit.

Revenue bonds of the State Building Ownership Authority are not backed by the general taxing authority of the State, but are payable from revenue provided through appropriations of the Legislature or other operating revenues.

| State of Utah Net Outstanding Bonded Debt as of June 30 (dollars expressed in millions) | | | | | | | |
|---|----------------------------|-----------------|-----------------------------|---------------|-----------------------------|-----------------|----------------------|
| | Governmental Activities | | Business-type Activities | | Total Primary Government | | Percentage Change |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2023 to 2024 |
| General Obligation Bonds | \$ 1,554 | \$ 1,922 | \$ — | \$ — | \$ 1,554 | \$ 1,922 | (19.15)% |
| Revenue Bonds: | | | | | | | |
| State Building Ownership Authority | 137 | 150 | 108 | 116 | 245 | 266 | (7.89)% |
| Total Bonds Payable | \$ 1,691 | \$ 2,072 | \$ 108 | \$ 116 | \$ 1,799 | \$ 2,188 | (17.78)% |

Total general obligation bonds payable net of premiums and discounts decreased \$368 million. Revenue bonds payable net of premiums and discounts decreased \$22 million for an overall net decrease of \$390 million during the fiscal year. [Note 10](#) contains more information about the State's outstanding debt.

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

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

Original general revenue estimates of the General Fund for fiscal year 2025 are 0.73 percent higher than actual fiscal year 2024 revenues. Original revenue estimates of the Income Tax Fund for fiscal year 2025 are 4.97 percent higher than actual fiscal year 2024 revenues. The Legislature balanced the 2025 budget using projected revenue growth, prior year reserves, and fund balances.

Preliminary data for fiscal year 2025 show tax revenues to be in line with estimates. The State's overall unemployment rate is expected to be 3.10 percent in 2024, an increase from the average 2023 rate of 2.60 percent. Taxable retail sales are expected to decrease 1.80 percent in 2024 and increase 3.10 percent in 2025. Personal income is expected to increase 6.20 percent in 2024, and 5.00 percent in 2025. Because these indicators are measured on a calendar year basis, the impact on the State budget will not be fully realized until well into fiscal year 2025. The Governor and Legislature will review the fiscal year 2025 budget again during the upcoming 2025 General Session and take action as necessary to ensure a balanced budget.

CONTACTING THE STATE'S DIVISION OF FINANCE

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

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

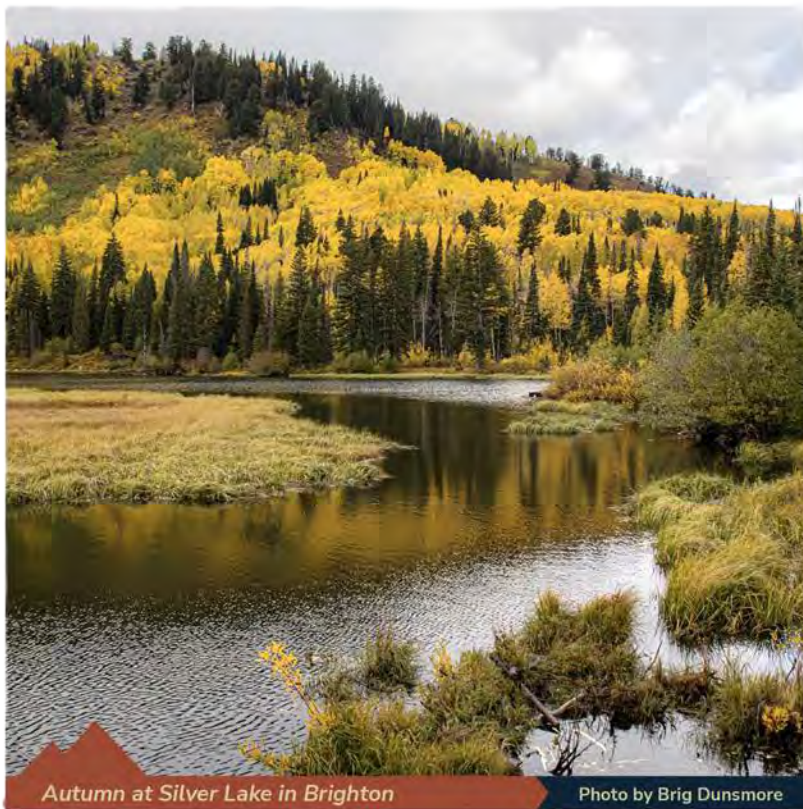
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BASIC FINANCIAL STATEMENTS



Spring at Starvation Reservoir

Photo by Teal Anderson



Autumn at Silver Lake in Brighton

Photo by Brig Dunsmore

Statement of Net Position
(expressed in thousands)

June 30, 2024

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

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

Statement of Activities
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

| For the Fiscal Year Ended June 30, 2024 | | Program Revenues | | |
|--|---------------|----------------------|------------------------------------|----------------------------------|
| Activities | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government: | | | | |
| Governmental: | | | | |
| General Government | \$ 1,360,294 | \$ 796,899 | \$ 254,736 | \$ 5,073 |
| Health and Human Services | 6,722,540 | 785,765 | 4,281,512 | — |
| Corrections | 467,488 | 4,211 | 3 | — |
| Public Safety | 521,151 | 91,561 | 194,119 | — |
| Courts | 206,578 | 63,023 | 4,804 | — |
| Environmental Quality | 77,260 | 16,185 | 29,454 | — |
| Higher Education | 2,097,529 | 84 | 31,540 | 2,718 |
| Employment and Family Services | 1,243,690 | 7,883 | 1,016,285 | — |
| Natural Resources | 510,952 | 124,074 | 185,938 | — |
| Cultural and Community Engagement | 89,760 | 3,987 | 19,121 | — |
| Business, Labor, and Agriculture | 203,409 | 138,489 | 31,298 | — |
| Public Education | 6,106,108 | 80,473 | 1,079,430 | — |
| Transportation | 1,652,445 | 342,324 | 592,250 | 133,718 |
| Interest and Other Charges on Long-term Debt | 43,027 | — | — | — |
| Total Governmental Activities | 21,302,231 | 2,454,958 | 7,720,490 | 141,509 |
| Business-type: | | | | |
| Student Assistance Programs | 1,267 | — | — | — |
| Unemployment Compensation | 296,011 | 340,168 | (2,305) | — |
| Water Loan Programs | 44,664 | 784 | 21,239 | — |
| Community and Economic Loan Programs | 48,457 | 6,239 | 9,400 | — |
| Liquor Retail Sales | 367,934 | 499,666 | 208 | — |
| Other Business-type Activities | 56,826 | 64,082 | — | — |
| Total Business-type Activities | 815,159 | 910,939 | 28,542 | 0 |
| Total Primary Government | \$ 22,117,390 | \$ 3,365,897 | \$ 7,749,032 | \$ 141,509 |
| Component Units: | | | | |
| Public Employees Health Program | \$ 1,046,105 | \$ 1,068,645 | \$ 59,123 | \$ — |
| University of Utah | 7,843,361 | 6,518,737 | 1,327,233 | 188,541 |
| Utah State University | 1,094,679 | 266,253 | 632,310 | 23,153 |
| Utah Transit Authority | 692,988 | 520,386 | 95,582 | 71,293 |
| Nonmajor Colleges and Universities | 1,811,946 | 596,757 | 460,579 | 155,889 |
| Nonmajor Component Units | 286,289 | 31,922 | 61,594 | 37,934 |
| Total Component Units | \$ 12,775,368 | \$ 9,002,700 | \$ 2,636,421 | \$ 476,810 |

Continues

Statement of Activities
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

Continued

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

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

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General Fund

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

Income Tax Fund

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

Transportation Fund

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

Transportation Investment Fund

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

Trust Lands Fund

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

Nonmajor Governmental Funds

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

State of Utah

Balance Sheet Governmental Funds (expressed in thousands)

June 30, 2024

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

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

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

June 30, 2024

| | | |
|--|----|------------|
| Total Fund Balances – Governmental Funds | \$ | 18,018,938 |
|--|----|------------|

The total net position reported for governmental activities in the Statement of Net Position is different because:

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

| | | |
|--|----|-------------|
| Land and Related Non-depreciable Assets | \$ | 2,601,866 |
| Infrastructure, Non-depreciable | | 18,457,738 |
| Construction in Progress | | 1,530,108 |
| Buildings, Equipment, and Other Depreciable Assets | | 4,872,977 |
| Accumulated Depreciation | | (2,074,190) |
| | | 25,388,499 |

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

| | | |
|---|----------|---------|
| Revenues are not available soon enough after yearend to pay for the current period's expenditures | 682,156 | |
| Related to Pensions | (3,231) | |
| Related to Other Postemployment Benefits | (12,044) | |
| | | 666,881 |

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

134,251

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

| | | |
|---|---------|---------|
| Amount on Refundings of Bonded Debt | 2,903 | |
| Related to Pensions | 458,892 | |
| Related to OPEB | 16,191 | |
| | | 477,986 |

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

| | | |
|---|--------|--------|
| Other Postemployment Benefit Asset, net | 29,396 | |
| Net Pension Asset | 934 | |
| | | 30,330 |

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

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

| | | |
|--|----|------------|
| Total Net Position – Governmental Activities | \$ | 41,940,932 |
|--|----|------------|

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

State of Utah

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

For the Fiscal Year Ended June 30, 2024

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

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

State of Utah

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

For the Fiscal Year Ended June 30, 2024

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

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

| | |
|--|---------|
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. The primary government also constructs buildings for discretely presented component units. When the buildings are completed, they are “transferred” to the respective discretely presented component unit and reported as expenses in its Statement of Activities. This is the amount by which capital outlays of \$1.275 billion exceeded depreciation and amortization expense of \$(180.145) million and buildings “transferred” to discretely presented component units of \$(126.079) million in the current period. (See Note 8) | 969,084 |
|--|---------|

| | |
|---|----------|
| In the Statement of Activities only the gain/loss on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus the change in net position differs from the change in governmental fund balance by the cost of the assets sold | (29,564) |
|---|----------|

| | |
|--|-----------|
| Net effect of revenues reported on the accrual basis in the Statement of Activities that are reported as deferred inflows of resources in the governmental funds, as they are unavailable and do not provide current financial resources. | (124,899) |
|--|-----------|

| | |
|--|--------|
| Internal service funds are used by management to charge the costs of certain activities, such as insurance, technology services, and fleet operations to individual governmental funds. The net revenue (expense) of the internal service funds is reported with governmental activities | 12,729 |
|--|--------|

Bond proceeds, note proceeds, leases and software subscription payables provide current financial resources to governmental funds by issuing debt which increases long-term liabilities in the Statement of Net Position. Repayments of bond and lease principal are expenditures in the governmental funds, but reduce liabilities in the Statement of Net Position: (See Note 10)

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

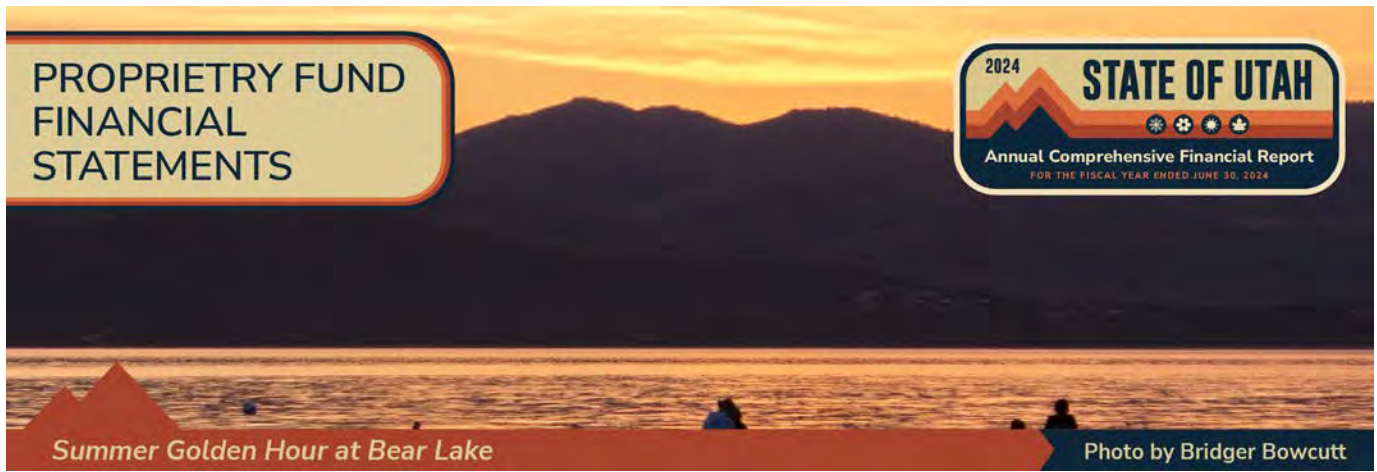
Expenditures are recognized in the governmental funds when paid or due for: items not normally paid with available financial resources; and interest on long-term debt unless certain conditions are met. However, the Statement of Activities is presented on the accrual basis and expenses are reported when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

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

| | |
|--|---------------------|
| Change in Net Position – Governmental Activities | <u>\$ 2,041,986</u> |
|--|---------------------|

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

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Student Assistance Programs

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

Unemployment Compensation Fund

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

Water Loan Programs

These programs provide loans to local governments, water districts, and other entities for the purpose of upgrading water storage facilities and other related structures. Capital for this fund was provided from the General Fund and from general obligation bonds that were repaid with general tax revenues.

Community Impact Loan Fund

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

Employers' Reinsurance Fund

This fund primarily provides compensation to individuals injured from industrial accidents or occupational diseases occurring on or before June 30, 1994, where the injury is of a permanent nature and workers' compensation benefits have expired. Revenues come from assessments on insurance premiums and court-ordered penalties. The net position of the fund is held for use for injured workers and cannot be used for any other purpose.

Alcoholic Beverage Services

The Alcoholic Beverage Services Commission was established to conduct, license, and regulate the sale of alcoholic beverages. Funding is provided through the sale of products. The net profit from the fund is transferred to the State's General Fund and is used for general government purposes.

Nonmajor Enterprise Funds

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

Governmental Activities – Internal Service Funds

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

State of Utah

Statement of Net Position Proprietary Funds (expressed in thousands)

June 30, 2024

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

Continues

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

Statement of Net Position
Proprietary Funds
(expressed in thousands)

June 30, 2024

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

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

State of Utah

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

For the Fiscal Year Ended June 30, 2024

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

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

State of Utah

Statement of Cash Flows Proprietary Funds (expressed in thousands)

For the Fiscal Year Ended June 30, 2024

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

Continues

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

State of Utah

Statement of Cash Flows Proprietary Funds (expressed in thousands)

For the Fiscal Year Ended June 30, 2024

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

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



Pension and Other Employee Benefit Trust Funds

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

Private Purpose Trust Funds

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

Custodial Funds

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

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

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

June 30, 2024

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

Continues

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

June 30, 2024

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

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

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

For the Fiscal Year Ended June 30, 2024

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

Continues

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

For the Fiscal Year Ended June 30, 2024

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

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

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Public Employees Health Program

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

University of Utah and Utah State University

These universities are funded through state appropriations, tuition, federal grants, and private donations and grants. In addition to instruction, these universities provide research and other services. The University of Utah's operations also encompass the following legally separate but blended component units: the University of Utah Research Foundation, ARUP Laboratories, Inc., University of Utah Health Insurance Plans, Community Nursing Services, and the George S. and Dolores Doré Eccles Endowment for Medical School Excellence. Similarly, Utah State University integrates the following blended component units: the Utah State University Space Dynamics Laboratory, the Utah State University Foundation, and the Hansen Scholars Support Foundation.

Utah Transit Authority

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

Nonmajor Component Units

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

State of Utah

Combining Statement of Net Position

Component Units

(expressed in thousands)

June 30, 2024

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

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

Continues

State of Utah

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

June 30, 2024

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

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

State of Utah

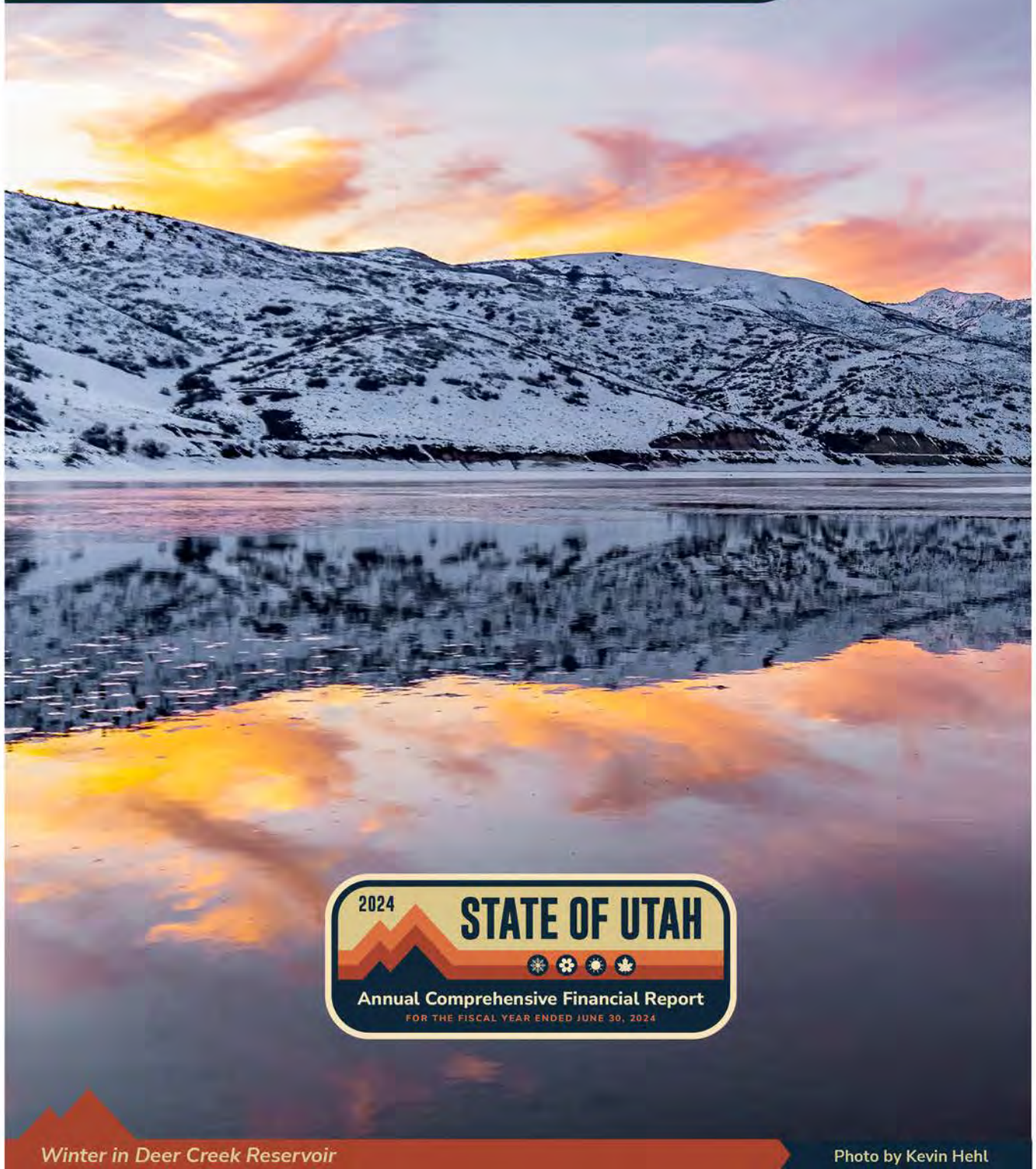
Combining Statement of Activities Component Units (expressed in thousands)

For the Fiscal Year Ended June 30, 2024

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

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

NOTES TO THE FINANCIAL STATEMENTS



Winter in Deer Creek Reservoir

Photo by Kevin Hehl

For the Fiscal Year Ended June 30, 2024

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

Blended Component Units

Blended component units are legally separate but either exist solely to provide services exclusively to the State, their debt is expected to be paid using primary government resources, or the State is the sole corporate member of a not-for-profit entity. Because of this close relationship, they are blended with and reported as though they are a part of the primary government.

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

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

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

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

Discretely Presented Component Units

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

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

The State also has fiscal accountability through the ability to approve and modify the budgets of the Utah System of Higher Education, the Utah Communications Authority, the Public Employees Health Program, the State Fair Park Authority, USDB, the Utah Inland Port Authority, the Point of the Mountain State Land Authority, and the Utah Lake Authority.

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

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

University of Utah and Utah State University – As part of the Utah System of Higher Education, these universities are funded primarily through state appropriations, tuition, federal grants, and private donations and grants. In addition to instruction, these universities provide research and other services. The operations of the University of Utah also include the following legally separate, blended component units: the University of Utah Research Foundation, ARUP Laboratories, Inc., the University of Utah Health Insurance Plans, Community Nursing Services and George S. and the Dolores Doré Eccles Endowment for Medical

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

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

The State's nonmajor discretely presented component units are:

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

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

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

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

State Fair Park Authority – This Corporation is a nonprofit public corporation that operates the State Fair Park and conducts the Utah State Fair and other various expositions and entertainment events.

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

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

Utah Inland Port Authority – This Authority is an independent, nonprofit corporation whose purpose is to facilitate the development of the authority jurisdictional land to maximize the long-term economic and other benefits for the State. The Authority also includes the Crossroads Public Infrastructure District, a legally separate, blended component unit, created by the Authority for the purpose of financing and operating infrastructure costs.

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

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

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

Fiduciary Component Units

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

Utah Educational Savings Plan Trust, dba my529 (Private Purpose Trust Fund) – This trust is a non-profit, self-supporting entity that was created as a means to encourage investment in a public trust to pay for future higher education costs. The Utah Education Savings Board of Trustees are appointed by and serves at the pleasure of the Utah State Board of Higher Education. Because of the State's trustee responsibilities for this plan, GAAP requires it to be reported as a private purpose trust fund of the primary government rather than a discretely presented component unit.

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

Related Organization (Excluded from Financial Statements)

Utah Housing Corporation (UHC) – UHC is a statutorily created public corporation. UHC issues bonds to provide capital for housing and home mortgages, especially for low and moderate-income families. Although the Governor appoints eight of the nine members of the governing board, and the ninth member is the State Treasurer, the State does not have the ability to impose

its will on UHC since board members can only be removed for cause. UHC does not provide specific financial benefits to, or impose specific financial burdens on the State.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

Government-wide Financial Statements

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

Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the

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

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

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

- **General Fund.** This fund is the principal operating fund of the State. It accounts for all financial resources not accounted for and reported in another fund.
- **Income Tax Fund.** This special revenue fund accounts for all corporate taxes, income taxes, and revenues from taxes on intangible property that support public and higher education. Specific revenues that support public elementary and secondary schools in the State are also reported in the Income Tax Fund.
- **Transportation Fund.** This special revenue fund accounts for dedicated highway user taxes, fees, and federal funds associated with the construction, maintenance, and repair of state highways and local roads.
- **Transportation Investment Fund.** This capital projects fund accounts for vehicle registration fees, sales and use taxes, bond proceeds, and federal funds used in the construction and reconstruction of specific highway projects. Projects designated for the Transportation Investment Capacity program are accounted for in this fund.
- **Trust Lands Fund.** This is a permanent fund that accounts for investment earnings, land grants, and the sale of lands received from the federal *Enabling Act*. The principal in the fund is perpetual, with the earnings used primarily to support public education. The Utah Constitution allows all investment earnings of the permanent fund to be distributed, limited to four percent of the fund (calculation described in statute). The Utah School and Institutional Trust Lands Administration (SITLA) and the School and Institutional Trust Fund Office (SITFO) manage the assets of the Trust. SITFO issues separate audited statements for the investments they manage.

Nonmajor Governmental Funds – The State's nonmajor governmental funds include special revenue funds, capital projects funds, and debt service funds. The nonmajor special revenue funds account for specific revenue sources that are restricted or committed to expenditures for specific purposes. Examples include tobacco settlement funds, environmental activities, preserving and promoting universal telephone services, rural development programs, Medicaid expansion funding and higher education endowment funding. The capital projects funds account for resources used for capital outlays, including the acquisition, construction, or improvement of capital facilities

other than those financed by the Transportation Investment Fund, proprietary funds, or assets held in trust. The debt service funds account for resources used for the payment of principal and interest on general long-term debt obligations.

Proprietary Fund Financial Statements

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

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

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

- **Student Assistance Programs.** These programs guarantee the repayment of student loans made by participating lenders to eligible borrowers and service outstanding student loans.
- **Unemployment Compensation Fund.** This fund pays claims for unemployment to eligible recipients.
- **Water Loan Programs.** These programs provide loans to local governments, water districts, and other entities for the purpose of upgrading water storage facilities and other related structures.
- **Community Impact Loan Fund.** This fund provides loans to local governments to alleviate the social, economic, and public financial impacts resulting from the development of the State's natural resources. This fund also provides oversight of loans and loan guarantees from federal funds to small businesses under the Small Business Credit Initiative.
- **Employers' Reinsurance Fund.** This fund primarily provides compensation to individuals injured from industrial accidents or occupational diseases occurring on or before June 30, 1994, where the injury is of a permanent nature and workers' compensation benefits have expired. Revenues come from assessments on insurance premiums.
- **Alcoholic Beverage Services.** This fund consists of the activities of the state liquor stores administered through the Alcoholic Beverage Services Commission which conducts, licenses and regulates the sale of alcoholic beverages.

Nonmajor Enterprise Funds – The State's nonmajor enterprise funds include loan programs for low-income housing, agricultural and energy efficiency programs, and local governments. Nonmajor enterprise funds also include the Utah Correctional Industries, State Trust Lands Administration, the Utah Dairy Commission, Medical Cannabis Fund, Utah Energy Research Fund, and the Petroleum Storage Tank Fund.

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

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

Fiduciary Fund Financial Statements

The fiduciary funds account for assets held by the State in a trustee or custodial capacity for others that cannot be used to support the State's own programs. The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The following fiduciary fund types are reported:

- **Pension and Other Employee Benefit Trust Funds.** These funds account for the plan assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, and changes in net position of: (1) defined benefit pension plans and defined contribution plans administered by Utah Retirement Systems; (2) the Post-Retirement Benefits Trust Funds, defined benefit other postemployment health care plans administered by the State for state employees and elected officials; and (3) Other Employee Benefits Trust Fund used to separately account and report assets dedicated for employee benefits other than postemployment healthcare benefits that are administered through the Post-Retirement Benefits Trust Funds.
- **Private Purpose Trust Funds.** These funds report resources held in a trust or trust arrangement that are required to be used for specific purposes for the benefit of individuals or other organizations. Examples include the Utah Navajo Trust Fund, and the Utah Educational Savings Plan Trust.
- **Custodial Funds.** These funds are assets held by the State as a custodial agent for the benefit of individuals, organizations, or other governments that are not part of the State's reporting entity. They also include the external investment pool which is used to account for the investments related to external participants in the Utah State Public Treasurers' Investment Fund; the Unclaimed Property fund; and funds related to fines, forfeitures, tax collections, and restitution payments collected on behalf of others.

Discretely Presented Component Unit Financial Statements

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

D. Fiscal Yearends

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

- The defined benefit pension plans and defined contribution plans (fiduciary funds) administered by Utah Retirement Systems.
- The Public Employees Health Program (major discretely presented component unit).
- The Utah Transit Authority (major discretely presented component unit).

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

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

Cash and Cash Equivalents

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

Pooled Cash and Investments

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

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

Investments

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

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

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

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

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

Receivables

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

Notes/mortgages receivables in governmental and business-type activities are primarily long-term loans for local governments and agricultural development, home mortgages, and individual student loans. The interest rates on the loans vary but are generally lower than market rates and, in some cases, are non-interest-bearing.

Notes receivables as reported in the governmental activities, are financed purchase arrangements between the State Building Ownership Authority (blended component unit) and certain Colleges and Universities (discretely presented component units). The notes receivable are reported net and represents the sum of the future principal payments to be received, less any executor costs and any unearned interest revenue. Receivables from the discretely presented component unit are reasonably assured; accordingly, no allowance for uncollectible accounts has been established.

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

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

Inventories, Prepaid Items, and Other Assets

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

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

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

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

Capital Assets

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

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

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

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

As provided by GASB standards, the State has elected to use the “modified approach” to account for infrastructure assets (i.e.,

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

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

Deferred Outflows of Resources

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

Accrued Liabilities

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

Unearned Revenue

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

Policy Claims Liabilities

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

Long-term Debt

Long-term debt, such as the net pension liability (NPL), net OPEB liability (NOL), revenue bonds, leases payable, claims, contracts and notes payable, directly related to and intended to be paid from proprietary funds or discretely presented component units is included in the accounts of such funds. All other long-

term debt, such as the compensated absences, claim or settlement obligations, pollution remediation obligations, general obligation bonds, and lease revenue bonds (and remaining NPL, NOL, and leases payable liabilities not allocated to proprietary funds or discretely presented component units), is reported in the government-wide financial statements. Bond premiums and discounts are amortized over the life of the bonds using the bonds outstanding method or straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized during the current period.

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

The *Tax Reform Act of 1986* requires governmental entities issuing tax-exempt bonds to refund to the U.S. Treasury interest earnings on bond proceeds in excess of the yield on those bonds. Governmental entities must comply with arbitrage rebate requirements in order for their bonds to maintain tax-exempt status. Entities are required to remit arbitrage rebate payments for non-purpose interest to the federal government at least once every five years over the life of the bonds. Some State of Utah bonds may be exempt from the rebate requirements if they meet certain statutory exceptions per the regulations.

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

Compensated Absences

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

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

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

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

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

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

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

Pensions

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

Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources and expenses, information about the fiduciary net positions of the State Employee Other Postemployment Benefit Plan and the Elected Official OPEB Plan (Plans), and additions to/deductions from the Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. For this purpose, the Plans

recognize benefit payments when due and payable in accordance with the benefit terms. The Plans' proportionate share of OPEB amounts were further allocated to proprietary funds (business-type activities) based on the amount of employer contributions paid by each proprietary fund. OPEB investments for the Plans are reported at fair value.

Deferred Inflows of Resources

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

Net Position/Fund Balances

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

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

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

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

F. Restricted and Unrestricted Resources

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the State's general policy to use restricted resources first. When expenditures/expenses are incurred for purposes for which

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

Grants

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

Federal grants include nonmonetary transactions for food and vaccine commodities. Commodity revenues and expenditures are valued at their federally reported value. Commodity inventories at yearend are immaterial. For the fiscal year ended June 30, 2024, the State reported revenues and expenditures of \$34.821 million and \$36.233 million for commodities in the General Fund, and the Income Tax Fund (special revenue fund), respectively.

Investment Income

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

In accordance with state law, interest and dividend income from the State Endowment Fund (nonmajor governmental fund) is assigned to and reported directly in the General Fund. A portion of the applicable income in the General Fund is transferred into the State Endowment Fund to increase the principal in the fund as required by state law. The State Endowment Fund generated \$9.093 million of interest and dividend income, of which \$7.166 million was reported in the General Fund and \$1.927 million was reported in the State Endowment Fund.

G. Interfund Transactions

Government-wide Financial Statements

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

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

Governmental Fund Financial Statements

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

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

NOTE 2. ACCOUNTING CHANGES, ERROR CORRECTIONS AND OTHER INFORMATION

Implementation of New Governmental Accounting Standards

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

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

Changes within the Financial Reporting Entity

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

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

Correction of Errors in Previously Issued Financial Statements

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

shown in the table below.

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

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

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

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

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

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

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

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

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

Other Changes

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

Discretely Presented Component Units

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

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

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

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

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

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

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

NOTE 3. DEPOSITS AND INVESTMENTS

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

(blended component unit reported as nonmajor special revenue fund). The discretely presented component units exempt from the MMA are Public Employees Health Program and the Colleges' and Universities' endowment funds.

A. Primary Government

Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, the State's deposits may not be recovered. The MMA requires that deposits be in a qualified depository. It also defines a qualified depository as any financial institution whose deposits are insured by an agency of the federal government and that has been certified by the State Commissioner of Financial Institutions as having met the requirements of the MMA and adhering to the rules of the State Money Management Council.

Deposits with qualified depository institutions in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits are uninsured and uncollateralized. Deposits are neither collateralized nor are they required to be by State statute. The deposits for the primary government at June 30, 2024, including those of Utah Retirement Systems (URS) (pension trust and defined contribution plans) and Trust Lands (permanent fund), were \$432.356 million. Of this amount, \$392.100 million were exposed to custodial credit risk as uninsured and uncollateralized.

FDIC-insured account owner funds totaling \$2.228 billion are held in trust by the Utah Educational Savings Plan Trust (UESP) (private purpose trust fund) and invested by UESP at two banks. Funds in the owner's accounts are insured on a pass-through basis to each account owner at each bank up to \$250 thousand. The amount of FDIC insurance provided to an account owner is based on the total of (1) the value of an account owner's investment in the FDIC-insured account at each bank, and (2) the value of other accounts held (if any) at each bank, as determined by the banks and by FDIC regulations. It is the account owner's responsibility to determine how investments in the FDIC-insured accounts would be aggregated with other investments at the banks for purposes of FDIC insurance coverage.

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

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

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

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

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

The Trust Lands Fund (permanent fund) is governed by a five-member School and Institutional Trust Fund Board of Trustees (Board). The Board has statutory authority to establish policies and investment philosophy for the management of the permanent fund assets consistent with the enabling act, the Utah Constitution, and other applicable state law. These are to optimize returns and increase the value of the permanent fund following the "prudent person rule."

The following funds are exempt from the MMA where the State Treasurer is responsible for investing with the primary goal of providing for the stability, income, and growth of principal following the "prudent person rule": State Endowment Fund (nonmajor special revenue fund), Post-Retirement Benefits Trust Funds and Other Employee Benefits Trust Funds (fiduciary

funds), Utah Navajo Trust (private purpose trust fund), Employers' Reinsurance Fund (major enterprise fund) Radioactive Waste Perpetual Care Fund (general fund), Utah State Developmental Center Fund (nonmajor governmental fund) and Higher Education Success Endowment (nonmajor special revenue fund).

The primary government's investments at June 30, 2024, are presented below except those of the Pension Trust Funds administered by URS (fiduciary funds) and the Trust Lands Fund (permanent fund). The investments are presented at fair value and by investment type with debt securities presented by maturity.

[Note 3.B.](#) presents the investments of the Pension Trust Funds (fiduciary funds) administered by URS. URS investments are presented consistent with their separately issued financial statements by investment type.

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

Fair Value Measurements

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

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

(Notes continue on next page.)

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

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

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

(Notes continue on next page.)

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

- Corporate Bonds and non-government backed C.M.O.s are valued using quoted prices for identical securities in markets that are not active.

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

Investments Measured at the Net Asset Value (NAV)

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

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

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

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

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

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

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

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

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

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

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

(Notes continue on next page.)

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

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

At June 30, 2024

(expressed in thousands)

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

(Notes continue on next page.)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The following table presents the debt investments and maturities at June 30, 2024, for the primary government, with the exception of URS and Trust Lands.

Primary Government
(except Utah Retirement Systems and Trust Lands)

Debt Investments at Fair Value

At June 30, 2024

(expressed in thousands)

| Investment Type | Fair Value | Investment Maturities (in years) | | | |
|--------------------------------------|-------------------|----------------------------------|---------------------|---------------------|------------------|
| | | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| Debt Securities | | | | | |
| U.S. Treasuries | \$ 8,747,687 | \$ 8,425,682 | \$ 214,108 | \$ 107,897 | \$ — |
| U.S. Agencies | 20,514,027 | 20,514,027 | — | — | — |
| Corporate Debt | 2,384,166 | 2,384,166 | — | — | — |
| Non-government Backed C.M.O.s | 16,644 | — | — | 205 | 16,439 |
| Money Market Mutual Funds | 268,384 | 268,384 | — | — | — |
| Commercial Paper | 1,724,855 | 1,724,855 | — | — | — |
| Bond Mutual Funds | 5,065,464 | — | — | 5,065,464 | — |
| Stable Value Funds | 1,313,923 | — | 1,313,923 | — | — |
| Total | <u>40,035,150</u> | <u>\$ 33,317,114</u> | <u>\$ 1,528,031</u> | <u>\$ 5,173,566</u> | <u>\$ 16,439</u> |
| Discretely Presented Component Units | | | | | |
| Investment in Primary Government's | | | | | |
| Investment Pool | (1,595,085) | | | | |
| Total Debt Investments | \$ 38,440,065 | | | | |

The primary government's policy for managing interest rate risk, with the exception of URS and Trust Lands, is to comply with the Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed-rate negotiable deposits, and fixed-rate corporate obligations to 270 days – 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government-sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to five years. In addition, variable-rate negotiable deposits and variable-rate securities may not have a remaining term to final maturity exceeding three years.

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

In addition, significant funds with a long-term investment perspective have the following mix of investments:

Utah Educational Savings Plan Trust

Mix of Investments

At June 30, 2024

(dollars expressed in thousands)

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

**Post-Retirement Benefits Trust Funds
and Other Employee Benefits Trust Funds**

Mix of Investments

At June 30, 2024

(dollars expressed in thousands)

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

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

(dollars expressed in thousands)

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

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

(dollars expressed in thousands)

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

Credit Risk of Debt Securities

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

The primary government's rated debt investments as of June 30, 2024, with the exception of URS and Trust Lands, were rated by Standard and Poor's and/or an equivalent nationally recognized statistical rating organization and the ratings are presented below using the Standard and Poor's rating scale. Securities rated less than "A" met the investment criteria at the time of purchase.

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

Debt Investments Quality Ratings

At June 30, 2024

(expressed in thousands)

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

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

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

Custodial Credit Risk

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

The primary government's investments at June 30, 2024, with the

exception of URS and Trust Lands, were held by the State or in the State's name by the State's custodial banks.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

Except for URS and Trust Lands, the primary government's policy for reducing this risk of loss is to comply with the Rules of

the State Money Management Council. Rule 17 of the State Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to between 5 and 10 percent depending upon the total dollar amount held in the portfolio. Such limitations do not apply to securities issued by the U.S. government and its agencies.

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

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

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The primary government, with the exception of URS and Trust Lands, does not have a formal policy to limit foreign currency risk. The following funds have investments in international equity funds, and as such, no foreign currency risk is presented:

Primary Government
(except Utah Retirement Systems and Trust Lands)

Foreign Currency Risk

At June 30, 2024

(expressed in thousands)

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

Derivative Financial Instruments - Futures

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

Primary Government
(except Utah Retirement Systems and Trust Lands)

Derivative Financial Instruments

At June 30, 2024

(expressed in thousands)

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

(Notes continue on next page.)

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

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

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

| Investment Type | Defined Benefit | Defined Contribution | Total All Systems and Plans |
|---|---------------------|-------------------------|-----------------------------------|
| Short-term Securities Pools | \$ 1,314,525 | \$ — | \$ 1,314,525 |
| Debt Securities | 6,079,761 | 2,626,611 | 8,706,372 |
| Equity Securities | 15,111,912 | 6,215,987 | 21,327,899 |
| Absolute Return | 7,416,106 | — | 7,416,106 |
| Private Equity | 5,615,048 | — | 5,615,048 |
| Real Assets | 8,743,924 | 279,313 | 9,023,237 |
| Investments Held by Broker-dealers under Securities Lending Program: | | | |
| Equity Securities | 292,554 | — | 292,554 |
| Debt Securities | 891,300 | — | 891,300 |
| Total | 45,465,130 | 9,121,911 | 54,587,041 |
| Securities Lending Collateral Pool | 1,282,268 | — | 1,282,268 |
| Total Investments | <u>\$46,747,398</u> | <u>\$ 9,121,911</u> | <u>\$ 55,869,309</u> |

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

Fair Value Measurements

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

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

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

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

value measurements requires judgment and considers factors specific to each asset or liability.

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

Real assets classified in Level 3 are real estate investment generally valued using the income approach by internal manager reviews or independent external appraisers. URS's policy is to obtain an external appraisal a minimum of every three years for properties or portfolios where URS has some degree of control or discretion. In practice, some investments are appraised annually. Appraisals are performed by an independent appraiser with preference for Member Appraisal Institute (MAI) designated appraisers.

The appraisals are performed using generally accepted valuation approaches applicable to the property type. The valuation method for investments measured at the NAV per share (or its equivalent) is presented in the tables below. Synthetic guaranteed investment

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

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

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

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

Continues

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

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

Investments Measured at the Net Asset Value (NAV)

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

Utah Retirement Systems
(pension trust and defined contribution plans)
Investments Measured at the Net Asset Value (NAV) — Defined Benefit
At December 31, 2023
(expressed in thousands)

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

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

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

This type consists of four institutional investment funds that invest in international equities, three funds that invest in domestic equities diversified across all sectors and one fund that invests in U.S. small cap equities. The fair values of the investments in these types have been determined using the NAV per share of the investments.

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

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

3. Private Equity Partnerships. This type includes investments in limited partnerships. Generally speaking, the types of partnership strategies included in this portfolio are buyouts, venture capital, growth equity, and special situations. These investments have an approximate life of 10 years and are considered illiquid. Redemptions are restricted over the life of the partnership. During the life of the partnerships distributions are received as underlying partnership investments are realized.

The majority of the private equity partnership investments are managed by two gatekeepers. Both gatekeepers manage discretionary accounts for URS. The gatekeepers and internal managers are required to manage the private equity portfolio in accordance with guidelines established by URS. The Systems have no plans to liquidate the total portfolio. As of December 31, 2023, it is probable that all the investments in this type will be sold at an amount different from the NAV per share (or its equivalent) of the Systems ownership interest in partners' capital.

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

Investments in *Energy* consist of forty private equity partnerships which invest primarily in oil and gas related investments. *Mineral funds* include ten private equity partnerships which invest in mineral mining equity securities, commodities and other mining investments. *Infrastructure* includes six private equity partnerships and four direct investments which invest primarily in renewable energy and telecommunications infrastructure. *Esoteric funds* consist of five private equity partnerships that invest in agriculture, food production and technology. *Royalty funds* include two private equity partnerships which invest primarily in drug royalties. These investments have an approximate life of 10 years and are considered illiquid. Redemption restrictions are in place over the life of the partnership. During the life of the partnerships distributions are received as underlying partnership investments are realized. As of December 31, 2023, it is probable that all the investments in this type will be sold at an

amount different from the NAV per share (or its equivalent) of the Systems' ownership interest in partners' capital. The fair values of these investments have been determined using estimates provided by the underlying partnerships using recent observable transactions information for similar investments.

5. Real Estate, Timber, and Agriculture Funds.

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

Defined Contribution

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

Utah Retirement Systems
(pension trust and defined contribution plans)
Investments Measured at the Net Asset Value (NAV) — Defined Contribution
At December 31, 2023
(expressed in thousands)

| Investment Type | Fair Value | Unfunded Commitments | Redemption Frequency (if currently eligible) | Redemption Notice Period |
|---|--------------|----------------------|--|--------------------------|
| Equity Securities | | | | |
| Co-mingled Large Cap Equity Fund..... | \$ 2,547,748 | \$ — | Daily | None |
| Total Equity Securities | 2,547,748 | 0 | | |
| Real Assets | | | | |
| Co-mingled Real Estate Equity Fund | 279,313 | — | Quarterly | N/A |
| Total Real Asset | 279,313 | 0 | | |
| Total Investments Measured at the NAV | \$ 2,827,061 | \$ 0 | | |

Interest Rate Risk

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

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

- The global debt inflation-linked debt securities investment managers will maintain an effective duration of their portfolio between 80 and 120 percent of the appropriate index.

Duration is a measure of a debt investment's exposure to fair value changes arising from changes in interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price.

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

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

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

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

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

As of December 31, 2023, the following table shows the investments by debt securities investments by investment type, amount, and the effective weighted duration.

Utah Retirement Systems
(pension trust and defined contribution plans)
Debt Securities Investments

At December 31, 2023

(dollars expressed in thousands)

| Investment | Defined Benefit Plans | | Defined Contribution Plans | | Total All Systems and Plans |
|---|-----------------------|-----------------------------------|----------------------------|-----------------------------------|-----------------------------------|
| | Fair Value | Effective Weighted Duration | Fair Value | Effective Weighted Duration | |
| Asset-backed Securities | \$ 465,891 | 1.26 | \$ 33,395 | 1.52 | \$ 499,286 |
| Commercial Mortgage-backed | 133,198 | 2.02 | 1,798 | 0.03 | 134,996 |
| Corporate Bonds | 1,520,376 | 7.26 | 462,077 | 6.20 | 1,982,453 |
| Fixed Income Other | 55,879 | 0.91 | 79,677 | — | 135,556 |
| Government Agencies | 125,935 | 7.88 | 29,189 | 5.62 | 155,124 |
| Government Bonds | 1,521,871 | 9.84 | 395,184 | 9.63 | 1,917,055 |
| Government Mortgage-backed Securities | 1,346,014 | 7.09 | 452,180 | 4.68 | 1,798,194 |
| Index Linked Bonds | 1,740,315 | 8.79 | 136,513 | 4.45 | 1,876,828 |
| Non-government Backed C.M.O.s | 61,582 | 1.54 | 4,215 | 3.25 | 65,797 |
| Total measured at fair value | 6,971,061 | 6.42 | 1,594,228 | 5.66 | 8,565,289 |
| Synthetic Guaranteed Investment Contracts – measured at contract value | — | | 1,032,383 | | 1,032,383 |
| Total | <u>\$ 6,971,061</u> | | <u>\$ 2,626,611</u> | | <u>\$ 9,597,672</u> |

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, URS will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. URS does not have an investment policy regarding custodial credit risk. As of December 31, 2023, URS had \$40.537 million of cash and cash equivalents subject to custodial credit risk and \$636.806 million of other assets where exposure to custodial credit risk is not determined. The \$40.537 million in cash and cash equivalents subject to foreign custodial credit risk are in sub-custodian banks utilized by the Systems' global custodian, Northern Trust. The accounts are in the names of the Systems' and Plans'. Because it is in foreign banks, it is subject to custodial credit risk. URS does not have an investment policy regarding custodial credit risk for cash in sub-custodial bank accounts.

Concentrations of Credit Risk

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

- **AAA/Aaa Debt Securities** – No more than 5 percent of an investment manager's assets at market with a single issuer.
- **AA/Aa Debt Securities or higher** – No more than 4 percent of an investment manager's assets at market with a single issuer.
- **A/A Debt Securities or higher** – No more than 3 percent of an investment manager's assets at market with a single issuer.

- **BBB/Baa Debt Securities or higher** – No more than 2 percent of an investment manager's assets at market with a single issuer.
- **Debt Securities** – No individual holding will constitute more than 10 percent of the fair value of outstanding debt of a single issuer with the exception of the U.S. Government or its agencies, or collateralized mortgage obligations.

As of December 31, 2023, URS had no single issuer investments that exceeded the above guidelines.

Credit Risk of Debt Securities

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

- U.S. Government and Agency Securities – no restriction.
- Total portfolio quality will maintain a minimum overall rating of "A".
- Securities with a quality rating of below BBB- are considered below investment grade. No more than 5 percent of an investment manager's assets can be below investment grade and no more than 1 percent of an investment manager's assets can be with a single below investment grade issuer. No more than 15 percent of an investment manager's assets can be below investment grade.

- Upon approval, a domestic debt securities investment manager may invest up to 10 percent of the portfolio in non-U.S. dollar-denominated bonds.

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

URS's weighted quality rating average of the global debt securities, excluding pooled investments, as of December 31, 2023, was BBB+, and the fair value of below grade investments was \$114.083 million or 1.19 percent.

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

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

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

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

(Notes continue on next page.)

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

Defined Contribution Plans

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

Foreign Currency Risk

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

- International investment managers invest in fixed income instruments and equity instruments of corporations headquartered outside of the United States unless specifically authorized within the investment managers' contract.

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

(Notes continue on next page.)

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

Utah Retirement Systems
(pension trust and defined contribution plans)
Foreign Currency Risk
International Investment Securities at Fair Value

At December 31, 2023

(expressed in thousands)

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

(Notes continue on next page.)

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

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

Trust Lands
(permanent fund)
Investments at Fair Value
June 30, 2024
(expressed in thousands)

| Investment Category | Fair Value (with accruals) |
|-------------------------|-------------------------------|
| Growth..... | \$ 1,622,780 |
| Real Assets | 692,739 |
| Income | 1,008,149 |
| Defensive | 325,553 |
| Total Investments | <u>\$ 3,649,221</u> |

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

Fair Value Measurements

Trust Lands measures and records investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted Prices in Active Markets for Identical Assets.
- Level 2: Significant Other Observable Inputs.
- Level 3: Significant Unobservable Inputs.

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

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

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

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

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

(Notes continue on next page.)

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

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

(Notes continue on next page.)

Investments Measured at Net Asset Value (NAV)

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

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

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

Growth - Public Equity: Consists of seven (7) investments in hedge funds with equity investments and one (1) investment in units of a pooled investment fund. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Trust Funds' investments held or ownership interest in partners' capital.

Growth - Private Equity: Consists of sixty-six (66) investments in private equity limited partnerships. Generally speaking, the types of strategies included in this portfolio include venture capital, growth equity, opportunistic real estate equity, buyouts, secondaries and special situations. These investment commitments were made in 2016 onwards and have an approximate life in excess of 10 years and are considered illiquid. Redemptions are restricted over the life of the partnership. During the life of the partnership, distributions are received as underlying partnership investments are realized. The Trust Funds have no plans to liquidate the total portfolio. As of June 30, 2024, it is probable that all the investments in this type would be sold at an amount different from the NAV per share (or its equivalent) of Trust Lands' ownership interest in partners' capital.

Real Assets - Public Real Assets: Consists of one (1) investment in a pooled investment fund with a focus on real estate property and property income and one (1) investment in a hedge fund. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the Trust Funds' investments ownership interest in partners' capital.

Real Assets - Private Real Assets: Consists of ten (10) investments in private real estate limited partnerships and forty-five (45) investments in limited partnerships. Generally speaking, the types of strategies included in this portfolio include core, value added and opportunistic property interests. These investment commitments were made over a period ranging from 2008 onwards and have an approximate life in excess of 10 years and are therefore considered illiquid. Redemptions are restricted over the life of the partnership. During the life of the partnership, distributions are received as underlying partnership investments are realized. The Trust Funds have no plans to liquidate the total portfolio. As of June 30, 2024, it is probable that all the investments in this type would be sold at an amount different from the NAV per share (or its equivalent) of Trust Lands' ownership interest in partners' capital.

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

(Notes continue on next page.)

Income - Private Income: Consists of thirty-six (36) investments in limited partnerships. Generally speaking, the types of strategies included in this portfolio include securitized credit, asset backed/collateralized loan obligation, mezzanine debt and equity, distressed debt/special situations, co-investments and related investments. These investment commitments were made over a period ranging from 2016 onwards and have an approximate life, including lock-ups of three to nearly ten years and are therefore considered illiquid. The Trust Funds have no plans to liquidate the total portfolio. As of June 30, 2024, it is probable that all the investments in this type would be sold at an amount different from the NAV per share (or its equivalent) of Trust Lands' ownership interest in partners' capital.

Defensive - Systematic Convexity: Consists of six (6) investments in hedge funds with underlying investments in Commodity Trading Advisor/Systematic Convexity and associated investment strategies. The fair values of the investments in this type has been determined using the NAV per share (or its equivalent) of the Trust Funds' investments held or ownership interest in partners' capital.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Trust Lands manages the exposure to fair value loss arising from increasing interest rates through prudent deployment, management, and oversight of investments with exposure to interest rate sensitivity. Trust Lands does not have a formal policy for interest rate risk.

As of June 30, 2024, Trust Lands' debt security investments (including the underlying portfolios of indirectly held investments, where available) had the following weighted average maturities:

Trust Lands
(permanent fund)
Debt Securities Investments
June 30, 2024
(dollars expressed in thousands)

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

As of June 30, 2024, Trust Lands held \$260.073 million in nineteen (19) investments with a fixed income (or related) investment emphasis for which weighted average maturity details were unavailable and not evaluated. These investments included Bank Loan investment funds with other assets held, and hedge fund strategies.

Credit Risk of Debt Securities

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

As of June 30, 2024, the fair value of Trust Lands' debt security investments with exposure to credit risk had the following credit quality ratings (S&P rating is primary, if not available or not rated by S&P, corresponding Moody's rating is substituted).

(Table on next page)

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

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

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

Custodial Credit

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

As of June 30, 2024, the following investments, including accrued income/expense, have custodial credit risk:

- Cash and Cash Equivalents – The \$940 thousand frictional cash and cash equivalents subject to custodial credit risk are in foreign banks in the Trust Land's name. Because it is in foreign banks, it is subject to custodial credit risk. Trust Lands does not have an investment policy regarding custodial credit risk for frictional cash in foreign banks.
- Other Assets – The \$506.227 million other assets represent the investments, including accrued income/expense, that have custodial credit risk which has not been determined.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Trust Lands manages exposure to fair value loss arising from concentrations of credit risk through prudent deployment, management, and oversight of investments. Trust Lands does not have a formal policy for concentrations of credit risk. As of June 30, 2024, Trust Lands does not hold any credit positions exceeding 5 percent of the total portfolio.

Foreign Currency Risk

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

(Notes continue on next page.)

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

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

D. Discretely Presented Component Units

Custodial Credit Risk – Deposits

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

The discretely presented component units follow the Utah Money Management Act by making deposits only in qualified depository institutions or in foreign depository institutions in accordance with rules of the State Money Management Council. Deposits with qualified depository institutions in excess of FDIC insurance limits amount are uninsured and uncollateralized. Deposits are neither collateralized nor are they required to be by state statute. The deposits for the discretely presented component units at June 30, 2024, were \$471.067 million. Of these, \$323.455 million were exposed to custodial credit risk as uninsured and uncollateralized and \$134.123 million were exposed to custodial credit risk as uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the discretely presented component units' names.

Investments

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

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

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

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

The discretely presented component units' investments at June 30, 2024, are presented on the next page. The investments are presented at fair value and by investment type with debt securities presented by maturity.

Fair Value Measurements

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

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

The following table presents the recurring fair value measurements at June 30, 2024, for the discretely presented component units:

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

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

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

- U.S. Treasuries and U.S. Agencies are valued using quoted prices for identical securities in markets that are not active or using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.
- Corporate Debt, Commercial Paper, Municipal/Public Bonds, Negotiable Certificates of Deposit, Exchange Trade Products, and Equity Securities are valued using quoted prices for similar securities in active markets.
- Money Market Mutual Funds, Bond Mutual Funds, and Domestic Equity Funds are valued using published fair value per share (unit) for each fund.
- Government Mortgage-backed securities and Asset-backed Securities are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.
- Utah Public Treasurers' Investment Funds are valued using the application of the June 30, 2024, fair value factor, as calculated by the Utah State Treasurer, to the June 30, 2024 balance.

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

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

- Government Mortgage-backed securities and Non-Government Backed Collateralized Mortgage Obligations are valued using discounted cash flow techniques.
- Bond Mutual Funds, Domestic Equity, and Equity Securities (namely common and preferred stocks) are valued manually using various sources such as issuer, investment manager, client, etc., or default price if price is not provided.
- Real Estate is valued using current real estate market values.

Investments Measured at the Net Asset Value (NAV)

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

(Notes continue on next page.)



Floral Rainbow in Summer

Photo by Nanette Sorensen

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

At June 30, 2024

(expressed in thousands)

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

Interest Rate Risk

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

Discretely Presented Component Units

Debt Investments at Fair Value

At June 30, 2024

(expressed in thousands)

| Investment Type | Fair Value | Investment Maturities (in years) | | | | |
|---|---------------------|---|---------------------|---------------------|-------------------|---------------------|
| | | Less Than 1 | 1-5 | 6-10 | 11-20 | More Than 20 |
| U.S. Treasuries | \$ 2,171,528 | \$ 964,619 | \$ 413,341 | \$ 127,801 | \$ 665,767 | \$ — |
| U.S. Agencies | 2,978,385 | 912,729 | 1,153,330 | 897,652 | 14,674 | — |
| Government Mortgage-backed Securities | 139,199 | — | 86 | 2,647 | 12,604 | 123,862 |
| Corporate Debt / Commercial Paper | 682,442 | 149,752 | 318,489 | 76,501 | 137,700 | — |
| Negotiable Certificates of Deposit | 37,693 | 9,269 | 28,424 | — | — | — |
| Money Market Mutual Funds | 578,889 | 578,889 | — | — | — | — |
| Municipal/Public Bonds | 19,586 | — | 7,061 | 5,940 | 6,585 | — |
| Asset-backed Securities | 27,751 | — | 1,259 | — | 22,012 | 4,480 |
| Bond Mutual Funds | 312,361 | 18,369 | 120,501 | 163,056 | 10,435 | — |
| Exchange Traded Securities | 5,626 | — | 818 | — | 4,808 | — |
| Non-government-backed CMOs | 125 | — | — | — | 125 | — |
| Securities Lending Cash Collateral Pool | 3,984 | 3,984 | — | — | — | — |
| Utah Public Treasurers' Investment Fund | 1,595,086 | 1,585,248 | 9,838 | — | — | — |
| Total Debt Investments | <u>\$ 8,552,655</u> | <u>\$ 4,222,859</u> | <u>\$ 2,053,147</u> | <u>\$ 1,273,597</u> | <u>\$ 874,710</u> | <u>\$ 128,342</u> |

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

The discretely presented component units' policy in general for managing interest rate risk is the same as described above for the primary government and endowment funds complying with the State's MMA or the UPMIFA and Rule 541, as applicable. For

non-endowment funds, Section 51-7-11 of the MMA requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The MMA further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed-rate negotiable deposits, and fixed-rate corporate obligations to 270 days – 15 months or less. The MMA further limits the remaining term to

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

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

Duration is a measure of a debt investment's exposure to fair value changes arising from changes in interest rates. It uses the

present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. PEHP compares the fixed income portfolio's effective duration against the Bloomberg U.S. Intermediate Aggregate Bond Index. The allowable duration range was 3.35 to 5.59 percent as of December 31, 2023 and the portfolio was within the policy guidelines.

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The discretely presented component units' policy for reducing its exposure to credit risk is to comply with the State's MMA, the UPMIFA, and Rule 541, as previously discussed. The discretely presented component units' debt investments as of June 30, 2024, were rated by Standard and Poor's and/or an equivalent nationally recognized statistical rating organization and the ratings are presented below using Standard and Poor's rating scale.

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

(expressed in thousands)

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

Custodial Credit Risk

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

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

Counterparty

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

Counterparty's Trust Department or Agent

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Except for Public Employees Health Program (PEHP) (major discretely presented component unit), the discretely presented component units' policy for reducing this risk of loss is the same as described above for the primary government funds complying with the State's MMA or as applicable for endowments the UPMIFA, Rule 541, or separate endowment investment policies, which have been approved by their boards of trustees and by the Utah Board of Higher Education. Rule 17 of the Money Management Council limits non-endowment fund investments in a single issuer of commercial paper and corporate obligations between 5 and 10 percent depending upon the total dollar amount held in the portfolio. For endowment funds, Rule 541 requires that a minimum of 25 percent of the overall endowment portfolio be invested in fixed income or cash equivalents. Also, the overall endowment portfolio cannot consist of more than 75 percent equity investments. Rule 541 also limits investments in alternative investment funds to between 0 and 30 percent based on the size of the endowment fund.

PEHP's policy limits the amount that may be invested in any one issuer to between 2 and 5 percent, depending on the credit rating of the security. If a security is downgraded, the manager has 30 days to sell enough of the security to comply with the single issuer guideline applicable to the new rating. At no time should more than 1 percent of an Investment Manager's assets at market be with a single below investment grade issuer. No individual holding shall constitute more than 5 percent of the market value of the issuer with the exception of the U.S. government or its agencies, or collateralized mortgage obligations.

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

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

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The discretely presented component units do not have a formal policy to limit foreign currency risk. The University of Utah's exposure to foreign currency risk is \$5.900 million in Private Real Estate investments being held in Euro currency denomination.

E. Securities Lending

Utah Retirement Systems (URS) (pension trust and defined contribution plans), Public Employees Health Program (PEHP) (major discretely presented component unit) and Trust Lands (permanent fund) participate in security lending programs as authorized by their Boards. Under these programs, securities are transferred to an independent broker or dealer in exchange for collateral in the form of cash, government securities, and for URS and Trust Lands, irrevocable bank letters of credit equal to approximately 102 percent of the fair value of the domestic securities on loan and 105 percent of the fair value of the international securities on loan, and for PEHP 102 percent of the fair value of the domestic securities on loan, with simultaneous agreements to return the collateral for the same securities in the future. For all three state entities, their custodial bank is the agent for each of their securities lending programs. URS securities under loan are maintained in the financial records, and corresponding liabilities are recorded for the market value of the collateral received. PEHP and Trust Lands securities are classified as investments. For the state entities, a corresponding liability is recorded for the market value of the collateral received. For PEHP and Trust Lands, under provision of GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, collateral which cannot be pledged or sold is not recorded as investments nor is the related liability recorded in the financial statements. Pledged non-cash collateral was \$889 thousand and \$85.019 million for PEHP and Trust Lands, respectively.

At yearend, URS, PEHP, and Trust Lands had no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The securities on loan at yearend for the entities were \$1.180 billion for URS, \$873 thousand for PEHP, and \$132.334 million for Trust Lands. Collateral received for those securities on loan was \$1.280 billion for URS, \$889 thousand for PEHP, and \$138.260 million for Trust Lands. Under the terms of the lending agreement, all three state entities are indemnified against loss should the lending agent be unable to recover borrowed securities and distributions due to borrower insolvency or failure of the lending agent to properly evaluate the credit worthiness of the borrower. In addition, they are indemnified against loss should the lending agent fail to demand adequate and appropriate collateral on a timely basis. All securities loaned can be terminated on demand by either the state entity or the borrower. Cash collateral is invested in the lending agent's short-term investment pool.

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

total income and expenses of securities lending. Trust Lands' average term of securities loans was 136 days.

F. Derivative Instruments

Utah Retirement Systems

The Utah Retirement Systems (URS) (pension trust and defined contribution plans) invests in derivative instruments as authorized by Board policy. Derivative instruments are financial arrangements between two parties whose payments are based on, or "derived" from, the performance of some agreed-upon benchmark. All derivative instruments are considered investments. The fair value of all derivative instruments is reported in the Statements of Fiduciary Net Position–Pension and Other Employee Benefit Trust Funds. Within the investment asset class, swaptions are recorded in debt securities. By policy, portfolio liabilities associated with investments will be backed by cash equivalents or deliverable securities. URS does not have a policy regarding master netting arrangements. At December 31, 2023, URS had five types of derivative instruments: futures, currency forwards, options, swaps, and Synthetic Guaranteed Investment Contracts (SGIC).

Futures – represent commitments to purchase (asset) or sell (liability) securities at a future date and at a specified price. Futures contracts are traded on organized exchanges (exchange traded) thereby minimizing URS' credit risk. The net change in the futures contracts value is settled daily in cash with the exchanges. Net gains or losses resulting from the daily settlements are included with trading account securities gains in the Statement of Changes in Fiduciary Net Position. At December 31, 2023, URS' investments had the following notional futures balances as shown in the following table:

Utah Retirement Systems
(pension trust and defined contribution plans)
Futures — Notional Market Value
At December 31, 2023
(expressed in thousands)

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

Currency Forwards – represent forward foreign exchange contracts that are entered into in order to hedge the exposure to changes in foreign currency exchange rates on the foreign currency denominated portfolio holdings. A forward foreign exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts is included in net realized gains or losses on foreign currency related transactions in the Combining Statement of Fiduciary Net Position–Pension. At December 31, 2023, URS investments included the following currency forwards balances as shown in the following table:

(Table on next page)

Utah Retirement Systems
(pension trust and defined contribution plans)

Currency Forwards

December 31, 2023

(expressed in thousands)

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

(Notes continue on next page.)

At December 31, 2023, URS investments had the following option balances as shown in the table below:

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

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

Swaps – URS has entered into various inflation, overnight indexed and interest rate swap agreements in an attempt to manage their exposure to inflation, credit, and interest rate risk. Interest rate and inflation risk represents the exposure to fair value losses arising from the future changes in prevailing market interest rates. Credit risk is an investor's risk of loss arising from a borrower who does not make payments as promised. Swaps represent an agreement between two or more parties to exchange sequences of cash flows over a period in the future. In the most common type of interest rate swap arrangement, one party agrees to pay fixed interest payments on designated dates to a counterparty who, in turn, agrees to make return interest payments that float with some reference rate. All swap instruments contain collateral clauses.

Gains and losses on swaps are determined based on fair values and are recorded in the Combining Statement of Fiduciary Net Position-Pension. Swap fair values are determined by an independent third party. As of December 31, 2023, URS' investments had the swap market value balances as shown in the following table:

| Utah Retirement Systems (pension trust and defined contribution plans) Swaps | | |
|--|-----------------------------|----------------------------------|
| At December 31, 2023 (expressed in thousands) | | |
| | Fair Value | |
| | Defined Benefit Plans | Defined Contribution Plans |
| Fixed Income Portfolio Swaps | | |
| Interest Rate Swaps: | | |
| Pay Fixed Receive Variable | \$ 2,672 | \$ (67) |
| Pay Variable Receive Fixed | 664 | 64 |
| Retail Price Index: | | |
| Pay Fixed Receive Variable | (168) | 58 |
| Pay Variable Receive Fixed | 112 | (62) |
| Overnight Indexed Swaps: | | |
| Pay Fixed Receive Variable | (266) | (11) |
| Pay Variable Receive Fixed | 205 | 15 |
| Other | (2,938) | (858) |
| Total Swaps | <u>\$ 281</u> | <u>\$ (861)</u> |

Derivative Credit Risk

Derivatives that are exchange traded are not subject to credit risk. No derivative instruments held are subject to custodial credit risk. The maximum loss that would be recognized as of December 31, 2023, if all counterparties fail to perform as contracted, was \$16.738 million. Derivative instrument credit risk at fair value is shown in the next table.

This maximum exposure is reduced \$41.639 million by liabilities, resulting in \$0 exposure to credit risk. Credit ratings for the wrap contracts associated with the Synthetic Guaranteed Investment Contracts (SGICs) are noted in a subsequent table. As of December 31, 2023, the counterparties' credit ratings for currency forwards, options, and swaps are subject to credit risk.

| Utah Retirement Systems (pension trust and defined contribution plans) Credit Risk Derivative Instruments at Fair Value | | | | |
|---|--------------------|-------------------|-----------------|--------------------|
| At December 31, 2023 (expressed in thousands) | | | | |
| Quality Rating | Forwards | Options | Swaps | Total |
| AA- | \$ (3,522) | \$ — | \$ — | \$ (3,522) |
| A+ | (14,604) | (878) | 3,396 | (12,086) |
| A | (4,556) | (3,666) | — | (8,222) |
| A- | (651) | (384) | 275 | (760) |
| BBB+ | 10 | — | — | 10 |
| NA | — | 3,875 | (1,766) | 2,109 |
| Total Subject to Credit Risk | <u>\$ (23,323)</u> | <u>\$ (1,053)</u> | <u>\$ 1,905</u> | <u>\$ (22,471)</u> |

Synthetic Guaranteed Investment Contracts

URS Defined Contribution Plans members are able to participate in SGICs. The SGICs are fully benefit responsive, which means that URS is prohibited from assigning and selling the contract or its proceeds to a third party without the consent of the issuer. Prospective interest crediting rate adjustments are provided to plan participants. The SGICs provide assurance that the probability of future rate adjustments resulting in an interest

crediting rate less than zero is remote. The underlying investments are high credit quality averaging A+ and therefore credit loss is remote. The terms of the SGICs require all plan participants to initiate transactions within the fund at contract value. The contract value is the fair value (cost plus accrued interest). The fair value of these contracts as of December 31, 2023, was \$103 thousand and the market value was \$988 thousand. Credit ratings for the wrap contracts associated with the SGICs are also noted below.

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

At December 31, 2023

(dollars expressed in thousands)

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

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

At December 31, 2023

(dollars expressed in thousands)

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

Trust Lands

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

As of June 30, 2024, Trust Lands had the following exposure types classified within Derivative Instruments: Equity Rights/Warrants, Currency Forwards, Swaps, and Futures as shown in the table below.

(Table on next page)

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

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

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

Currency forwards represent forward foreign exchange contracts that are entered into in order to hedge the exposure to changes in foreign currency exchange rates on the foreign currency denominated portfolio holdings. A forward foreign exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts is included in the net realized gains or losses on foreign currency related transactions in the Statements of Changes in Net Position.

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

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

NOTE 4. INVESTMENT POOL

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

The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and regulated by the Utah Money Management Act, (Title 51, Chapter 7 of the *Utah Code*). The Act establishes the State Money Management

Council, which oversees the activities of the State Treasurer and the PTIF. The Act lists the investments that are authorized which are high-grade securities and, therefore, minimizes credit risk except in the most unusual and unforeseen circumstances.

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

The PTIF operates and reports monthly statements to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated to participants monthly on the ratio of the participant's share to the total funds in the PTIF based on the participant's average daily balance. This method differs from the fair value method used to value investments in these financial statements because the amortized cost method is not designed to distribute to participants all unrealized gains and losses in the fair values of the pool's investments. The total difference between the fair values of the investments in the pool and the values distributed to the pool participants using the amortized cost method described above is reported in the net position section of the following table as unrealized gains/losses. The PTIF may maintain an interest reserve to stabilize the monthly apportionment of interest.

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

Internal Participant Account Balances

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

(Notes continue on next page.)

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

**Utah Public Treasurers' Investment Fund
Statement of Net Position**

June 30, 2024

(expressed in thousands)

Assets

| | |
|---------------------------------------|----------------------|
| Cash and Cash Equivalents | \$ 2,526,232 |
| Investments | 30,614,592 |
| Interest Receivable | 193,979 |
| Receivable for Unsettled Trades | 13,422 |
| Total Assets | <u>\$ 33,348,225</u> |

Liabilities

| | |
|------------------------------------|-------------------|
| Payable for Unsettled Trades | <u>\$ 700,000</u> |
|------------------------------------|-------------------|

Net Position

External Participant Account Balances:

| | |
|-----------------------------------|-------------------|
| External Participants | 16,276,968 |
| Unrealized Gains/(Losses) | (4,729) |
| Total External Participants | <u>16,272,239</u> |

Internal Participant Account Balances:

| | |
|--|----------------------|
| Primary Government | 14,802,668 |
| Discretely Presented Component Units | 1,578,078 |
| Unrealized Gains/(Losses) | (4,760) |
| Total Internal Participants | <u>16,375,986</u> |
| Total Net Position | <u>\$ 32,648,225</u> |

Participant Account Balance:

| | |
|-------------------------------------|------------|
| Net Position Valuation Factor | 1.00150349 |
|-------------------------------------|------------|

**Utah Public Treasurers' Investment Fund
Statement of Changes in Net Position**

For the Fiscal Year Ended June 30, 2024

(expressed in thousands)

Additions

| | |
|--|----------------------|
| Pool Participant Deposits | <u>\$ 21,954,853</u> |
| Investment Income: | |
| Investment Earnings | 1,818,994 |
| Fair Value Increases (Decreases) | 39,043 |
| Total Investment Income | <u>1,858,037</u> |
| Less Administrative Expenses | <u>(1,295)</u> |
| Net Investment Income | <u>1,856,742</u> |
| Total Additions | <u>23,811,595</u> |

Deductions

| | |
|---|-------------------|
| Pool Participant Withdrawals | 21,580,951 |
| Earnings Distributions | 1,809,166 |
| Total Deductions | <u>23,390,117</u> |
| Net Increase/(Decrease) From Operations | <u>421,478</u> |

Net Position

| | |
|----------------------------------|----------------------|
| Beginning of Year | 32,226,747 |
| Net Position – End of Year | <u>\$ 32,648,225</u> |

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

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

Deposits and Investments

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

Custodial Credit Risk – Deposits

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

The deposits in the bank in excess of the insured amount are uninsured and uncollateralized. Deposits are neither collateralized

nor are they required to be by state statute. The PTIF did not have any deposits at June 30, 2024.

Fair Value Measurements of Investments

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

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

The following table presents the recurring fair value measurements at June 30, 2024, for the PTIF:

Utah Public Treasurers' Investment Fund
Investments Measured at Fair Value

At June 30, 2024

(expressed in thousands)

| Investments by Fair Value Level | Fair Value | Fair Value Measurements Using | |
|---------------------------------|--------------|-------------------------------|--------------|
| | | Level 1 | Level 2 |
| Debt Securities | | | |
| U.S. Treasuries | \$ 8,399,936 | \$ 8,399,936 | \$ — |
| U.S. Agencies | \$20,514,027 | 20,514,027 | — |
| Corporate Bonds and Notes | 2,384,166 | — | 2,384,166 |
| Money Market Mutual Funds | 252,287 | 252,287 | — |
| Commercial Paper | 1,724,855 | 1,724,855 | — |
| Total Debt Securities .. | \$33,275,271 | \$30,891,105 | \$ 2,384,166 |

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

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

Interest Rate Risk

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

The majority of the PTIF's corporate debt securities are variable-rate securities, most of which reset every three months to the market interest rate. Because these securities frequently re-price to prevailing market rates, interest rate risk is substantially

reduced at each periodic reset date. In the table below, variable-rate securities are presented according to the length of time until the next reset date rather than the stated maturity.

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

The PTIF investments at June 30, 2024, are presented on the following table:

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

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The PTIF follows the Money Management Act as its policy for reducing exposure to investment credit risk. The PTIF's rated debt investments as of June 30, 2024, were rated by Standard and Poor's and/or an equivalent nationally recognized statistical rating organization and the ratings are presented below using the Standard and Poor's rating scale.

Utah Public Treasurers' Investment Fund
Rated Debt Investments

At June 30, 2024

(expressed in thousands)

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

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

² Short term credit rating given by S&P Global

Custodial Credit Risk

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

The PTIF's investments at June 30, 2024, were held by the State or in the State's name by the State's custodial bank.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The PTIF's policy for reducing this risk of loss is to comply with the Rules of the State Money Management Council. Rule 17 of the

Council limits investments in a single issuer of commercial paper and corporate obligations to 5 percent of the total dollar amount held in the portfolio. The Council limitations do not apply to securities issued by the U.S. government and its agencies. The PTIF had no debt securities investments at June 30, 2024, with more than 5 percent of the total investments in a single issuer.

NOTE 5. RECEIVABLES

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

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

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

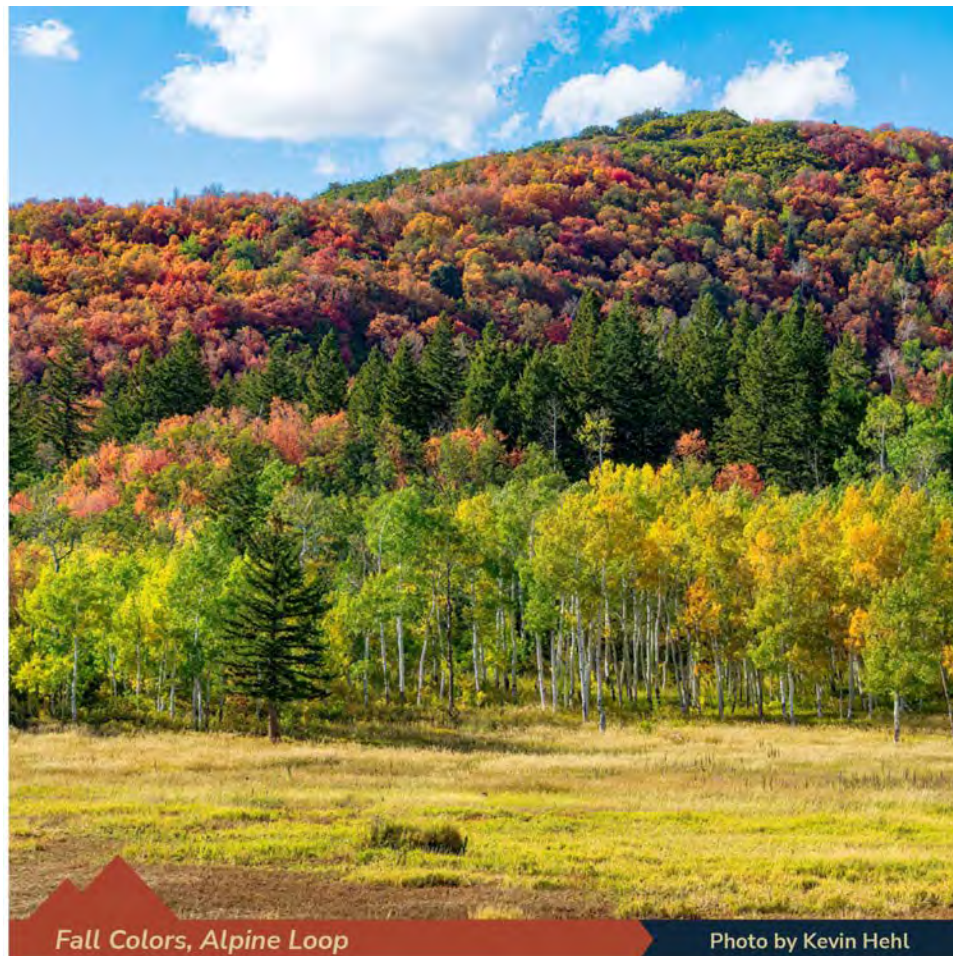
Adjustments for fiduciary funds listed below represent amounts due from various fiduciary funds that were reclassified as external receivables on the government-wide Statement of Net Position.

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

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

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

(Table continues on next page.)



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

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

(Notes continue on next page.)

NOTE 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

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

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

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

(Notes continue on next page.)

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

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

Due to General Fund from:

| | |
|--|------------------|
| Income Tax Fund | \$ 402 |
| Transportation Fund | 1,015 |
| Trust Lands Fund | 76 |
| Nonmajor Governmental Funds | 2,899 |
| Unemployment Compensation Fund | 13,459 |
| Water Loan Programs | 61 |
| Nonmajor Enterprise Funds | 237 |
| Alcoholic Beverage Services Fund | 73,627 |
| Internal Service Funds | 2,600 |
| Total due to General Fund from other funds | <u>\$ 94,376</u> |

Due to Income Tax Fund from:

| | |
|---|------------------|
| General Fund | \$ 8,552 |
| Unemployment Compensation Fund | 683 |
| Trust Lands Fund | 26,556 |
| Total due to Income Tax Fund from other funds | <u>\$ 35,791</u> |

Due to Transportation Fund from:

| | |
|---|-----------------|
| General Fund | \$ 1,465 |
| Income Tax Fund | 6 |
| Nonmajor Governmental Funds | 1,844 |
| Internal Service Funds | 460 |
| Total due to Transportation Fund from other funds | <u>\$ 3,775</u> |

Due to Trust Lands from:

| | |
|---|-----------------|
| General Fund | \$ 127 |
| Transportation Fund | 2 |
| Nonmajor Enterprise Funds | 4,702 |
| Total due to Trust Lands from other funds | <u>\$ 4,831</u> |

Due to Nonmajor Governmental Funds from:

| | |
|---|------------------|
| General Fund | \$ 18,278 |
| Transportation Fund | 1,572 |
| Alcoholic Beverage Services Fund | 6,588 |
| Internal Service Funds | 30 |
| Fiduciary Funds | 212 |
| Total due to Nonmajor Governmental Funds from other funds | <u>\$ 26,680</u> |

Due to Water Loan Programs from:

| | |
|---|---------------|
| General Fund | \$ 93 |
| Trust Lands Fund | 117 |
| Total due to Water Loan Programs from other funds | <u>\$ 210</u> |

Due to Alcoholic Beverage Services Fund from:

| | |
|--|------------------|
| Nonmajor Governmental Funds | \$ 43,065 |
| Internal Service Funds | 20 |
| Total due to Alcoholic Beverage Services Fund from other funds | <u>\$ 43,085</u> |

Due to Nonmajor Enterprise Funds from:

| | |
|---|---------------|
| General Fund | \$ 122 |
| Nonmajor Enterprise Funds | — |
| Internal Service Funds | 6 |
| Total due to Nonmajor Enterprise Funds from other funds | <u>\$ 128</u> |

Due to Internal Service Funds from:

| | |
|--|------------------|
| General Fund | \$ 41,118 |
| Income Tax Fund | 185 |
| Transportation Fund | 5,539 |
| Employers' Reinsurance Fund | 70 |
| Nonmajor Governmental Funds | 1,700 |
| Nonmajor Enterprise Funds | 469 |
| Community Impact Loan Fund | 1 |
| Alcoholic Beverage Services Fund | 1,800 |
| Internal Service Funds | 173 |
| Fiduciary Funds | 19 |
| Total due to Internal Service Funds from other funds | <u>\$ 51,074</u> |

Due to Fiduciary Funds from:

| | |
|---|---------------|
| General Fund | \$ 198 |
| Nonmajor Governmental Funds | 794 |
| Nonmajor Enterprise Funds | 4 |
| Total due to Fiduciary Funds from other funds | <u>\$ 996</u> |

Total Due to / Due from

\$ 260,946

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

Interfund Loans

At June 30, 2024, interfund loans receivable/payable balances consist of \$50.560 million in revolving loans payable to the General Fund from Internal Service Funds. The balance payable portion to the General Fund from Internal Service Funds of \$50.560 million includes \$30.442 million that is not expected to be repaid within one year and is classified as nonspendable fund balance.

(Notes continue on next page.)

NOTE 8. CAPITAL ASSETS

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

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

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

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

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

presented component units. For fiscal year 2024, \$126.080 million of buildings were completed for colleges and universities. On the government-wide statement of activities, the building “transfers” are reported as higher education expenses of governmental activities and as program revenues of discretely presented component units.

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

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

Discretely Presented Component Units

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

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

NOTE 9. LEASE COMMITMENTS

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

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

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

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

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

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

Leases
Principal and Interest Requirements

Primary Government
(expressed in thousands)

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

Software Subscriptions
Principal and Interest Requirements

Primary Government
(expressed in thousands)

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

Leases
Principal and Interest Requirements
Discretely Presented Component Units
(expressed in thousands)

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

Software Subscriptions
Principal and Interest Requirements
Discretely Presented Component Units
(expressed in thousands)

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

NOTE 10. LONG-TERM LIABILITIES

A. Changes in Long-term Debt and Other Long-term Liabilities

Changes in long-term debt and other long-term liabilities for the year ended June 30, 2024 are presented in the following table.

Changes for Utah Transit Authority and PEHP (major discretely presented component units) are included as of year ended December 31, 2023. As referenced below, certain long-term debt and other long-term liabilities are discussed in other notes to the Financial Statements.

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

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

¹ The Net Pension Liability and Net Other Postemployment Benefit (OPEB) Liability of governmental activities are liquidated in the General Fund, Income Tax Fund, or Transportation Fund according to the applicable employing state agency. The changes in these liabilities are either netted as additions or reductions for this schedule since that information is not readily available for inclusion. See [Note 17](#) and [Note 18](#) for further information.

² Compensated Absences of governmental activities are liquidated in the General Fund, Income Tax Fund, or Transportation Fund according to the applicable employing state agency. Claims Liability of governmental activities are liquidated in the Risk Management Internal Service Fund. Settlement Obligations of governmental activities are liquidated in the Crime Victim Reparation Fund (nonmajor governmental fund). The Pollution Remediation Obligations of the governmental activities are liquidated in the Environmental Reclamation Fund (nonmajor governmental fund).

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

B. General Obligation Bonds

The State issues general obligation bonds to provide funds for acquisition, construction, and renovation of major capital facilities and for highway construction. In addition, general obligation bonds have been issued to refund general obligation bonds, revenue bonds, and other financed purchases. General obligation bonds are secured by the full faith and credit of the State. Debt service requirements are provided by legislative appropriation from the State's general tax revenues. As of June

30, 2024, the State had \$52.077 million of unissued general obligation highway bond authorizations and \$266.640 million of unissued general obligation rail and transit bond authorizations remaining.

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

General Obligation Bonds Payable
(dollars expressed in thousands)

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

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

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

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

C. Revenue Bonds

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

Governmental Activities

The Utah State Building Ownership Authority (SBOA) has issued bonds for the purchase and construction of facilities to be leased to state agencies and other organizations. The bonds are secured by the facilities, and repayment is made from lease income appropriated by the Legislature and is not considered pledged revenue of the State. The outstanding bonds payable at June 30, 2024, are reported as a long-term liability of the governmental activities, except for \$107.998 million, which is reported in the Alcoholic Beverage Services Fund (major enterprise fund). This portion is reported as liabilities of the business-type activities on the government-wide Statement of Net Position.

Discretely Presented Component Units

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

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

Information on pledged revenues for discretely presented component units for the fiscal year ended June 30, 2024, is presented below.

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

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

¹ Type of Revenue Pledged:

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

(Notes continue on next page.)

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

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

Business-type Activities
(dollars expressed in thousands)

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

(Notes continue on next page.)

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

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

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

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

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

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

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

D. Conduit Debt Obligations

The Utah Charter School Finance Authority (nonmajor discretely presented component unit) issued conduit debt obligations on behalf of various charter schools. The debt is the responsibility of the charter schools, and neither the State nor any political subdivision of the State is obligated in any manner for repayment of the debt. Accordingly, this debt has not been reported in the accompanying financial statements. The outstanding balance at June 30, 2024, is \$546.406 million in taxable and tax-exempt conduit debt.

E. Defeased Bonds and Bond Refunding**Primary Government**

In prior years, the State defeased certain general obligation and revenue bonds by placing the proceeds of new bonds and other monies available for debt service in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Statement of Net Position. At June 30, 2024, the total amount outstanding of defeased general obligation bonds was \$78.430 million. At June 30, 2024, there were no outstanding defeased lease revenue bonds.

Discretely Presented Component Units

In prior years, discretely presented component units defeased certain revenue bonds by placing the proceeds of new bonds and various bond reserves in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the component unit column on the Statement of Net Position. At June 30, 2024, \$53.915 million of colleges and universities' bonds outstanding are considered defeased.

F. Pollution Remediation Obligations

Under the federal Superfund law, the State is responsible for sharing remediation costs at sites where the Environmental Protection Agency expends Superfund trust monies for cleanup. Currently there are five sites in various stages of cleanup, from initial assessment to cleanup activities. The pollution remediation liabilities associated with these sites were measured using the actual contract cost, where no changes in cost are expected, or the expected cash flow technique. Liability estimates are subject to change due to price increases or reductions, technology, or changes in applicable laws or regulations governing the remediation efforts. As of June 30, 2024, the liability is \$4.412 million. The State does not anticipate recovering reimbursements from the parties who caused the pollution.

G. Notes Payable / Annuities Payable**Primary Government**

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

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

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

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

Discretely Presented Component Units

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

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

(Table on next page)

Notes Payable Debt Service Requirements to Maturity
Discretely Presented Component Units

For the Fiscal Year Ended June 30

(expressed in thousands)

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

NOTE 11. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred Outflows and Inflows of Resources reported on the Statement of Net Position as of June 30, 2024, consisted of the following:

Deferred Outflows and Inflows of Resources

(expressed in thousands)

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

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

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

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

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

Under the modified accrual basis of accounting, governmental fund financial statements reported deferred inflows of resources of \$693.890 million in unavailable revenue. This was comprised of \$372.221 million from various taxes and \$321.669 million from other sources.

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

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

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

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

NOTE 12. GOVERNMENTAL FUND BALANCES, BUDGET STABILIZATION ACCOUNTS, AND NET POSITION RESTRICTED BY ENABLING LEGISLATION

A. Governmental Fund Balances – Restricted, Committed and Assigned

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

governments; (2) **Committed Purposes**, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislature; (3) **Assigned Purposes**, which include balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. A summary of the nature and purpose of these reserves by fund type at June 30, 2024, follows:

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

Governmental Fund Balances
(expressed in thousands)

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

¹ Resources restricted through constitutional provisions.

B. Budget Stabilization Accounts

In accordance with Sections 63J-1-312 and 313 of the *Utah Code*, the State maintains the General Fund Budget Reserve Account (the “Rainy Day Fund”) in the General Fund and an Income Tax Fund Budget Reserve Account (the “Income Tax Reserve”) in the Income Tax Fund. These stabilization balances can generally only be used for specific purposes detailed in Section 63J-1-312 and 313, upon appropriation by the Legislature. State law requires 25 percent of any revenue surplus in the General Fund to be deposited in the Rainy Day Fund after any required Medicaid growth savings transfer is made (see Medicaid Budget Sustainability Account discussion below) and 25 percent of any

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

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

Rainy Day Fund were also appropriated for state settlement agreements.

Section 63J-1-217 of the *Utah Code* requires the State to maintain a balanced budget. If a budget shortfall is expected, the Governor is required to direct state agencies to reduce commitments and expenditures by an amount proportionate to any revenue shortfall until the Legislature is able to take action to rectify the shortfall. The Legislature utilizes funding reallocations, spending cuts, and reserve funds to address a shortfall. If these measures do not rectify the shortfall, the Legislature may use the stabilization funds in extreme cases. Over the past 20 years, the Rainy Day Fund has been used three times, once for a budget shortfall and twice to pay state settlement agreements. Over the same period of time, the Income Tax Reserve has been used twice for budget shortfalls.

The Rainy Day Fund and the Income Tax Reserve ended the year with balances of \$330.285 million and \$858.238 million, respectively. For the fiscal year ended June 30, 2024, there were no transfers into the Rainy Day Fund because there was no revenue surplus, as defined by law. The Income Tax Reserve Fund received \$1.95 million as a result of a revenue surplus.

In accordance with Section 63J-1-315 of the *Utah Code*, the State maintains the Medicaid Growth Reduction and Budget Stabilization Restricted Account ("Medicaid Budget Stabilization Account"). The account can only be used for specific purposes detailed in Section 63J-1-315, upon appropriation by the Legislature. The Legislature may appropriate money from the account only if Medicaid program expenditures are estimated to be 108 percent or more of Medicaid program expenditures for the previous year. This is not expected to occur routinely, as the state has implemented reforms in the Medicaid Program to bring Medicaid growth more in line with overall state revenue growth. From the fund's inception, no appropriations have been made from the fund. The account is funded in a fiscal year when there are savings in the Medicaid Program and a General Fund revenue surplus. For the fiscal year ended June 30, 2024, there was no transfer into the Medicaid Budget Stabilization Account because there was no revenue surplus, as defined by law. The account ended the year with a balance of \$219.775 million.

C. Minimum Fund Balance Policies

Statutorily, the State established a minimum fund balance policy for two funds, the Disaster Recovery Restricted Account and the Local Government Emergency Response Loan Fund. In accordance with Section 53-2a-603 of the *Utah Code*, under certain circumstances, the Disaster Recovery Restricted Account may be used to provide short-term loans to a member state of the Emergency Management Assistance Compact. Loans may be issued from the account as long as the fund maintains a minimum fund balance of \$5 million. Section 53-2a-607 of the *Utah Code*, requires the Local Government Emergency Response Loan Fund to provide short-term, low-interest loans to local government

entities. The amount loaned may not be more than 50 percent of the total fund balance available, or an amount that will leave the fund balance at less than \$10 million.

D. Net Position Restricted by Enabling Legislation

The State's net position restricted by enabling legislation represents resources which a party external to a government—such as citizens, public interest groups, or the judiciary—can compel the government to use only for the purpose specified by the legislation. The government-wide Statement of Net Position reports \$10.627 billion of restricted net position, of which \$391.646 million is restricted by enabling legislation.

NOTE 13. DEFICIT NET POSITION AND FUND BALANCE

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

Internal Service Funds:

| | | |
|-------------------------------|----|---------|
| Property Management Fund..... | \$ | (1,462) |
|-------------------------------|----|---------|

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

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

Internal Service Funds:

| | | |
|------------------------|----|----------|
| Fleet Operations | \$ | (35,208) |
|------------------------|----|----------|

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

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

(Notes continue on next page.)

NOTE 14. INTERFUND TRANSFERS

Transfers between funds occur when one fund collects revenue and transfers the assets to another fund for expenditure or when one fund provides working capital to another fund. All transfers must be legally authorized by the Legislature through statute or an *Appropriation Act*. Interfund transfers for the fiscal year ended June 30, 2024, are as follows (expressed in thousands):

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

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

Transfers from major governmental funds to nonmajor governmental funds are primarily for debt service expenditures and capital facility construction. Transfers from the General Fund to the Transportation Investment Fund (major capital projects fund) are to finance various infrastructure transportation and transit-related projects. Transfers from Alcoholic Beverage Services Fund (major enterprise fund) to the General Fund are liquor profits required by statute to be deposited in the General Fund. Transfers of Trust Lands Fund (permanent fund) investment earnings are required by State constitution and statute to be deposited in the Income Tax Fund (major governmental fund). All other transfers are made to finance various programs authorized by the Legislature.

For fiscal year 2024, the Legislature authorized transfers of \$1.108 million from Internal Service Funds to the General Fund to subsidize general fund revenues. In addition, the Legislature authorized payments of \$1.735 billion to discretely presented component units. Payments to discretely presented component units are reported as expenditures in both the General Fund governmental fund statements and the governmental activities

column of the Statement of Activities. They are also reported as revenues in the discretely presented component units column of the Statement of Activities.

NOTE 15. TAX ABATEMENTS

The State provides tax abatements through a number of programs administered by the Utah Governor's Office of Economic Opportunity (GOEO). The abatements are offered in exchange for specific actions that are intended to benefit the State or its citizens. Programs offering post-performance tax abatements of corporate and individual tax revenues that would otherwise fund education include the Economic Development Tax Increment Financing (EDTIF) program, the Motion Picture Incentive Program (MPIP), and the Utah Rural Jobs program (URJ). The New Convention Facility Development Incentives program (NCFDI) offers tax abatement of sales tax revenues that would otherwise fund government services.

EDTIF. The EDTIF program provides incentives in the form of a refundable tax credit to accelerate business growth, job creation,

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

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

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

If a business entity should fail to meet its obligations or has received more EDTIF refundable tax credits than it is entitled to, the excess amount must be returned and any future claim for credit may be denied and/or the contract may be nullified.

MPIP. The MPIP provides tax credits to encourage television and movie producers and digital media companies to film in the State of Utah. This refundable tax credit provides financial incentives to qualified, pre-approved participants in the film industry to develop a strong motion picture presence in the State and boost the State's economy. Section 63N-8-104 of the *Utah Code* allows motion picture companies and digital media companies to receive an incentive of up to 20 percent of the dollars the companies leave in the state. A motion picture company may receive an additional 5 percent incentive, not to exceed 25 percent of the dollars the company left in the state, by meeting certain requirements: **(1)** employing a significant percentage of cast and crew from Utah; **(2)** highlighting the state of Utah and the Utah Film Commission in the motion picture credits; or **(3)** engaging in other agreed-upon promotional activities. The tax credit certificates are issued after the company completes production, pays in full all Utah-based vendors, and provides an independently reviewed financial report for verification. In accordance with Section 63N-8-103(3) of the *Utah Code*, GOEO may issue up to \$6.794 million in tax credit certificates each fiscal year and an additional \$12 million in tax credit certificates for rural productions. GOEO may carry over authorized, unissued tax credits to subsequent fiscal years.

NCFDI. The NCFDI program was created in order to spur the development of a co-located Utah hotel and convention space to attract larger conventions that will benefit the State by bringing in tax revenue and contributing to the economy. This tax abatement provides financial incentives to a qualified, pre-approved hotel owner or host local government. Section 63N-2-503 of the *Utah Code* allows an incentive up to the maximum of the amount of the state portion of the convention incentive for the calendar year and

\$75 million in the aggregate for the eligibility period. The applicant must develop a qualified hotel, which is defined as a full-service hotel development constructed in the state on or after July 1, 2014 that meets the following requirements: **(1)** the project requires a significant capital investment; **(2)** includes at least 85 square feet of convention, exhibit, and meeting space per guest room; and **(3)** is located within 1,000 feet of a convention center that contains at least 500,000 square feet of convention, exhibit, and meeting space. A qualified hotel owner or host local government must submit a written claim for a convention incentive that includes all required components described in 63N-2-505 of the *Utah Code*.

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

URJ. The URJ program enables an eligible small business located in a rural county to expand and create high-paying jobs by providing flexible and affordable capital. This tax abatement provides financial incentives to a qualified claimant in a rural investment company that makes a credit-eligible investment of cash. Section 63N-4-304 of the *Utah Code* allows a tax credit equal to the claimant's total credit-eligible capital contribution. A tax credit certificate is issued in the taxable years that includes the fourth through seventh anniversaries of the closing dates in an amount equal to 25 percent of the total credit-eligible contribution.

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

As authorized by 63N-4-305 of the *Utah Code*, the credit may be revoked if the RIC does any of the following before exiting the program: **(1)** fails to invest 100 percent of its investment authority in growth investments in this state within three years of the closing date; **(2)** fails to maintain growth investments in this state equal to 100 percent of its investment authority until the seventh anniversary of the closing date; **(3)** makes a distribution or payment that results in the RIC having less than 100 percent of its investment authority invested in growth investments in this state or available for investment in growth investments and held in cash and other marketable securities; **(4)** fails to maintain growth investments equal to 70 percent or 100 percent of its investment authority (depending on its phase of investment authority) in

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

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

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

Tax Abatement Programs
(expressed in thousands)

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

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

NOTE 16. LITIGATION, CONTINGENCIES, AND COMMITMENTS

A. Litigation

- The State is involved in various legal actions arising in the ordinary course of business. The State is vigorously contesting all these matters, but as of this date it is not possible to determine the outcome of these proceedings. In the opinion of the Attorney General and management, the ultimate disposition of these matters will not have a material adverse effect on the State's financial position.
- In addition to the items above, the State and its component units are contesting other legal actions totaling over \$34.000 million and \$7.220 million, respectively, plus attorneys' fees and interest and other cases where the amount of potential loss is indeterminable. Some portions of the amounts sought have been paid by the State or placed in escrow.

B. Contingencies

- The State receives a significant amount of funding from the federal government. Funds flowing from the federal government to the State are subject to changes to federal laws and appropriations. Based on the financial position of the federal government, it is reasonably possible that events will occur in the near term that will significantly affect the flow of federal funds to the State. The State is taking action to identify and address the impact a significant reduction of federal funds will have on the programs and operations of the State, including requiring contingency plans from state agencies.
- Financial and compliance audits (Single Audit) of federal grants, contracts, and agreements were conducted under the provisions of the Federal Office of Management and Budget's circulars. As a result of the audits, identified questioned costs are immaterial. In addition, program compliance audits by the federal government are conducted periodically; however, an estimate of any potential disallowances on these audits and findings on other audits on noncompliance cannot be estimated as to the potential liability. The Single Audit for the fiscal year ended June 30, 2024, will be available in the Spring of 2025.
- Management's estimated liability for the Petroleum Storage Tank Fund (non-major enterprise fund) is highly sensitive to change based on the short period of historical data and the uncertainty in estimating costs. Since it is not possible to determine the occurrence date of a leak in an underground storage tank, it is not possible to estimate the number or the associated costs of leaks that have not been detected.
- Risk Management manages a liability captive insurance entity and two property captive insurance entities as part of its insurance portfolio. Beginning fiscal year 2024, the Risk Management Fund covers liability claims up to \$1 million per claim, with its liability captive covering the next \$10 million and a commercial excess policy covering an additional \$10 million aggregate. The State's property insurance is \$525 million for earthquakes and \$1 billion for all other perils. The remaining claims are covered by commercial insurance. The State's per occurrence deductible for earthquakes is 2 percent of the value of each building involved in the loss, subject to a minimum of \$5 million and a maximum of \$25 million, and the State's per occurrence deductible for flood losses is \$50 thousand. According to actuarial studies and other known factors, \$74.387 million exists as either incurred but unfiled or unpaid claims. This amount is reported as a liability of the Department of Government Operations Risk Management Fund (internal service fund).
- The Utah School Bond Guaranty Act (Sections 53G-4-801 to 808 of the *Utah Code*), which took effect on January 1, 1997, pledges the full faith, credit, and unlimited taxing power of the State to guaranty full and timely payment of the principal and interest on general obligation bonds issued by qualifying local school boards. The primary purpose of the Guaranty Act is to reduce borrowing costs for local school boards by providing credit enhancement for Guaranteed Bonds. The local school boards do not meet the criteria for inclusion as part of the State's reporting entity.

In the event a school board is unable to make the scheduled debt service payments on its Guaranteed Bonds, the State is required to make such payments in a timely manner. For this

purpose, the State may use any available monies, may use short-term borrowing from the State Permanent School Fund (part of the permanent Trust Lands Fund), or may issue short-term general obligation notes. The local school board remains liable to the State for any such payments on Guaranteed Bonds. Reimbursements to the State may be obtained by intercepting payment of state funds intended for the local school board. The State may also compel the local school board to levy a tax sufficient to reimburse the State for any guaranty payments.

The State Superintendent of Public Instruction is charged with monitoring the financial condition of local school boards and reporting, at least annually, its conclusions to the Governor, the Legislature, and the State Treasurer. The State Superintendent must report immediately any circumstances that suggest a local school board may not be able to pay its debt service obligations when due. The State has not advanced any monies for the payment of debt service on Guaranteed Bonds and does not expect that it will be required to advance monies for any significant period of time.

Local school boards have \$3.430 billion principal amount of Guaranteed Bonds outstanding at June 30, 2024, with the last maturity date being 2044. The State cannot predict the amount of bonds that may be guaranteed in future years, but no limitation is currently imposed by the Guaranty Act.

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

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

The Authority is the conduit issuer of Credit Enhancement Program bonds and responsible for developing criteria by which a charter school qualifies to participate in the Program. The Authority is also charged with monitoring the financial condition of qualifying charter schools and certifying, at least annually, the amount required to restore amounts on deposit in the debt service reserve funds of charter schools participating in the Program. The total amount of charter school debt enhanced by the Program is limited by formula. As of June 30, 2024, \$473.675 million of debt was outstanding under the Program.

- The Attorney General of the State sued the tobacco industry for medical costs related to smoking. The State of Utah has signed on to a master settlement agreement along with 45 other states. The major tobacco manufacturers and most of the smaller manufacturers have joined the agreement. The State received \$26.925 million from tobacco companies in fiscal year 2024 and expects to receive approximately \$23 million in fiscal year 2025. Annual payments will be adjusted for factors, such as inflation, decreased sales volume, previously settled lawsuits, disputed payments, and legal fees.
- In December 2022 the State entered into a settlement agreement with JUUL Labs, Inc. (JUUL), resolving claims related to the company's alleged misleading marketing practices targeting youth and other consumers. As part of the settlement, JUUL agreed to pay a total of \$8.732 million to the State. The amount will be distributed over a period of 6 years. However, JUUL may elect by November 30, 2027 to make the sixth year's payment over three years (\$1.389 million per year) or five years (\$910 thousand per year). Payments are due by December 31 each year. As of June 30, 2024, the State has received \$1.644 million in settlement funds. The remaining balance of \$7.088 million will be recognized in future periods as payments are received from JUUL.
- Beginning in 2021, various nationwide settlements have been reached to resolve opioid litigation brought by Utah and other states against various pharmaceutical manufacturers and distributors, pharmacy chains, and other entities related to claims arising from their roles in causing the opioid crisis. The total settlement amount allocated to the State as of June 30, 2024 is \$252.690 million, to be paid over 19 years. As of June 30, 2024, the State has received \$67.691 million from the settlement. The remaining balance of \$184.999 million will be recognized in future periods as payments are received.
- The Utah School Readiness Initiative (Title 35A Chapter 15 of the *Utah Code*) created the School Readiness Board (the Board) and enabled the Board to provide grants and enter into contracts with private entities in order to improve early childhood education for at-risk students. Under the terms of the contract, private investors fund the program using a social impact bond financial model. This bond offers the investors a return on investment only if students in the program meet specific education benchmarks. The maximum number of students the program will pay on is 169 for this remaining year. As of June 30, 2024, the State of Utah has reserved a total of \$773 thousand to cover student evaluations and any repayment of the social impact bond. The program has repaid \$6.300 million to investors as of June 30, 2024. The Board authorized an additional payment to investors of \$431 thousand at the September 2024 board meeting. It is anticipated that the State of Utah will commit additional funds in future years as necessary.

C. Commitments

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

(tax abatements) of \$1.084 billion. These cash rebates and tax credits are contingent on participating companies meeting certain economic development performance criteria.

- At June 30, 2024, the Motion Picture Incentive Program had outstanding contract commitments for General Fund cash rebates of \$9.893 million and Income Tax Fund tax credits (tax abatements) of \$45.486 million. These cash rebates and credits are contingent upon participating motion picture companies meeting certain within-the-state production criteria.
- At June 30, 2024, the New Convention Facilities Development Incentives program had outstanding contract commitments for General Fund tax credits (tax abatements) of \$67.876 million. These tax credits are contingent on the participating entities meeting certain statutorily required construction criteria.
- At June 30, 2024, the Utah Rural Jobs Act program had outstanding commitments for Income Tax Fund tax credits (tax abatements) of \$30.450 million. These tax credits are contingent on the participating entities meeting statutorily required construction criteria.
- At June 30, 2024, the Utah Department of Transportation had construction and other contract commitments of \$1.702 billion, of which \$545.893 million is for Transportation Fund (major special revenue fund) and \$1.156 billion is for projects within the Transportation Investment Fund (major capital projects fund) highway projects. These commitments will be funded with future appropriations in the Transportation Fund and through proceeds of general obligation bonds and future appropriations in the Transportation Investment Fund.
- As of June 30, 2024, the permanent Trust Lands Fund had contractual commitments of \$1.787 billion to various investments. Of this amount, an estimated \$618.282 million remained unfunded and subject to call by the funds.
- At June 30, 2024, the capital projects funds had construction commitments of \$1.062 billion. These commitments will be funded with legislative appropriations, charges for services revenues, and proceeds of general obligation and lease revenue bonds.
- At June 30, 2024, the enterprise funds had loan commitments of approximately \$645.685 million and grant commitments of approximately \$263.362 million.
- At yearend December 31, 2023, the Utah Retirement Systems (pension trust and defined contribution plans) had committed to fund certain private equity partnerships, absolute return, and real asset funds projects for an amount of \$19.300 billion. Funding of \$14.100 billion had been provided by December 31, 2023, leaving an unfunded commitment of \$5.200 billion.
- The University of Utah, under the terms of various limited partnership agreements approved by the Board of Trustees or University officers, is obligated to make periodic payments for advance commitments to venture capital and private equity investments. As of June 30, 2024, the University had committed, but not paid, a total of \$102.431 million in funding for these alternative investments.
- At June 30, 2024, Utah State University (major discretely presented component unit) had outstanding commitments for the construction and remodeling of its buildings of approximately \$82.900 million.

- Utah State University, under the terms of various limited partnership agreements approved by the Board of Trustees or by University officers, is obligated to make periodic payments for advance commitments to venture capital, natural resource, and private equity investments. As of June 30, 2024, the University had committed, but not paid, a total of \$39.063 million in funding for these alternative investments.
- At its yearend of December 31, 2023, the Utah Transit Authority (major discretely presented component unit) had outstanding purchasing commitments of approximately \$145.800 million for capital projects that will be funded through a combination of debt, grants, and other revenue.

NOTE 17. PENSION PLANS

Utah Retirement Systems (URS) was established by Title 49 of the *Utah Code*. URS administers the pension systems and plans under the direction of the URS Board whose members are appointed by the Governor. URS has a separate accounting system and prepares a separately issued financial report covering all retirement systems and deferred compensation plans it administers. URS maintains records and prepares financial statements using fund accounting principles and the accrual basis of accounting, under which benefits and expenses are recognized when due and payable, and revenues are recorded in the accounting period in which they are earned and become measurable. URS reports on a calendar yearend. The December 31, 2023, financial report has been included in this Annual Comprehensive Financial Report as a pension trust fund for URS within the fiduciary funds. Copies of the separately issued financial report, which includes financial statements and required supplemental information, may be obtained by writing to Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102-2044, or online at www.urs.org. The Utah Transit Authority (major discretely presented component unit) does not participate in URS. See [Note 17.B](#) for a description of Utah Transit Authority pension plans.

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

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

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

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

A. Defined Benefit Plans - Utah Retirement Systems

| | Summary of Benefits by System | | | | | | |
|---|-------------------------------|--|---|----------------------|--|--------------------------------|--|
| | 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 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 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 |
| Years of Service Required and/or Age Eligible for Benefit | 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 | 4 years age 65 | | | 6 years age 70 | 4 years age 65 | 4 years age 65 |
| | 4 years age 65 | | | | | | |
| Benefit Percent per Year of Service ² | 2.00% per year all years | 1.25% per year to June 1975 2.00% per year July 1975 to present | 2.50% per year up to 20 years 2.00% per year over 20 years | | 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 2.50% or 4.00% annually depending on the employer | Up to 4.00% annually | Up to 4.00% compounded annually | Up to 2.50% annually | Up to 2.50% annually |

Note: The Utah Governors and Legislators Retirement Plan benefits are explained below.

¹ With actuarial reductions.

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

³ All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Former governors at age 65 receive \$1,500 per month per term. Legislators with four or more years of service receive a benefit at age 65 at the rate of \$32.40 per month per year of service. Legislators retiring at age 62 with ten or more years of service will receive an actuarial reduction. Both the governors' and legislators' benefits are adjusted based on the Consumer Price Index (CPI), limited to 4 percent of the base benefit per year.

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

members of the Systems may leave their retirement account intact for future benefits based on vesting qualification or withdraw the accumulated funds in their individual member account and forfeit service credits and rights to future benefits upon which the contributions were based.

At December 31, 2023, the following number of employees were covered by the State's (primary government) single-employer plans:

| Single-employer Plans Covered Employees December 31, 2023 | | |
|---|---------------|---|
| | Judges System | Governors and Legislators Retirement Plan |
| Inactive Employees or Beneficiaries Currently Receiving Benefits .. | 164 | 237 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits | 6 | 75 |
| Active Employees | 119 | 44 |
| Total Single-employer Plans Covered Employees | 289 | 356 |

Contribution Rates

As a condition of participation in the Defined Benefit Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and

specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an

additional amount to finance any unfunded actuarial accrued liability. For the Utah Governors and Legislators plan, an annual appropriation is statutorily required to maintain this plan on a financially and actuarially sound basis. The State paid

100 percent of the contractually and statutorily required contributions. Contribution rates and contributions for the fiscal year ended June 30, 2024, are presented in the following table (dollars expressed in thousands):

Contributions

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

¹ Tier 2 plans provide a statutory required contribution (0.08 to 18.54 percent amortization rate) to finance the unfunded actuarial accrued liability of the non-Tier 2 plans.

In addition to the contributions noted above, the primary government and discretely presented component units (except UTA) also paid to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements of \$2.744 million and \$224 thousand, respectively.

(Notes continue on next page.)

Below are the changes in net pension liability for the State's (primary government) single-employer system and plan:

| Single-employer Plans Changes in Net Pension Liability and Related Ratios Increases (Decreases) For the Fiscal Year Ended December 31, 2023 <i>(dollars expressed in thousands)</i> | | |
|---|--------------------------|---|
| | Judges System | Utah Governors and Legislators Retirement Plan |
| Total Pension Liability | | |
| Service Cost | \$ 6,920 | \$ 55 |
| Interest | 19,983 | 868 |
| Difference between Actual and Expected Experience | 9,671 | (26) |
| Assumption Changes | (289) | 10 |
| Benefit Payments | (18,620) | (1,058) |
| Net Change in Total Pension Liability | 17,665 | (151) |
| Total Pension Liability – Beginning | 297,575 | 13,166 |
| Total Pension Liability – Ending | A \$ 315,240 | \$ 13,015 |
| Plan Fiduciary Net Position | | |
| Contributions – Employer | \$ 10,372 | \$ 360 |
| Court Fees ¹ | 1,605 | — |
| Net Investment Income | 23,938 | 1,097 |
| Benefit Payments | (18,620) | (1,058) |
| Administrative Expense | (92) | (4) |
| Net Transfers with Affiliated Systems | 1,474 | 15 |
| Net Change in Plan Fiduciary Net Position | 18,677 | 410 |
| Plan Fiduciary Net Position – Beginning | 262,307 | 12,122 |
| Plan Fiduciary Net Position – Ending | B \$ 280,984 | \$ 12,532 |
| Net Pension Liability / (Asset) – Ending (A – B) | \$ 34,256 | \$ 483 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 89.13 % | 96.29 % |
| Covered Payroll | \$ 22,225 | \$ 724 |
| Net Pension Liability as a Percentage of Covered Payroll | 154.13 % | 66.71 % |

¹ These court fees were recognized as revenue for support provided by non-employer contributing entities.

(Notes continue on next page.)

Proportionate Share of Net Pension Asset and Liability

Utah Retirement Systems (URS) (pension trust and defined contribution plans) provides retirement benefits to employees of the primary government and its discretely presented component units (except UTA) as well as to public education and other political subdivisions of the State. At December 31, 2023, the net pension asset and the net pension liability for all URS systems is

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

**Primary Government
Net Pension Asset and Liability**

December 31, 2023

(dollars expressed in thousands)

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

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

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

December 31, 2023

(dollars expressed in thousands)

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

Deferred Outflows and Inflows of Resources

The net pension asset and liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's

actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year. The following table summarizes the pension expense by system, separated by primary government and the discretely presented component units (except UTA).

(Notes continue on next page.)

Primary Government and Discretely Presented Component Units (except UTA)

Pension Expense

June 30, 2024

(expressed in thousands)

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

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

Deferred Outflows and Inflows of Resources ¹
Related to Pensions

June 30, 2024

(expressed in thousands)

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

Continues

Deferred Outflows and Inflows of Resources ¹
Related to Pensions

June 30, 2024

(expressed in thousands)

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

¹ Before amounts allocated for financial statement presentation.

**Deferred Outflows and Inflows of Resources ¹
Related to Pensions**

June 30, 2024

(expressed in thousands)

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

¹ Before amounts allocated for financial statement presentation.

The \$177.359 million and \$43.803 million reported as deferred outflows of resources by the primary government and discretely presented component units (except UTA), respectively, are the result of contributions subsequent to the measurement date of December 31, 2023. These contributions will be recognized as a reduction of

the net pension liability in the subsequent fiscal year. Other amounts reported above as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Recognition of Remaining Deferred Outflows and (Inflows) of Resources

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

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

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

Summary of Actuarial Assumptions

| | Non-contributory System | Contributory System | Public Safety System | Firefighters System | Judges System | Utah Governors and Legislators Retirement Plan | Tier 2 Public Employees System | Tier 2 Public Safety and Firefighters System |
|---|-------------------------|---------------------|----------------------|---------------------|---------------|--|--------------------------------|--|
| Valuation Date | 01/01/23 | 01/01/23 | 01/01/23 | 01/01/23 | 01/01/23 | 01/01/23 | 01/01/23 | 01/01/23 |
| Measurement Date | 12/31/23 | 12/31/23 | 12/31/23 | 12/31/23 | 12/31/23 | 12/31/23 | 12/31/23 | 12/31/23 |
| Actuarial Cost Method | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age |
| Actuarial Assumptions: Investment Rate of Return | 6.85% | 6.85% | 6.85% | 6.85% | 6.85% | 6.85% | 6.85% | 6.85% |
| Projected Salary Increases .. | 3.50–9.50% | 3.50–9.50% | 3.75–7.25% | 3.50–8.25% | 3.25% | None | 3.50–9.50% | 3.50–8.25% |
| Inflation Rate | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Post-retirement Cost-of-living Adjustment | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |

Note: All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual CPI increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2022. Mortality rates were developed from actual experience and mortality tables, based on gender, occupation, and age, as appropriate, with adjustments for future improvement in mortality based on the MP-2020 mortality improvement scale using a base year of 2020, a model developed by the Society of Actuaries.

which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of December 31, 2023, are summarized in the table below:

Target Allocations

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

Target Allocations Expected Return Arithmetic Basis

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required

rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan

investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the municipal bond rate.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents

the proportionate share of the State's (primary government) net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.85 percent) or 1 percentage-point higher (7.85 percent) than the current rate:

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

Changes in Assumptions

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

B. Defined Benefit Plans - Utah Transit Authority

Utah Transit Authority (UTA) (major discretely presented component unit) offers its employees a single employer non-contributory defined benefit pension plan, The Utah Transit Authority Retirement Plan and Trust (Plan), which includes all employees of UTA who are eligible and who have completed six months or more of service. The Plan is a qualified government plan and is not subject to all of the provisions of The Employee Retirement Income Security Act (ERISA). As a defined benefit pension plan, UTA contributes such amounts as are necessary, on an actuarially sound basis, to provide assets sufficient to meet the benefits to be paid. Required employee contributions were discontinued effective June 1, 1992. Participants may make voluntary contributions as described below. Interest on existing account balances is credited at 5.00 percent per year.

Although UTA has not expressed any intention to do so, UTA has the right under the Plan to discontinue its contributions at any time and to terminate the Plan. In the event the Plan terminates, the trustee will liquidate all assets of the Plan and will determine the value of the trust fund as of the next business day following the date of such termination. The trustee will allocate assets of the Plan among the participants and beneficiaries as required by law.

The Plan is administered by the Pension Committee that consists of five (5) members, three (3) appointed by UTA and two (2) appointed by the Amalgamated Transit Union Local 382 in accordance with a collective bargaining agreement. The members of the Pension Committee may (but need not) be participants in the Plan. In the absence of a Pension Committee, the Plan Administrator assumes the powers, duties and responsibilities of

the Pension Committee with respect to the administration of the Plan. U.S. Bank serves as the administrator and custodian of the Plan, with Cambridge Associates, LLC (CA) serving as a third-party investment manager.

The Plan prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, under which benefits and expenses are recognized when due and payable and revenues are recorded in the accounting period in which they are earned and become measurable in accordance with the terms of the Plan. Accordingly, the valuation of investments is shown at fair value and both realized and unrealized gains (losses) are included in net appreciation and depreciation in fair value of investments. The Plan's financial statements are included as supplementary schedules in the Authority's financial statements. Separate financial statements are not required or issued for the Plan.

Retirement Benefits

Employees with five or more years of service are entitled to annual pension benefits beginning at normal retirement age 65, or any age with 37.5 years of service in the Plan. For participants who began participating in the Administrative Plan prior to January 1, 1994, the annual benefit is based on a retirement benefit formula equal to:

- 2.30 percent of average compensation multiplied by the participant's years of service (not exceeding 20 years), plus
- 1.50 percent of the average compensation multiplied by the participant's years of service in excess of 20 years (but such excess not to exceed 9 years of service), plus
- 0.50 percent for one year plus 2.00 percent for years in excess of 30 years not to exceed 75 percent of average compensation.

For all other active participants, the annual benefit is based on a retirement benefit formula equal to 2.00 percent of average compensation multiplied by the participant's years of service (not to exceed 37.5 years or 75 percent of average compensation).

Upon termination of employment, members may leave their retirement account intact for future benefits based on vesting qualification or withdraw the accumulated funds in their individual member account and forfeit service credits and rights to future benefits upon which the contributions were based. If employees terminate employment before rendering three years of service, they forfeit the right to receive their non-vested accrued plan benefits.

Early Retirement Benefits

The Plan allows for early retirement benefits if the participant has not reached the age of 65 but is at least age 55 with a vested benefit. Benefits under early retirement are equal to the value of the accrued pension, if the participant had retired at the age of 65, reduced 5.00 percent per year if the payments begin before age 65.

Disability Benefits

The Plan allows for disability benefits. A member who becomes permanently disabled after 5 years of service will immediately receive the greater of the actuarially-reduced monthly accrued benefit or \$90 per month, reduced by any UTA sponsored disability plans. Payment of the disability benefit ends at age 65.

Death Benefits

If a participant's death occurs before age 55, but after 5 years of service, the present value of the participant's accrued vested benefit is payable to the participant's beneficiary in the form of a single lump sum regardless of the amount. If a participant's death occurs after age 55 and 5 years of service, the participant's beneficiary can elect to receive a benefit equal to the greater of:

- (1) A survivor's pension as if the participant had retired on the date before the death with a 100 percent joint and survivor annuity in effect, or
- (2) The present value of the survivor's pension, or
- (3) If a spouse of 2 or more years or a minor child, the participant's contribution with interest, plus 50 percent of the average compensation, payable in the form of a lump sum, or
- (4) A 10-year term certain.

A participant may elect a joint and survivor annuity with 100, 75, or 50 percent to be continued to the beneficiary upon the death of the participant.

Lump Sum Distributions

Payment in a lump sum, regardless of amount, may be made with the participant's written consent. Effective September 1, 2012, a participant who has not previously received benefits may elect a partial lump sum payment with the remaining part to be paid in the same manner as the traditional annuity. During calendar year 2023, 47 participants elected to receive their benefit in the form of lump sum distribution. Lump sum distributions collectively totaled \$7.190 million. Individuals are removed from the Plan's membership if they choose to take all of their benefit as a lump sum distribution.

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

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

| | |
|---|--------------|
| Active participants | 2,471 |
| Inactive participants not receiving benefits | 535 |
| Retirees and beneficiaries receiving benefits | 799 |
| Total | <u>3,805</u> |

Contributions

Employer Contribution Requirements

UTA's contributions are determined by the Pension Committee and approved by the Board of Trustees based on funding levels recommended by the Plan's actuary. The Authority's contribution rate consists of (1) an amount for normal cost, the estimated amount necessary to finance benefits earned by participants during the current year, and (2) an amount for amortization of the unfunded or excess funded actuarial accrued liability over the service life of the vested participants in preparation for the Authority's adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The rates are determined using the entry age actuarial cost method. The Authority's Board of Trustees adopted a contribution rate policy of 16 percent for calendar year 2023. Employer contributions in calendar year 2023 totaled \$30.042 million.

Participant Voluntary Contributions

A participant who is vested in the Plan may make voluntary contributions into the Plan, and transfer funds from the Employee 457 Deferred Compensation Plan, for the purpose of purchasing "permissive service credit" (as defined in *Internal Revenue Code* Section 415(N)(3)(A)), in the Plan. No more than 5 years of "permissive service credit" may be purchased. Any purchase of "permissive service credit" must be made in the final year of employment with UTA.

Below are the changes in net pension liability for the Plan:

(Table on next page)

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

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

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

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

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

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

**Recognition of Remaining Deferred Outflows and
(Inflows) of Resources**
For the Fiscal Year Ended December 31, 2023
(expressed in thousands)

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

Actuarial assumptions

Actuarial valuation of the Plan involves estimates of the reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The total pension liability as of December 31, 2023, is based on the results of an actuarial valuation date of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The significant actuarial assumptions and methods used in the January 1, 2023 valuation are as follows:

Utah Transit Authority Retirement Plan and Trust
Summary of Actuarial Assumptions

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

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2008.

Investment Policy and Target Allocation

The Pension Committee has adopted an Investment Policy Statement (IPS). The IPS is reviewed by the Pension Committee once a year, and was amended effective October 2022 to revise the asset classes. A normal weighting is now indicated for each asset class. The IPS was also amended to provide a list of prohibited investments.

All Plan investments are stated at fair value. Most types of marketable or actively traded investments are priced by nationally known vendors. In the event that an investment is not priced by the primary vendor, the Custodian (US Bank) engages a secondary vendor or other source. Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

In setting the long-term asset policy for the Plan, the Committee has opted to provide a minimum and maximum allowable

allocation to the major asset classes. Best estimates of the compound nominal rates of return for each major asset class included in the Plan's target asset allocation is summarized in the table below:

**Utah Transit Authority Retirement Plan and Trust
Policy Allocation**

| | Target Asset Allocation | Range | Long-term Expected Return |
|--------------------------|----------------------------|-------------|---------------------------------|
| Global Equity | 56.00 % | 36 % – 76 % | 6.80 % |
| Private Equity | 10.00 % | 0 % – 20 % | — % |
| Real Assets | 7.00 % | 3 % – 11 % | 6.40 % |
| Fixed Income | 25.00 % | 15 % – 35 % | 5.30 % |
| Cash & Equivalents | 2.00 % | 0 % – 5 % | 5.50 % |
| Total | <u>100.00 %</u> | | <u>6.80 %</u> |

The long-term rate of return is selected by the Plan's Pension Committee after a review of the expected inflation and long term real returns, reflecting expected volatility and correlation. The 6.75 percent assumed investment rate of return is net of investment expense.

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow each month. The money-weighted rate of return is calculated net of investment expenses. For the calendar year ending, December 31, 2023, the annual money-weighted rate of return, net of investments was 16.76 percent.

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. Based on the actuarial assumptions, the Plan's fiduciary net position was projected to be available to make all the projected future benefit payments of current active and inactive Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The following sensitivity analysis assumes rate volatility of plus and minus one percent of the discount rate of 6.75 percent.

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

(expressed in thousands)

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

C. Defined Contribution Plans

The 401(k), 457, and Roth and Traditional IRA Plans, in which the State participates and administered by URS, are defined contribution plans. These plans are available as supplemental plans to the basic retirement benefits of the Retirement Systems and a primary retirement plan for some Tier 2 participants. Contributions may be made into the plans subject to plan and Internal Revenue Code limitations. Employer contributions may be made into the 401(k) and 457 Plans at rates determined by the employers and according to Title 49 of the *Utah Code*. There are 488 employers participating in the 401(k) Plan and 304 employers participating in the 457 Plan. There are 209,708 plan

participants in the 401(k) Plan, 20,995 participants in the 457 Plan, 20,767 participants in the Roth IRA Plan, and 3,523 participants in the Traditional IRA Plan.

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

Employees of the State are eligible to participate in the defined contribution 401(k), 457, and Roth and Traditional IRA Plans. Employees, who contribute to a 401(k), 457, or IRA will get a match from the State of up to 2.00 percent and \$26 per pay period. In addition, the State and participating employers are required to contribute 1.50 percent of an employee's salary into a 401(k) for those employees who participate in the noncontributory system. The amounts contributed to these plans during the year ended June 30, 2024, by employees and employers are as follows:

**Defined Contribution Savings Plans
Contributions**

(expressed in thousands)

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

For the Tier 2 Public Employee System, Tier 2 Public Safety System, and the Tier 2 Firefighters System, the State and participating employers are required to contribute varying amounts into a 401(k). The amounts range from 0.18 to 1.50 percent of an employee's salary for the hybrid defined benefit systems and 10.00 to 14.00 percent of an employee's salary for the defined contribution systems. These contributions vest immediately, except for the Tier 2 401(k) required contributions that are subject to a 4 year vesting period. The primary government and discretely presented component units paid in 401(k) defined contributions required by statute \$22.602 million and \$2.696 million, respectively. In addition to these contributions, the Tier 2 plans provide a statutory required contribution (0.08 to 18.54 percent amortization rate) to finance the unfunded actuarial accrued liability of the non-Tier 2 (defined benefit) plans.

Teachers Insurance and Annuity Association

Teachers Insurance and Annuity Association (TIAA) and Fidelity Investments, privately administered defined-contribution retirement plans, provide individual retirement fund contracts for

each eligible participating employee. Eligible employees are mainly state college/university faculty and staff. Benefits to retired employees are generally based on the value of the individual contracts and the estimated life expectancy of the employee at retirement and are fully vested from the date of employment. The total current year required contribution and the amount paid is 14.20 percent of the employee's annual salary. The State has no further liability once annual contributions are made.

The total contribution made by the colleges and universities (discretely presented component units) to the TIAA and Fidelity retirement systems for June 30, 2024 and June 30, 2023, were \$338.211 million and \$308.072 million, respectively.

University of Utah

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

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

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

Utah Transit Authority

The Utah Transit Authority (UTA) (major discretely presented component unit) offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all employees on a voluntary basis and permits them to defer a portion of their salaries until future years. UTA currently matches \$2 for every \$3 of employee contributions, up to 2 percent of the employee's salary. UTA contributed \$2.696 million during calendar year 2023. The

deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. As part of its fiduciary role, UTA has an obligation of due care in selecting the third party administrators. In the opinion of management, UTA has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan. The deferred compensation assets are held by third party plan administrators and are generally invested in money market funds, stock or bond mutual funds or guarantee funds as selected by the employee.

NOTE 18. OTHER POSTEMPLOYMENT BENEFITS

The State administers the State Employee Other Postemployment Benefit Plan (State Employee OPEB Plan) through the State Post-Retirement Benefits Trust Fund, as set forth in Section 67-19d-201 of the *Utah Code*. A separate Elected Official Other Post-employment Benefit Plan (Elected Official OPEB Plan) is provided for governors and legislators, and this plan is administered through the Elected Official Post-Retirement Benefits Trust Fund as set forth in Section 67-19d-201.5 of the *Utah Code*. Both trust funds are irrevocable and legally protected from creditors. Both are also administered under the direction of a board of trustees, which consists of the State Treasurer, the Director of the Division of Finance, and the Director of the Governor's Office of Planning and Budget or a designee. Neither plan issues a publicly available financial report, but are included in this report of the primary government.

State Employee OPEB Plan Description

At the option of individual state agencies, employees may participate in the State Employee OPEB Plan, a single-employer defined benefit healthcare plan, as set forth in Section 63A-17-507 of the *Utah Code*. Only state employees who are entitled to receive retirement benefits are eligible to receive postemployment health and life insurance benefits, and in some situations dental coverage, from the State Employee OPEB Plan. Upon retirement, employees receive up to 25 percent of the value of their unused accumulated sick leave, earned prior to January 1, 2006, as a mandatory employer contribution into a 401(k) account. Employees may exchange eight hours of their remaining unused accumulated sick leave for one month of paid health and life insurance coverage up to age 65. After age 65, employees may use the balance of unused accumulated sick leave, earned prior to January 1, 2006, to exchange for spouse health insurance to age 65, or Medicare supplemental insurance for employee or spouse. In addition, any full-time employees of the Utah State Board of Education and the Utah Schools for the Deaf and the Blind (nonmajor discretely presented component unit) hired before July 1, 2012, who have attained at least five consecutive years of service with the agency, have the option of receiving postemployment health, dental, and life insurance coverage for up to five years or until reaching age 65 regardless of their unused sick leave balance. Also, judges have their own retiree health coverage that is part of the State Employee OPEB Plan. The State Employee OPEB Plan is closed to new entrants since it is only applicable to employees eligible for retirement who have sick leave earned prior to January 1, 2006, or employees of the Utah State Board of Education hired before July 1, 2012.

Elected Official OPEB Plan Description

The Elected Official OPEB Plan is a single-employer defined benefit healthcare plan, as set forth in Section 49-20-404 of the *Utah Code*. Only governors and legislators (elected officials) who retire after January 1, 1998, and have four or more years of

service can elect to receive and apply for health insurance coverage or Medicare supplemental coverage. The State will pay 40 percent of the benefit cost for four years of service and up to 100 percent for ten or more years of service for elected officials and their spouses.

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

health insurance coverage, an elected official must have service as a legislator or governor prior to January 1, 2012.

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

At June 30, 2024, the following number of employees were covered by the State's single-employer OPEB plans:

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

| | State Employee OPEB Plan | Elected Official OPEB Plan |
|---|-------------------------------------|---------------------------------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits .. | 2,482 | 114 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits..... | — | 99 |
| Active Employees..... | 4,439 | 30 |
| Total Single-employer Plans Covered Employees | <u>6,921</u> | <u>243</u> |

State Employee OPEB Plan Contributions

The contribution requirements of employees and the State are established, and may be amended, by the State Legislature. For retirees who participate in the State Employee OPEB Plan, health insurance premiums are paid 100 percent by the State for individuals who retired before July 1, 2000. Individuals retiring thereafter are required to contribute specified amounts monthly, ranging from 0 to 8.0 percent, toward the cost of health insurance premiums. For the fiscal year ended June 30, 2024, retirees contributed \$1.296 million, or approximately 4.15 percent of total premiums, through their required contributions of \$0 to \$209.93 per month depending on the coverage (single, double, or family) and health plan selected.

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

Elected Official OPEB Plan Contributions

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

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

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

Net OPEB Asset

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

(Notes continue on next page.)

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

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

¹ Contributions to the State Employee Plan are based on a measure of pay, therefore covered payroll is presented in the above schedule. Contributions to the Elected Official OPEB Plan are based on appropriations and not on a measure of pay; therefore, for that plan the covered-employee payroll is presented.

(Notes continue on next page.)

Deferred Outflows and Inflows of Resources and OPEB Expense

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

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

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

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

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

| Deferred Outflows and Inflows of Resources Related to OPEB | | | | |
|---|---------------------------------|-------------------------|-----------------------------------|-------------------------|
| June 30, 2024 | | | | |
| <i>(expressed in thousands)</i> | | | | |
| Source | State Employee OPEB Plan | | Elected Official OPEB Plan | |
| | Deferred Outflows | Deferred Inflows | Deferred Outflows | Deferred Inflows |
| Differences between expected and Actual Experience..... | \$ 2,474 | \$ (11,340) | \$ — | \$ — |
| Changes in Assumption..... | 4,730 | (2,280) | — | — |
| Net Differences between Projected and Actual Earnings on OPEB Plan Investments..... | 10,776 | — | 291 | — |
| Total..... | <u>\$ 17,980</u> | <u>\$ (13,620)</u> | <u>\$ 291</u> | <u>\$ 0</u> |

Amounts reported above as deferred inflows and deferred outflows of resources related to OPEB will be recognized in OPEB expenses as follows:

| Recognition of Remaining | | | | |
|---|---------------------------------|-------------------------|-----------------------------------|-------------------------|
| Deferred Outflows and Inflows of Resources | | | | |
| Fiscal Year Ended June 30, 2024 | | | | |
| <i>(expressed in thousands)</i> | | | | |
| Fiscal Year | State Employee OPEB Plan | | Elected Official OPEB Plan | |
| | Deferred Outflows | Deferred Inflows | Deferred Outflows | Deferred Inflows |
| 2025..... | \$ 8,467 | \$ (8,566) | \$ 13 | \$ — |
| 2026..... | \$ 8,284 | \$ (3,235) | \$ 531 | \$ — |
| 2027..... | \$ 2,101 | \$ (1,820) | \$ (195) | \$ — |
| 2028..... | \$ (871) | \$ — | \$ (58) | \$ — |

The total OPEB liability in the December 31, 2022 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| Summary of Actuary Assumptions | | |
|---------------------------------------|--|-----------------------------------|
| | State Employee OPEB Plan | Elected Official OPEB Plan |
| Actuarial Valuation Date..... | 12/31/2022 | 12/31/2022 |
| Measurement Date..... | 6/30/2024 | 6/30/2024 |
| Actuarial Cost Method..... | Entry Age Normal Level Percentage of Pay Cost Method | |
| Investment Rate of Return..... | 3.00% | 5.25% |
| Inflation Rate..... | 2.70% | |
| Healthcare Inflation Rate..... | 6.60% initial 4.14% ultimate | |

Rates for the pre-retirement mortality assumption were based on the Pub-2010 Headcount-Weighted General or Public Safety Employees Mortality Tables with generational projection using Scale MP-2021. Rates for the post-employment mortality assumption were based on the Pub-2010 Headcount-Weighted General or Public Safety Retirees or Contingent Survivors Mortality Tables with generational projection using Scale MP-2021. The medical trend assumptions used in the valuation were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model.

Investment Policy and Target Allocations

The State Treasurer is responsible for investing the assets of the State Employee OPEB Plan and the Elected Official OPEB Plan. The State Treasurer has an investment committee which establishes the asset allocation for the OPEB plans with the primary goal of providing for the stability, income, and growth of the principal. The asset allocation for the plans is not expected to change substantially over the short or intermediate time horizons in response to short-term market movements, but may change incrementally based upon long-term capital market projections. For the fiscal year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 3.56 percent for the State Employee OPEB Plan and 4.72 percent for the Elected Official OPEB Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in each plan's target asset allocation as of June 30, 2024, are summarized below:

State Employee OPEB Plan Target Allocations Expected Return Arithmetic Basis

| Asset Class | Target Asset Allocation | Real Return Arithmetic Basis | Long-term Expected Portfolio Real Rate of Return |
|--|-------------------------|------------------------------|--|
| Debt Securities..... | 90.00 % | 0.90 % | 0.80 % |
| Real Estate | 10.00 % | 2.00 % | 0.20 % |
| Total Asset Classes.. | <u>100.00 %</u> | | 1.00 % |
| Inflation | | | 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 4.21 percent.

The projection of cash flows used to determine the discount rates assumed that future State contributions will be equal to the Actuarially Determined Contribution (ADC) as calculated in each future valuation. Based on those assumptions, the OPEB Plan's Fiduciary Net Position for both plans was projected at the beginning of each year to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the OPEB Plan's investments for both plans, was applied to all periods of projected benefit payments to determine the total OPEB liability/Asset.

The following presents the net OPEB liability for the State for both plans, calculated using the discount rate of 3.00 percent for the State Employee OPEB Plan and 5.25 percent for the Elected Official OPEB Plan, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2 percent – State Employee OPEB Plan, 4.25 percent – Elected Official OPEB Plan) or 1 percentage-point higher (4 percent – State Employee OPEB Plan, 6.25 percent – Elected Official OPEB Plan) than the current rate:

(Table on next page)

Changes in Discount Rate
Net OPEB Liability / (Asset)
(expressed in thousands)

| OPEB Plan | 1% Decrease (2.00%) | Current Discount Rate (3.00%) | 1% Increase (4.00%) |
|--|--------------------------------|--|--------------------------------|
| State Employee OPEB Plan..... | \$ (24,549) | \$ (33,696) | \$ (42,574) |
| | 1% Decrease (4.25%) | Current Discount Rate (5.25%) | 1% Increase (6.25%) |
| Elected Official OPEB Plan | \$ 1,476 | \$ (1,438) | \$ (3,833) |
| Total Net OPEB Liability / (Asset) | \$ (23,073) | \$ (35,134) | \$ (46,407) |

The following presents the net OPEB liability of the State, as well as what the State's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher the current healthcare cost trend rates:

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

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

NOTE 19. RISK MANAGEMENT AND INSURANCE

It is the policy of the State of Utah to use a combination of commercial insurance and self-insurance to cover the risk of losses to which it may be exposed. This is accomplished by the State through the Risk Management Fund (internal service fund) and the Public Employees Health Program (PEHP) (major discretely presented component unit). The Risk Management Fund manages the general property, auto/physical damage, and general liability risks of the State. PEHP manages the group medical, dental, life insurance, and long-term disability programs of the State. The State is a major participant in both of these programs with all state funds and departments included. All state colleges, universities, school districts, most charter schools, and other state discretely presented component units participate in the Risk Management Fund. PEHP provides insurance coverage to 396 municipalities, school districts, and other public entities within the State.

Participants in the Risk Management Fund general property, auto/physical damage, and general liability programs are state agencies, higher education, school districts, and charter schools. All participants share the risk within the PEHP long-term disability, life insurance, health reimbursement arrangement (HRA), Medicare Supplement, and reinsurance programs of PEHP. The PEHP medical and dental programs are divided into state and various other employers risk pools.

The State has determined that the Risk Management Fund and PEHP can economically and effectively manage the State's risks internally and have set aside assets for claim settlements through reserves. Risk Management manages a liability captive insurance entity and two property captive insurance entities as part of its insurance portfolio. Beginning in fiscal year 2024, the Risk Management Fund covers liability claims up to \$1 million per

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

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

PEHP does not enter into any external medical reinsurance agreements. PEHP has reinsurance coverage for a life catastrophic occurrence in excess of \$3 million, not to exceed \$80 million per year with a one-time reinstatement with additional premium. The limit is dependent on the participating group's lifetime maximum. The retention per person will be reapplied to PEHP each calendar year.

The Risk Management Fund and PEHP allocate the cost of providing claims servicing, claims payment, and commercial insurance by charging a premium to each participating public entity or employee. Premiums are based on each organization's recent trends in actual claims experience and property values. The primary government and discretely presented component units of the State paid premiums to PEHP for health and life insurance coverage in fiscal year 2024 of \$419.891 million and \$68.531 million, respectively.

Risk Management and PEHP claims liabilities are reported when it is probable that a claim has occurred and the ultimate cost of settling that claim can be reasonably estimated and includes an amount for claims that have been incurred but not reported. Because actual claims liabilities are affected by complex factors (i.e., inflation, changes in legal doctrines and insurance benefits, and unanticipated damage awards), the process used in computing claims liabilities does not necessarily result in exact amounts. Claims liabilities are recomputed periodically by actuaries who take into consideration recently settled claims, frequency of claims, and other economic or social factors. Inflation and other appropriate modifiers are included in this calculation because reliance is based on historical data. The Risk Management Fund claim reserves are reported using a discount rate of 3 percent. PEHP long-term disability benefit reserves of \$9.778 million are reported using a discount rate of 2.75 percent in 2023 and thereafter to calculate the present value of estimated future cash payments as of December 31, 2023 and 2022.

All employers who participate in the Utah Retirement Systems are eligible to participate in the Public Employees Long-term Disability Program according to Section 49-21-201 of the *Utah Code*. Employees of state departments who meet long-term disability eligibility receive benefits for the duration of their disability up to the time they are eligible for retirement or until age 65. Benefits beginning after a three-month waiting period are paid 100 percent by the program. As of June 30, 2024, there were 131 state employees receiving benefits. The program is funded by paying premiums to PEHP where assets are set aside for future payments. For the fiscal year ended June 30, 2024, the primary government and the discretely presented component units of the State paid premiums for the Long-term Disability Program of \$10.618 million and \$669 thousand, respectively.

The State covers its workers' compensation risk by purchasing insurance from Workers' Compensation Fund (a related

organization). The University of Utah, Utah State University, Southern Utah University, Salt Lake Community College, Utah Valley University, and Utah Tech University (major and nonmajor discretely presented component units) each maintain self-insurance funds to manage health/dental care and report claims liabilities if it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The University of Utah also maintains a self-insurance trust fund to manage medical malpractice liabilities. The University of Utah and the University of Utah Hospital and Clinics also have a "claims made" umbrella medical professional liability insurance policy in the amount of \$20 million for catastrophic malpractice liabilities in excess of the trust fund balances. The coverage provides for \$5 million per occurrence and \$26 million in aggregate.

Utah Transit Authority (UTA) (major discretely presented component unit) is self-insured for amounts up to the maximum statutory liability in any one accident of \$3 million for incidents occurring after May 1, 2019. UTA carries an excess umbrella policy of \$10 million over a \$7 million self-insurance reserve. UTA has Railroad Liability Coverage of \$100 million per annum with \$5 million of risk retention. UTA is self-insured for workers' compensation up to the amount of \$1 million per incident and has excess insurance for claims over this amount. UTA has insurance for errors and omissions and damage to property in excess of \$100 thousand per annum.

The following table presents the prior and current year changes in claims liabilities balances (short and long-term combined). The Risk Management and College and University self-insurance balances are for the fiscal years ended June 30, 2023 and June 30, 2024. The PEHP and UTA balances are for the calendar years ended December 31, 2022 and December 31, 2023:

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

NOTE 20. SUBSEQUENT EVENTS

Subsequent to June 30, 2024, the Governor's Office of Economic Development Board recommended and the director approved \$25.978 million of additional commitments to be credited over the next several years for the Economic Development Tax Increment Financing (EDTIF) and Motion Picture Incentive (MPIP) programs. These commitments are contingent on

participating companies meeting certain economic development performance criteria and within-the-state production criteria.

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

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

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

Discretely Presented Component Units

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

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

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



REQUIRED SUPPLEMENTARY INFORMATION



Winter Moon over Ogden

Photo by Chad Roylance

Budgetary Comparison Schedule

General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

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

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

Budgetary Comparison Schedule
Income Tax Fund
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

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

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

Budgetary Comparison Schedule
Transportation Fund
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

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

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

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

For the Fiscal Year Ended June 30, 2024

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

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

INFORMATION ABOUT BUDGETARY REPORTING

Budgetary Presentation

A Budgetary Comparison Schedule is presented for the General Fund and each of the State's major special revenue funds for which the legislature enacts an annual budget. An annual budget is also adopted for the Transportation Investment Fund, a major capital projects fund, the Debt Service Fund, a nonmajor governmental fund, and the Alcoholic Beverage Services Fund, a major enterprise fund. The budgets are enacted through passage of *Appropriations Acts*. Budgets for specific general revenues are not adopted through an *Appropriations Act*, but are based on supporting estimates approved by the Executive Appropriations Committee of the legislature. General revenues are those revenues available for appropriation for any program or purpose as allowed by law. Department-specific revenues are revenues dedicated by an *Appropriations Act* or restricted by other law or external grantor to a specific program or purpose.

Original budgets and related revenue estimates represent the spending authority enacted through *Appropriations Acts* as of June 30, 2024, and include nonlapsing carryforward balances from the prior fiscal year. Final budgets represent the original budget as amended by supplemental appropriations and related changes in revenue estimates, executive order reductions when applicable, and changes authorized or required by law when department-specific revenues either exceed or fall short of budgeted amounts.

Unexpended balances at yearend may: (1) lapse to unrestricted balances (i.e., committed, assigned, or unassigned) and be available for future appropriation; (2) lapse to restricted balances and be available for future appropriation restricted for specific purposes as defined by statute; or (3) be nonlapsing, which means balances are reported as either restricted or committed fund balance. The nonlapsing balances are considered automatically reappropriated as authorized by statute, by an *Appropriations Act*, or by limited encumbrances.

Budgetary Control

In September of each year, in accordance with the Budgetary Procedures Act in Title 63J, Chapter 1 of *Utah Code*, all agencies of the government submit requests for appropriations to the Governor's Office of Management and Budget so that a budget may be prepared. The budget is prepared by fund, function, and activity and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

In January, the Governor recommends a budget to the legislature. The Legislature considers those recommendations and prepares a series of *Appropriations Acts* that modify the State budget for the current year and constitute the State budget for the following year. The Legislature passes the *Appropriations Acts* by a simple majority vote. The *Appropriations Acts* becomes the State's authorized operating budget upon the Governor's signature. The *Constitution of Utah* requires that budgeted expenditures not exceed estimated revenues and other sources of funding, including beginning balances.

Budgetary control is maintained at the functional or organizational level, as identified by numbered line items in the *Appropriations Acts*. Budgets may be modified if federal funding or revenue specifically dedicated for a line item exceeds original estimates in the *Appropriations Acts*. If funding sources are not sufficient to cover the appropriation, the governor is required to reduce the budget by the amount of the deficiency. Any other changes to the budget must be approved by the Legislature in a supplemental *Appropriations Act*.

Any department that spends more than the authorized amount must submit a report explaining the overspending to the State Board of Examiners. The board will recommend corrective action, which may include a request to the legislature for a supplemental appropriation to cover the deficit. If a supplemental appropriation is not approved, the department must cover the overspending with the subsequent year's budget. In the Alcoholic Beverage Services Fund (major enterprise fund), the Alcoholic Beverage Services Operation's budget was over expended by \$359 thousand. All other appropriated budgets of the State were within their authorized spending levels.

Spending Limitation

The State also has an appropriation limitation statute that limits the growth in state appropriations. The total of the amount appropriated from unrestricted General Fund sources plus the income tax revenues appropriated for higher education is limited to the growth in population and inflation. The appropriations limitation can be exceeded only if a fiscal emergency is declared and approved by more than two-thirds of both houses of the Legislature, or if approved by a vote of the people. However, the appropriations limitation statute may be amended by a majority of both houses of the Legislature. Appropriations for debt service, emergency expenditures, amounts from other than unrestricted revenue sources, transfers to the Budgetary Reserve Account (Rainy Day Fund), Income Tax Fund Budget Reserve Account and the Transportation Investment Fund; or capital developments meeting certain criteria are exempt from the appropriations limitation. For the fiscal year ended June 30, 2024, the State was \$82.292 million below the appropriations limitation.

INFORMATION ABOUT THE STATE'S PENSION PLANS

A. Single-employer Plans - Utah Retirement Systems

The State's defined benefit pension systems/plan is administered by Utah Retirement Systems and is included in this Annual Comprehensive Financial Report as a pension trust fund within the fiduciary funds. The Judges System and the Utah Governors and Legislators Retirement Plan are single-employer service retirement plans.

The following schedules present for the State's (primary government) single-employer retirement plans Changes in the Net Pension Liability and Related Ratios and Schedule of Employer Contributions.



Tony Grove in Autumn.

Photo by Gavin Vanderbeek

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

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

Continues

¹ Employer-paid contributions for the Judges System include a 3.00 percent retirement increase (substantial substitute) that is not reflected in this schedule.² These court fees were recognized as revenue for support provided by nonemployer contributing entities.

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

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

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

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

State of Utah

Required Supplementary Information

Contributions – The following schedule presents a ten year history of the State’s (primary government) contributions to the Utah Retirement Systems for its single-employer plans:

Employer Contributions Single-employer Plans - Utah Retirement System (dollars expressed in thousands)

| Last Ten Fiscal Years | | Contributions in Relation to the Contractually Required Contribution | | | | | | Contributions as a Percentage of Covered Payroll | |
|---|-------------|--|--|----------------------------------|-----------------|--|--|--|--|
| | Fiscal Year | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | Covered Payroll | | | | |
| Judges System | 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 % | |
| | 2024 | \$ 11,187 | \$ 11,187 | \$ 0 | \$ 24,779 | | | 45.15 % | |
| Utah Governors and Legislators Retirement Plan | 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 % | |
| | 2024 | \$ 364 | \$ 364 | \$ 0 | \$ 719 | | | 50.63 % | |

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

Methods and Assumptions Used to Determine Contribution Rates

| | Judges System | Utah Governors and Legislators Retirement Plan |
|--|--|--|
| Actuarial cost method | Entry Age Normal | Entry Age Normal |
| Amortization method | Level Percent of Payroll | Level Percent of Payroll |
| Amortization period | Open Group 20-Year Open Period | Closed Group 11-Year Closed Period |
| Actuarial asset valuation method | Based on the total fair value income of investments with the excess or shortfall of actual investment income over or under the expected investment return smoothed over five years. One-fifth of the excess or shortfall is recognized each year for five years. | |
| Actuarial assumptions: | | |
| Investment rate of return | 6.85% | |
| Projected salary increases | 3.25% ² | None |
| Inflation rate | 2.50% | |
| Post-retirement cost-of-living adjustment ¹ | 2.50% | |
| Mortality: | Male: 110% of the 2020 PR UTAH Retiree Mortality Table for males, projected with 80% of the ultimate rates from the MP-2019 mortality improvement scale using a base year of 2020. Female: 110% of the 2020 PR UTAH Retiree Mortality Table for females, projected with 80% of the ultimate rates from the MP-2019 mortality improvement scale using a base year of 2020. | |

¹ All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual CPI increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

² Composed of 2.50 percent inflation, plus 0.75 percent productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.

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

Other Information:

The actuarially determined contribution rates are calculated as of January 1 and become effective on July 1 of the following year, which is 18 months after the valuation date. The Utah Retirement Systems' Board certifies the contribution rates that employers are contractually required to contribute to the Retirement System. According to Section 49-11-301(5) of the *Utah Code*, if the funded ratio of the plan is less than 110 percent, then the Board is permitted to maintain the prior year's contribution rate if the actuarially determined contribution is lower. The Board has historically followed this policy.

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

- **Investment Rate of Return**
In 2017, the actuarial assumed rate of return (the discount rate) was modified from 7.50 percent down to 7.20 percent. In 2018, the discount rate was reduced to 6.95 percent and was again reduced in 2022 to 6.85 percent. This rate is used in establishing retirement contribution rates and in determining current benefit reserve requirements.
- **Inflation Rate**
In 2017, the assumed rate of inflation was decreased from 2.75 to 2.60 percent. In 2018, the assumed rate of inflation was decreased from 2.60 to 2.50 percent.
- **Projected Salary Increases**
In 2019, the wage inflation assumption decreased from 3.35 to 3.25 percent and payroll growth assumption also decreased from 3.10 to 3.00 percent.



Saratoga Spring Marina, Utah Lake in Winter

Photo by Kevin Hehl

B. Single-employer Plans - Utah Transit Authority

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

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

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

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

Continues

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

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

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

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

Last Ten Calendar Years

| | Calendar Year | Actuarial Required Contribution | Actual Employer Contributions | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|------------------------------|---------------|---------------------------------|-------------------------------|----------------------------------|-----------------|--|
| Utah Transit Authority | 2014 | \$ 14,757 | \$ 15,367 | \$ (610) | \$ 106,004 | 14.50 % |
| | 2015 | \$ 16,609 | \$ 16,745 | \$ (136) | \$ 110,727 | 15.12 % |
| | 2016 | \$ 17,148 | \$ 19,604 | \$ (2,456) | \$ 115,431 | 16.98 % |
| | 2017 | \$ 20,270 | \$ 20,506 | \$ (236) | \$ 126,691 | 16.19 % |
| | 2018 | \$ 21,601 | \$ 22,355 | \$ (754) | \$ 132,521 | 16.87 % |
| | 2019 | \$ 22,241 | \$ 24,008 | \$ (1,767) | \$ 141,813 | 16.93 % |
| | 2020 | \$ 25,168 | \$ 24,274 | \$ 894 | \$ 152,297 | 15.94 % |
| | 2021 | \$ 24,743 | \$ 25,207 | \$ (464) | \$ 153,984 | 16.37 % |
| | 2022 | \$ 25,967 | \$ 27,133 | \$ (1,166) | \$ 160,832 | 16.87 % |
| | 2023 | \$ 29,291 | \$ 30,042 | \$ (751) | \$ 173,115 | 17.35 % |

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

Methods and Assumptions Used to Determine Contribution Rates

| | Utah Transit Authority |
|---|--|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level Percent of Payroll, open |
| Amortization period | 18 years |
| Actuarial asset valuation method | 5-year smoothed market less unrealized |
| Actuarial assumptions: | |
| Investment rate of return | 6.75%, net of investment expenses |
| Projected salary increases | 7.00% per annum for the first five years of employment; 4.00% per annum thereafter |
| Inflation rate | 2.50% |
| Cost-of-living adjustment | None |
| Retirement Age | Table of Rates by Age and Eligibility |
| Mortality | RP-2014 Blue Collar Mortality Table, with MP-2014 projection scale |
| Percent of Future Retirements Electing Lump Sum | 20% |

Other Information:

The valuation date is January 1, 2023. This is the date as of which the actuarial valuation is performed. The measurement date is December 31, 2023. This is the date as of which the net pension liability is determined. The reporting date is December 31, 2023. This is the employer's fiscal year ending date.

Money-weighted Rate of Return - 10 Years

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

Schedule of Investment Returns

Single-employer Plans - Utah Transit Authority

| Last Ten Calendar Years | | Annual Money-weighted Rate of Return (Net of Investment Expense) |
|------------------------------|------------------|---|
| | Calendar Year | |
| Utah Transit Authority | 2014 | 4.31 % |
| | 2015 | (0.72)% |
| | 2016 | 4.90 % |
| | 2017 | 18.01 % |
| | 2018 | (8.00)% |
| | 2019 | 20.56 % |
| | 2020 | 13.88 % |
| | 2021 | 10.19 % |
| | 2022 | (17.85)% |
| | 2023 | 16.76 % |



Albion Basin in Spring

Photo by Kevin Hehl

C. Multiple-employer Systems - Utah Retirement Systems

The State's defined benefit pension systems are administered by Utah Retirement Systems and are included in this Annual Comprehensive Financial Report as a pension trust fund within the fiduciary funds. The Noncontributory System, Contributory System, Public Safety System, Firefighters System, Tier 2 Public Employees System, and Tier 2 Public Safety and Firefighters System are defined-benefit multiple-employer, cost-sharing, public employee retirement systems.

The following schedule presents the State's (primary government) proportionate share of the net pension liability for its multiple-employer, cost-sharing public employee employer retirement systems:

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

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

Continues

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

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

Contributions - The following schedule presents a ten year history of the State's (primary government) contributions to the Utah Retirement Systems for its multiple-employer, cost-sharing public employee employer retirement systems:

**Employer Contributions
Multiple-employer Plans**
(dollars expressed in thousands)

Last Ten Fiscal Years

| | Fiscal Year | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|---|-------------|-------------------------------------|--|----------------------------------|-----------------|--|
| Noncontributory System | 2015 | \$ 139,126 | \$ 139,126 | \$ 0 | \$ 636,665 | 21.85 % |
| | 2016 | \$ 136,246 | \$ 136,246 | \$ 0 | \$ 623,605 | 21.85 % |
| | 2017 | \$ 138,041 | \$ 138,041 | \$ 0 | \$ 631,040 | 21.88 % |
| | 2018 | \$ 129,414 | \$ 129,414 | \$ 0 | \$ 591,404 | 21.88 % |
| | 2019 | \$ 126,809 | \$ 126,809 | \$ 0 | \$ 579,713 | 21.87 % |
| | 2020 | \$ 124,841 | \$ 124,841 | \$ 0 | \$ 570,952 | 21.87 % |
| | 2021 | \$ 120,837 | \$ 120,837 | \$ 0 | \$ 550,928 | 21.93 % |
| | 2022 | \$ 120,735 | \$ 120,735 | \$ 0 | \$ 552,178 | 21.87 % |
| | 2023 | \$ 124,869 | \$ 124,869 | \$ 0 | \$ 571,037 | 21.87 % |
| | 2024 | \$ 134,904 | \$ 134,904 | \$ 0 | \$ 617,145 | 21.86 % |
| Contributory System | 2015 | \$ 1,985 | \$ 1,985 | \$ 0 | \$ 11,215 | 17.70 % |
| | 2016 | \$ 1,623 | \$ 1,623 | \$ 0 | \$ 9,171 | 17.70 % |
| | 2017 | \$ 1,373 | \$ 1,373 | \$ 0 | \$ 7,756 | 17.70 % |
| | 2018 | \$ 1,118 | \$ 1,118 | \$ 0 | \$ 6,317 | 17.70 % |
| | 2019 | \$ 863 | \$ 863 | \$ 0 | \$ 4,875 | 17.70 % |
| | 2020 | \$ 671 | \$ 671 | \$ 0 | \$ 3,790 | 17.70 % |
| | 2021 | \$ 569 | \$ 569 | \$ 0 | \$ 3,218 | 17.68 % |
| | 2022 | \$ 487 | \$ 487 | \$ 0 | \$ 2,751 | 17.70 % |
| | 2023 | \$ 409 | \$ 409 | \$ 0 | \$ 2,309 | 17.71 % |
| | 2024 | \$ 360 | \$ 360 | \$ 0 | \$ 2,223 | 16.19 % |
| Public Safety System | 2015 | \$ 43,893 | \$ 43,893 | \$ 0 | \$ 110,125 | 39.86 % |
| | 2016 | \$ 43,850 | \$ 43,850 | \$ 0 | \$ 109,288 | 40.12 % |
| | 2017 | \$ 44,808 | \$ 44,808 | \$ 0 | \$ 111,465 | 40.20 % |
| | 2018 | \$ 43,333 | \$ 43,333 | \$ 0 | \$ 107,565 | 40.29 % |
| | 2019 | \$ 42,189 | \$ 42,189 | \$ 0 | \$ 104,652 | 40.31 % |
| | 2020 | \$ 40,972 | \$ 40,972 | \$ 0 | \$ 101,946 | 40.19 % |
| | 2021 | \$ 37,892 | \$ 37,892 | \$ 0 | \$ 94,507 | 40.09 % |
| | 2022 | \$ 39,515 | \$ 39,515 | \$ 0 | \$ 98,362 | 40.17 % |
| | 2023 | \$ 43,036 | \$ 43,036 | \$ 0 | \$ 107,258 | 40.12 % |
| | 2024 | \$ 45,269 | \$ 45,269 | \$ 0 | \$ 113,173 | 40.00 % |
| Firefighters System | 2015 | \$ 34 | \$ 34 | \$ 0 | \$ 897 | 3.79 % |
| | 2016 | \$ 46 | \$ 46 | \$ 0 | \$ 1,164 | 3.95 % |
| | 2017 | \$ 47 | \$ 47 | \$ 0 | \$ 1,216 | 3.87 % |
| | 2018 | \$ 43 | \$ 43 | \$ 0 | \$ 1,086 | 3.96 % |
| | 2019 | \$ 58 | \$ 58 | \$ 0 | \$ 1,260 | 4.60 % |
| | 2020 | \$ 50 | \$ 50 | \$ 0 | \$ 1,084 | 4.61 % |
| | 2021 | \$ 45 | \$ 45 | \$ 0 | \$ 980 | 4.59 % |
| | 2022 | \$ 51 | \$ 51 | \$ 0 | \$ 1,117 | 4.57 % |
| | 2023 | \$ 48 | \$ 48 | \$ 0 | \$ 1,339 | 3.58 % |
| | 2024 | \$ 60 | \$ 60 | \$ 0 | \$ 1,649 | 3.64 % |
| Tier 2 Public Employees System | 2015 | \$ 18,280 | \$ 18,280 | \$ 0 | \$ 100,055 | 18.27 % |
| | 2016 | \$ 24,358 | \$ 24,358 | \$ 0 | \$ 133,543 | 18.24 % |
| | 2017 | \$ 31,467 | \$ 31,467 | \$ 0 | \$ 172,519 | 18.24 % |
| | 2018 | \$ 36,277 | \$ 36,277 | \$ 0 | \$ 196,807 | 18.43 % |
| | 2019 | \$ 44,102 | \$ 44,102 | \$ 0 | \$ 233,714 | 18.87 % |

Employer Contributions
Multiple-employer Plans
(dollars expressed in thousands)

Last Ten Fiscal Years

| | Fiscal Year | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|--|-------------|-------------------------------------|--|----------------------------------|-----------------|--|
| <i>Continued</i> | 2020 | \$ 51,492 | \$ 51,492 | \$ 0 | \$ 271,156 | 18.99 % |
| | 2021 | \$ 56,448 | \$ 56,448 | \$ 0 | \$ 295,101 | 19.13 % |
| | 2022 | \$ 68,021 | \$ 68,021 | \$ 0 | \$ 350,693 | 19.40 % |
| | 2023 | \$ 81,344 | \$ 81,344 | \$ 0 | \$ 410,051 | 19.84 % |
| | 2024 | \$ 101,777 | \$ 101,777 | \$ 0 | \$ 513,022 | 19.84 % |
| Tier 2 Public Safety and Firefighters System..... | 2015 | \$ 3,711 | \$ 3,711 | \$ 0 | \$ 12,751 | 29.10 % |
| | 2016 | \$ 5,349 | \$ 5,349 | \$ 0 | \$ 18,448 | 29.00 % |
| | 2017 | \$ 7,248 | \$ 7,248 | \$ 0 | \$ 24,965 | 29.03 % |
| | 2018 | \$ 8,534 | \$ 8,534 | \$ 0 | \$ 29,390 | 29.04 % |
| | 2019 | \$ 10,266 | \$ 10,266 | \$ 0 | \$ 34,716 | 29.57 % |
| | 2020 | \$ 11,406 | \$ 11,406 | \$ 0 | \$ 38,469 | 29.65 % |
| | 2021 | \$ 14,392 | \$ 14,392 | \$ 0 | \$ 44,527 | 32.32 % |
| | 2022 | \$ 17,906 | \$ 17,906 | \$ 0 | \$ 55,451 | 32.29 % |
| | 2023 | \$ 22,605 | \$ 22,605 | \$ 0 | \$ 70,111 | 32.24 % |
| | 2024 | \$ 29,382 | \$ 29,382 | \$ 0 | \$ 91,198 | 32.22 % |

Footnotes to Multiple-employer Systems Schedule of Contributions

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

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

- **Investment Rate of Return**
In 2017, the actuarial assumed rate of return (the discount rate) was modified from 7.50 to 7.20 percent, and then again in 2018 down to 6.95 percent. In 2022, the discount rate was reduced to 6.85 percent. This rate is used in establishing retirement contribution rates and in determining current benefit reserve requirements.
- **Inflation Rate**
In 2017, the assumed rate of inflation was decreased from 2.75 to 2.60 percent. In 2018, the assumed rate of inflation was decreased from 2.60 to 2.50 percent.
- **Projected Salary Increases**
In 2019, the wage inflation assumption decreased from 3.35 to 3.25 percent and the payroll growth assumption also decreased from 3.10 to 3.00 percent.
- **Other**
In 2020, as a result of the passage of Senate Bill 129 in the 2019 General Session, the retirement rates for members in the Tier 2 Public Safety and Firefighter Hybrid System have been modified to be the same as the assumption used to model the retirement pattern in the Tier I Public Safety and Firefighter Systems, except for a 10 percent load at first eligibility for un-reduced retirement prior to age 65.

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

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

A. Single-employer Plans

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

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



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

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

Continues

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

² Contributions to the State Employee Plan are based on a measure of pay, therefore covered payroll is presented in the above schedule. Contributions to the Elected Officials OPEB Plan are based on appropriations and not on a measure of pay; therefore, for that plan the covered-employee payroll is presented.

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

| State Employee Plan | 2020 | 2019 | 2018 | 2017 |
|---|---------------------|-------------------|-------------------|-------------------|
| Total OPEB Liability | | | | |
| Service Cost | \$ 5,766 | \$ 5,189 | \$ 5,063 | \$ 4,939 |
| Interest | 9,944 | 12,749 | 13,219 | 13,661 |
| Difference between Actual and Expected Experience | (13,426) | (28,055) | — | — |
| Assumption Changes | — | 31,163 | — | — |
| Benefit Payments | (29,605) | (30,560) | (31,339) | (30,158) |
| Net Change in Total OPEB Liability | (27,321) | (9,514) | (13,057) | (11,558) |
| Total OPEB Liability – Beginning | 340,402 | 349,916 | 362,973 | 374,531 |
| Total OPEB Liability – Ending | A \$ 313,081 | \$ 340,402 | \$ 349,916 | \$ 362,973 |
| Plan Fiduciary Net Position | | | | |
| Contributions – Employer | \$ 26,663 | \$ 26,510 | \$ 29,735 | \$ 33,361 |
| Net Investment Income (Loss) | 25,638 | 24,082 | (2,065) | 14,194 |
| Benefit Payments | (29,605) | (30,560) | (31,339) | (30,158) |
| Net Transfers with Affiliated Systems | — | 356 | 961 | — |
| Net Change in Plan Fiduciary Net Position | 22,696 | 20,388 | (2,708) | 17,397 |
| Plan Fiduciary Net Position – Beginning | 271,852 | 251,464 | 254,172 | 236,775 |
| Plan Fiduciary Net Position – Ending | B \$ 294,548 | \$ 271,852 | \$ 251,464 | \$ 254,172 |
| Net OPEB Liability (A - B) | \$ 18,533 | \$ 68,550 | \$ 98,452 | \$ 108,801 |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 94.08 % | 79.86 % | 71.86 % | 70.03 % |
| Covered Payroll ² | \$ 1,085,103 | \$ 1,032,288 | \$ 994,839 | \$ 966,279 |
| Net OPEB Liability as a Percentage of Covered Payroll | 1.71 % | 6.64 % | 9.90 % | 11.26 % |
| Elected Official OPEB Plan | | | | |
| Total OPEB Liability | | | | |
| Service Cost | \$ 214 | \$ 733 | \$ 715 | \$ 698 |
| Interest | 902 | 908 | 850 | 789 |
| Difference between Actual and Expected Experience | 63 | (245) | — | — |
| Assumption Changes | — | (347) | — | — |
| Benefit Payments | (864) | (412) | (534) | (503) |
| Net Change in Total OPEB Liability | 315 | 637 | 1,031 | 984 |
| Total OPEB Liability – Beginning | 17,403 | 16,766 | 15,735 | 14,751 |
| Total OPEB Liability – Ending | A \$ 17,718 | \$ 17,403 | \$ 16,766 | \$ 15,735 |
| Plan Fiduciary Net Position | | | | |
| Contributions – Employer | \$ 1,388 | \$ 1,388 | \$ 1,388 | \$ 1,388 |
| Net Investment Income | 1,043 | 1,287 | 667 | 1,214 |
| Benefit Payments | (864) | (412) | (534) | (503) |
| Net Transfers with Affiliated Systems | — | — | 1 | — |
| Net Change in Plan Fiduciary Net Position | 1,567 | 2,263 | 1,522 | 2,099 |
| Plan Fiduciary Net Position – Beginning | 15,865 | 13,602 | 12,080 | 9,981 |
| Plan Fiduciary Net Position – Ending | B \$ 17,432 | \$ 15,865 | \$ 13,602 | \$ 12,080 |
| Net OPEB Liability (A - B) | \$ 286 | \$ 1,538 | \$ 3,164 | \$ 3,655 |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 98.39 % | 91.16 % | 81.13 % | 76.77 % |
| Covered-employee Payroll ² | \$ 1,144 | \$ 1,317 | \$ 1,421 | \$ 1,478 |
| Net OPEB Liability as a Percentage of Covered-employee Payroll | 25.00 % | 116.78 % | 222.66 % | 247.29 % |

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

² Contributions to the State Employee Plan are based on a measure of pay, therefore covered payroll is presented in the above schedule. Contributions to the Elected Officials OPEB Plan are based on appropriations and not on a measure of pay; therefore, for that plan the covered-employee payroll is presented.

Contributions – The following schedule presents a ten-year history of the State's (primary government) contributions to its single-employer OPEB plans, the State Employee OPEB Plan and Elected Official OPEB Plan.

Employer Contributions – OPEB Plans
Single-employer Plans
(dollars expressed in thousands)

| Last Ten Fiscal Years | | Contributions in Relation to the Actuarially Determined Contribution | | | | | Contributions as a Percentage of Covered Payroll |
|---|-------------|--|-------------------------------------|----------------------------------|------------------------------|--|--|
| | Fiscal Year | Actuarially Determined Contribution | Actuarially Determined Contribution | Contribution Deficiency (Excess) | Covered Payroll ¹ | | |
| State Employee OPEB Plan | 2015 | \$ 30,342 | \$ 30,342 | \$ 0 | \$ 905,895 | | 3.35 % |
| | 2016 | \$ 29,100 | \$ 35,683 | \$ (6,583) | \$ 942,630 | | 3.79 % |
| | 2017 | \$ 29,100 | \$ 33,361 | \$ (4,261) | \$ 966,279 | | 3.45 % |
| | 2018 | \$ 29,100 | \$ 29,735 | \$ (635) | \$ 994,839 | | 2.99 % |
| | 2019 | \$ 25,928 | \$ 26,510 | \$ (582) | \$ 1,032,288 | | 2.57 % |
| | 2020 | \$ 25,928 | \$ 26,663 | \$ (735) | \$ 1,085,103 | | 2.46 % |
| | 2021 | \$ 26,902 | \$ 27,029 | \$ (127) | \$ 1,085,049 | | 2.49 % |
| | 2022 | \$ 26,902 | \$ 28,842 | \$ (1,940) | \$ 1,161,895 | | 2.48 % |
| | 2023 | \$ (5,232) | \$ 6,130 | \$ (11,362) | \$ 1,302,904 | | 0.47 % |
| | 2024 | \$ (5,232) | \$ 6,375 | \$ (11,607) | \$ 1,519,884 | | 0.42 % |
| Elected Official OPEB Plan | 2015 | \$ 1,321 | \$ 1,388 | \$ (67) | \$ 1,751 | | 79.27 % |
| | 2016 | \$ 1,241 | \$ 1,388 | \$ (147) | \$ 1,661 | | 83.56 % |
| | 2017 | \$ 1,241 | \$ 1,388 | \$ (147) | \$ 1,478 | | 93.91 % |
| | 2018 | \$ 1,241 | \$ 1,388 | \$ (147) | \$ 1,421 | | 97.68 % |
| | 2019 | \$ 1,026 | \$ 1,388 | \$ (362) | \$ 1,317 | | 105.39 % |
| | 2020 | \$ 1,026 | \$ 1,388 | \$ (362) | \$ 1,144 | | 121.33 % |
| | 2021 | \$ 600 | \$ 1,249 | \$ (649) | \$ 912 | | 136.95 % |
| | 2022 | \$ 600 | \$ 1,249 | \$ (649) | \$ 936 | | 133.44 % |
| | 2023 | \$ 423 | \$ 1,249 | \$ (826) | \$ 837 | | 149.22 % |
| | 2024 | \$ 423 | \$ 1,249 | \$ (826) | \$ 770 | | 162.21 % |

¹ Contributions to the State Employee OPEB Plan are based on a measure of pay, therefore covered payroll is presented in the above schedule. Contributions to the Elected Official OPEB Plan are based on appropriations and not on a measure of pay; therefore, the covered-employee payroll is presented for that plan.

Footnotes to Single-employer OPEB Plans Schedule of Contributions

Methods and Assumptions Used to Determine Contribution Rates

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

Other Information:

- The Actuarially Determined Contribution (ADC) is calculated biennially as of December 31. This calculation is used to establish contributions to fund the plans on July 1, which is generally the fiscal year that begins six months after the valuation date. The OPEB Board recommends the ADC to the Governor and Legislature. The Legislature has historically fully funded the ADC.
- The State Employee OPEB Plan was closed to new entrants beginning January 1, 2006.
- Healthcare coverage (ages 62 to 65) for the Elected Official OPEB Plan was closed and is only available for elected officials who began service prior to January 1, 2012. Benefit terms were changed again to allow only elected officials that began service prior to July 1, 2013 to receive Medicare coverage.

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

In fiscal year 2015, the discount rate for the Elected Official OPEB Plan was modified from 4.50 to 5.25 percent. In fiscal year 2019, the discount rate for the State Employee OPEB Plan was modified from 3.75 to 3.00 percent.

Amortization Period:

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

Healthcare Cost Trend Rates:

In fiscal year 2016, the healthcare cost trend rate changed to an initial rate of 5.20 percent. In fiscal year 2016, the healthcare cost trend rate changed from an ultimate rate of 4.50 to 4.20 percent. In fiscal year 2019, the health care trend rate assumption was updated to reflect the latest cost trend model, resulting in a decrease of the initial and ultimate rates from 5.90 to 5.40 percent and 4.14 to 3.94 percent, respectively. In fiscal year 2021, the health care trend rate assumption was updated again, resulting in an increase of the initial and ultimate rates from 5.40 to 6.00 percent and 3.94 to 4.04 percent, respectively. In fiscal year 2024, the healthcare trend ultimate and initial rates increased to 4.14 and 6.60 percent, respectively.

Other:

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

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OPEB Plans
Schedule of Investment Returns
Single-employer Plans

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

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



INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

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

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

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

Roads

UDOT uses the Pavement Management System to determine the condition of 6,926 centerline miles of state roads. The assessment is based on Ride Quality, using the International Roughness Index (IRI) data. This data is also reported to the Federal Highways Administration (FHWA) and used for the National Condition Assessment reported to Congress. Ranges for Good, Fair and Poor condition were established to correlate with the national FHWA ranges. Additional condition measures for age, wheel path rutting, and surface cracking are considered in project recommendations.

| Category | IRI Range | Description |
|----------|-----------|---|
| Good | < 95 | Pavements that provide a smooth ride and typically exhibit few signs of visible distress suitable for surface seals and preservation. |
| Fair | 95 to 170 | Pavements with noticeable deterioration beginning to affect the ride in need of resurfacing. |
| Poor | > 170 | Pavements with an unacceptable ride that have deteriorated to such an extent that they are in need of major rehabilitation. |

Condition Level – Roads

UDOT performs pavement condition assessments at a minimum of every other calendar year. The State has established an overall condition target to assure the system is funded adequately and not at any financial risk to maintain. This target is to maintain the statewide system with 80 percent or more of the mileage rated in “Fair or Better” condition. UDOT utilizes a number of additional strategies and performance measures for estimating long term performance and managing allocations of funds to different categories within the pavement system. These measures vary slightly in function and purpose, all seeking to ensure systems are performing well. Some of these additional measures include strategic goals for both High Volume and Low Volume systems, internal goals for each pavement category, and annual national performance targets for reporting to the Federal Highway Administration for the Interstate system and the National Highway system. Ultimately, these additional strategies and measures are only used as a mechanism to distribute funding and are adjusted as needed to ensure the statewide system remains with 80 percent or more of the pavement mileage rated in “Fair or Better” condition.

The following table reports the percentage of pavements with ratings of “Fair or Better” for the last three assessments for the statewide system:

| | 2023 | 2022 | 2021 |
|------------------|--------|--------|--------|
| Statewide System | 95.51% | 95.50% | 95.10% |

The following table presents the State’s estimated amounts needed to maintain and preserve roads at or above the established condition levels addressed above, and the amounts actually spent for each of the past five reporting periods (in thousands):

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

Bridges**Condition Level – Bridges**

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

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

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

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

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

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

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

In prior years, UDOT used the Structures Inventory System to monitor the condition of state-owned bridges. A number, ranging from 1 to 100, is calculated based on condition, geometry, functional use, safety, and other factors. Three categories of condition are established in relation to the number range as follows:

| Category | Range | Description |
|----------|----------|--|
| Good | 80 - 100 | Preventive maintenance requirements include repair leaking deck joints, apply deck overlays and seals, place concrete sealers to splash zones, paint steel surfaces, and minor beam repairs. |
| Fair | 50 - 79 | Corrective repairs include deck, beam, and substructure repairs, fixing settled approaches, and repairing collision damage. |
| Poor | 1 - 49 | Major rehabilitation and replacement includes deck, beam, or substructure replacements or replacement of the entire bridge. |

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

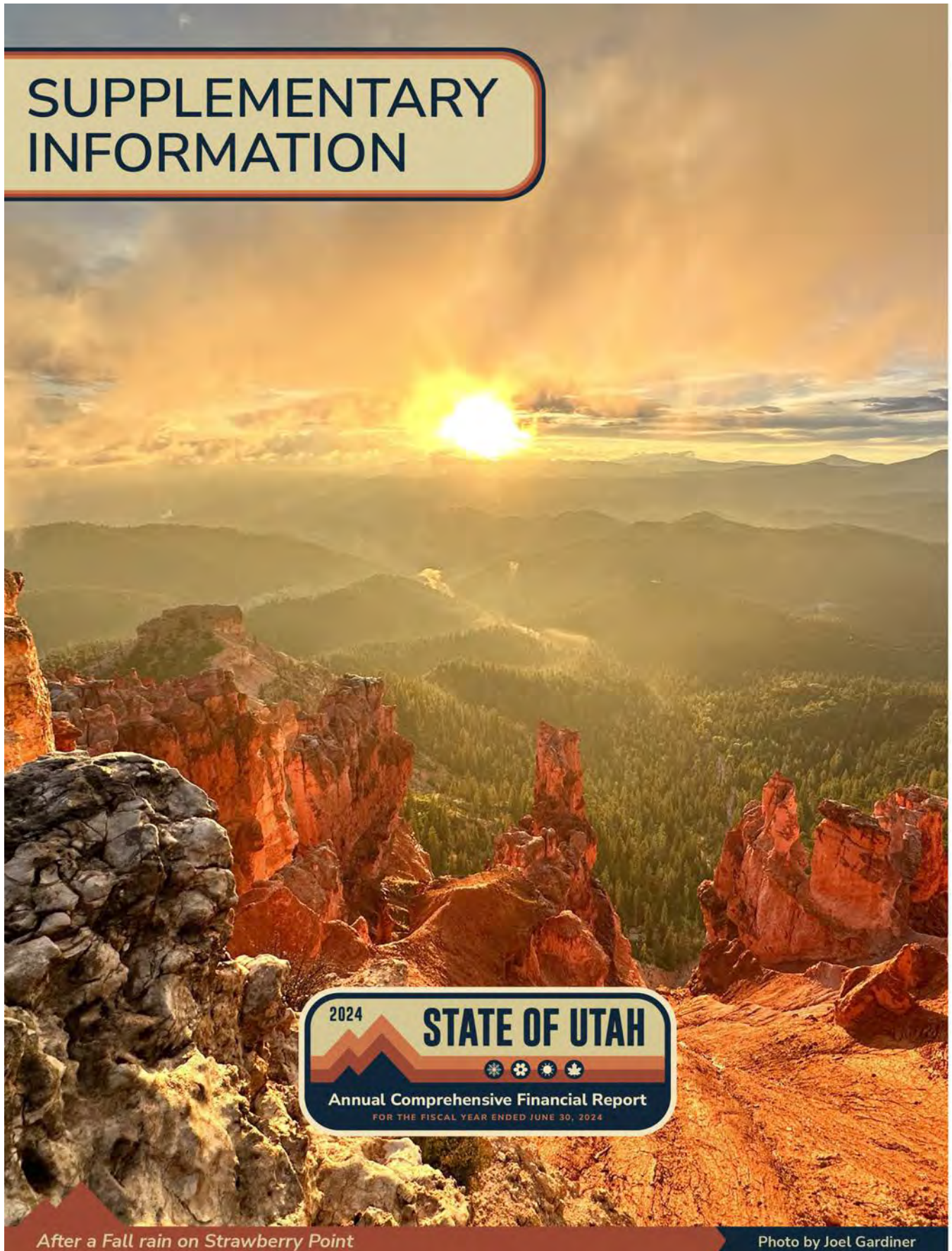
| Rating | 2022 |
|--------|--------|
| Good | 61.50% |
| Poor | 2.90% |

The following table presents the State’s estimated amounts needed to maintain and preserve bridges at or above the established condition levels addressed above, and the amounts actually spent for each of the past five reporting periods (in thousands):

| Fiscal Year | Estimated Spending | Actual Spending |
|-------------|--------------------|-----------------|
| 2024 | \$123,378 | \$93,546 |
| 2023 | \$100,889 | \$85,169 |
| 2022 | \$90,373 | \$70,584 |
| 2021 | \$81,370 | \$73,273 |
| 2020 | \$51,464 | \$70,718 |

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SUPPLEMENTARY INFORMATION



After a Fall rain on Strawberry Point

Photo by Joel Gardiner

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State Endowment Fund

This fund accounts for a portion of proceeds relating to the State's settlement agreement with major tobacco manufacturers, severance tax revenue in excess of statutory base amounts, and money or other assets authorized under any provision of law. The principal of the fund cannot be appropriated except by a three-fourths vote of both houses of the Legislature and with the concurrence of the Governor. One-half of all interest and dividends earned on tobacco settlement proceeds in this fund is deposited in the General Fund.

Environmental Reclamation

This fund consists of various programs aimed at preserving open land, improving irrigation in the State, funding recycling programs, and funding cleanup and reclamation projects. Funds received are from state appropriations, fees and fines, recovered liens and costs, and voluntary contributions.

Higher Education Student Success Endowment

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

Universal Telephone Services

This fund is designed to preserve and promote universal telephone service throughout the State by ensuring that all citizens have access to affordable basic telephone service. Revenues come from surcharges on customers' phone bills and from fines and penalties levied against telephone service providers by the Public Service Commission.

Rural Development Fund

This fund promotes various programs in rural areas of the State including construction of communications systems and economic development grants to Native American tribes. Funding comes from oil and gas severance taxes and from royalties on mineral extractions on federal land within the State.

Utah Capital Investment Corporation

(Blended Component Unit)

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

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

Medicaid Expansion

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

Miscellaneous Special Revenue

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

Capital Projects – General Government

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

Capital Projects – State Building Ownership Authority *(Blended Component Unit)*

This fund accounts for resources used for capital outlays including the acquisition or construction of major capital facilities for use by various state agencies. The fund receives financial resources from the proceeds of lease revenue bonds issued by the Authority and the interest earned on the proceeds of the bonds.

Debt Service – General Government

This fund accounts for the payment of principal and interest on the State's general obligation bonds. The fund receives most of its financial resources from appropriations made by the Legislature.

Debt Service – State Building Ownership Authority *(Blended Component Unit)*

This fund accounts for the payment of principal and interest on lease revenue bonds issued by the Authority. The fund receives financial resources from rent payments made by various state agencies occupying the facilities owned by the Authority. The fund also receives capital lease payments from certain college and university component units.

Combining Balance Sheet
Nonmajor Governmental Funds
(expressed in thousands)

June 30, 2024

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

Continues

State of Utah

Combining Balance Sheet Nonmajor Governmental Funds (expressed in thousands)

June 30, 2024

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

State of Utah

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

For the Fiscal Year Ended June 30, 2024

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

Continues

State of Utah

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

For the Fiscal Year Ended June 30, 2024

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

State of Utah

Detail Schedule of Expenditures – Budget and Actual General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

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

State of Utah

Detail Schedule of Expenditures – Budget and Actual General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

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

State of Utah

Detail Schedule of Expenditures – Budget and Actual General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

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

State of Utah

Detail Schedule of Expenditures – Budget and Actual General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

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

State of Utah

Detail Schedule of Expenditures – Budget and Actual General Fund

(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

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

State of Utah

Detail Schedule of Expenditures – Budget and Actual Income Tax Fund, Transportation Fund, Transportation Investment Fund, and Debt Service Funds (expressed in thousands)

For the Fiscal Year Ended June 30, 2024

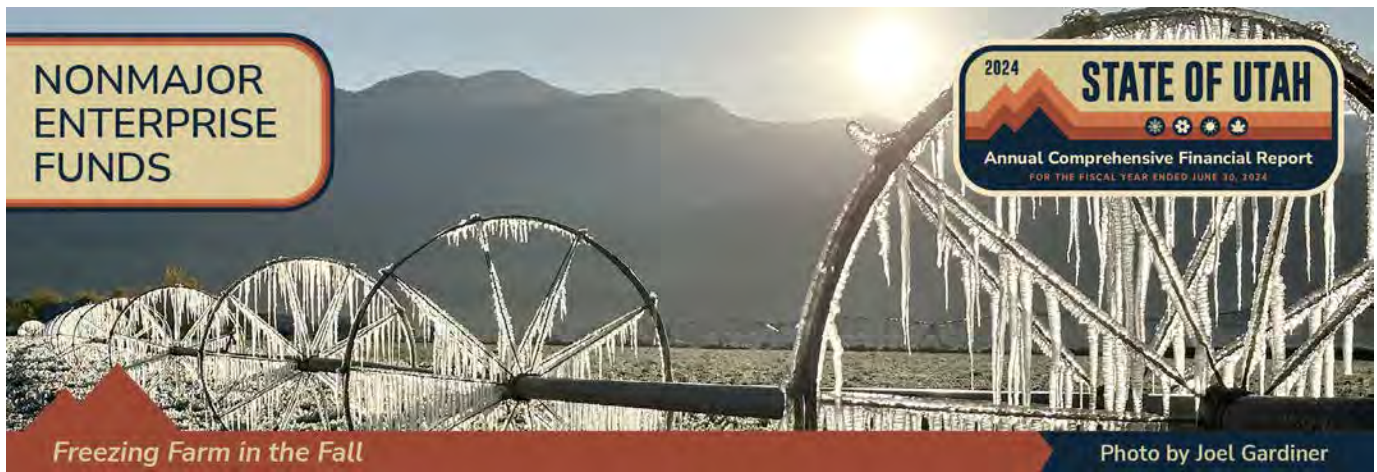
| Appropriation Line Item Name | Source of Funding | | | Final Budget | Actual Expenditures | Lapse to Unrestricted | Lapse to Restricted and Other | Nonlapse or (Deficit) Carry Forward |
|--|-------------------|---------------|----------------------------|--------------|---------------------|-----------------------|-------------------------------|--------------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

Detail Schedule of Expenditures - Budget and Actual Comparison
Enterprise Funds with Legally Adopted Annual Budgets
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

| Appropriation Line Item Name | Source of Funding | | | Final Budget | Actual Expenditures | Lapse to Unrestricted | Lapse to Restricted And Other | Nonlapse or (Deficit) Carry Forward |
|---|-------------------|---------------|----------------------------|------------------|---------------------|-----------------------|-------------------------------|-------------------------------------|
| | State Funds | Federal Funds | Restricted and Other Funds | | | | | |
| ALCOHOLIC BEVERAGE SERVICES | | | | | | | | |
| DABS Operations..... | \$ 84,390 | \$ — | \$ — | \$ 84,390 | \$ 84,749 | \$ (359) | \$ — | \$ — |
| DABS Parents Empowered | 3,418 | — | — | 3,418 | 3,251 | — | — | 167 |
| Total Alcoholic Beverage Services | <u>\$ 87,808</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 87,808</u> | <u>\$ 88,000</u> | <u>\$ (359)</u> | <u>\$ 0</u> | <u>\$ 167</u> |

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Housing Loan Programs

These programs provide loans or grants to low income or special needs individuals for construction, rehabilitation, or purchase of single or multi-family housing. Funds are provided from federal programs, loan repayments, appropriations, and interest earnings.

Agriculture Loan Fund

This fund is comprised of two separate revolving loan programs: the Agriculture Resource Development Fund and the Rural Rehabilitation Fund. Both programs issue farm loans for soil and water conservation projects and the rehabilitation of rural areas within the State.

Energy Efficiency Fund

This fund provides revolving loans to assist in the conversion of government and private fleet vehicles to clean fuel and for energy efficiency projects in political subdivisions and state facilities. Funds are provided from public and private contributions, appropriations, and interest earnings on loans and invested funds.

Local Government Loan Fund

This fund provides revolving loan programs to local governments for infrastructure assistance, to expedite construction projects, and for providing emergency disaster services. These loan programs are funded with state appropriations.

Utah Correctional Industries

Utah Correctional Industries (UCI) was established to provide work training opportunities for inmates of the Utah State Prison. UCI manufactures and sells such items as license plates, furniture, highway signs, dairy, plant nursery, and textile products, and provides printing services and miscellaneous other products and services. Funding comes from charges for products and services.

State Trust Lands Administration

The Utah School and Institutional Trust Lands Administration (SITLA) and the School and Institutional Trust Fund Office (SITFO) manage the assets of the Trust Lands permanent fund. Their objective is to maximize revenue from land assets and investment returns for the beneficiaries.

Utah Dairy Commission

The purpose of the Commission is to promote the use of dairy products. Its operations are comprised of promotion, advertising, research, and nutritional education regarding dairy products. Funding consists primarily of fees from milk producers.

Medical Cannabis Fund

The purpose of this fund is to conduct, license, and regulate the sale of cannabis related products. Funding consists primarily of fees from cannabis growers.

Utah Energy Research Fund

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

Petroleum Storage Tank Fund

This fund is used to pay the costs of damage caused by petroleum storage tank releases and provide revolving loan capital. Sources of funding include fees from participating companies, responsible parties, and investment income. The net position of this fund is held for the benefit of participants and cannot be used for any other purpose.

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

June 30, 2024

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

Continues

State of Utah

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

June 30, 2024

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

Continues

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

June 30, 2024

*Continued***ASSETS**

Current Assets:

| | Utah Energy Research Fund | Petroleum Storage Tank Fund | Total Nonmajor Enterprise Funds |
|-----------------------------------|---------------------------------|-----------------------------------|--|
| Cash and Cash Equivalents | \$ — | \$ — | \$ 2,551 |
| Pooled Cash and Investments | 1,004 | 37,924 | 238,899 |
| Receivables: | | | |
| Accounts, net | — | 34 | 14,646 |
| Accrued Interest | — | — | 3,631 |
| Notes/Loans/Mortgages, net | — | 247 | 33,187 |
| Due From Other Funds | — | 2 | 128 |
| Prepaid Items | — | — | 214 |
| Inventories | — | — | 2,339 |
| Total Current Assets | <u>1,004</u> | <u>38,207</u> | <u>295,595</u> |

Noncurrent Assets:

| | | | |
|--|---|-------|---------|
| Restricted Cash and Cash Equivalents | — | — | 27,621 |
| Restricted Pooled Cash and Investments | — | — | 178,280 |
| Investments | — | — | 311 |
| Accrued Interest Receivable | — | — | 1,322 |
| Notes/Loans/Mortgages Receivables, net | — | 1,075 | 303,245 |
| Net Other Postemployment Benefit Asset | — | — | 407 |

Capital Assets:

| | | | |
|--|----------|--------------|----------------|
| Land | — | — | 297 |
| Buildings and Improvements | — | — | 19,170 |
| Machinery and Equipment | — | — | 5,364 |
| Software | — | — | 994 |
| Less Accumulated Depreciation / Amortization | — | — | (5,921) |
| Total Capital Assets | <u>0</u> | <u>0</u> | <u>19,904</u> |
| Total Noncurrent Assets | <u>0</u> | <u>1,075</u> | <u>531,090</u> |

Total Assets

DEFERRED OUTFLOWS OF RESOURCES

| | | | |
|---|----------|----------|--------------|
| Deferred Outflows Relating to Pensions | — | — | 4,544 |
| Deferred Outflows Relating to Other Postemployment Benefits | — | — | 155 |
| Total Deferred Outflows of Resources | <u>0</u> | <u>0</u> | <u>4,699</u> |

LIABILITIES

Current Liabilities:

| | | | |
|--|----------|--------------|---------------|
| Accounts Payable and Accrued Liabilities | — | 537 | 13,966 |
| Deposits | — | 1 | 2,964 |
| Due To Other Funds | — | — | 5,412 |
| Due To Component Units | — | — | 42 |
| Unearned Revenue | — | 562 | 5,325 |
| Policy Claims Liability | — | 2,540 | 2,540 |
| Lease Liability | — | — | 502 |
| Subscription Software Liability | — | — | 71 |
| Total Current Liabilities | <u>0</u> | <u>3,640</u> | <u>30,822</u> |

Noncurrent Liabilities:

| | | | |
|---------------------------------------|----------|---------------|---------------|
| Lease Liability | — | — | 12,682 |
| Subscription Software Liability | — | — | 114 |
| Net Pension Liability | — | — | 6,178 |
| Policy Claims Liability | — | 27,778 | 27,778 |
| Total Noncurrent Liabilities | <u>0</u> | <u>27,778</u> | <u>46,752</u> |

Total Liabilities

DEFERRED INFLOWS OF RESOURCES

| | | | |
|--|----------|----------|------------|
| Deferred Inflows Relating to Pensions | — | — | 23 |
| Deferred Inflows Relating to Other Postemployment Benefits | — | — | 117 |
| Total Deferred Inflows of Resources | <u>0</u> | <u>0</u> | <u>140</u> |

NET POSITION

| | | | |
|--|-----------------|-----------------|-------------------|
| Net Investment in Capital Assets | — | — | 6,534 |
| Restricted for: | | | |
| Insurance Programs | — | 7,864 | 7,864 |
| Loan Programs | — | — | 143,660 |
| Other Post Employment Benefits | — | — | 407 |
| Unrestricted | 1,004 | — | 595,205 |
| Total Net Position | <u>\$ 1,004</u> | <u>\$ 7,864</u> | <u>\$ 753,670</u> |

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

For the Fiscal Year Ended June 30, 2024

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

Continues

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

For the Fiscal Year Ended June 30, 2024

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

Continues

State of Utah

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

For the Fiscal Year Ended June 30, 2024

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

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

For the Fiscal Year Ended June 30, 2024

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

Continues

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

For the Fiscal Year Ended June 30, 2024

Continued

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

Continues

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

For the Fiscal Year Ended June 30, 2024

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

Continues

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

For the Fiscal Year Ended June 30, 2024

Continued

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

Continues

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

For the Fiscal Year Ended June 30, 2024

Continued

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

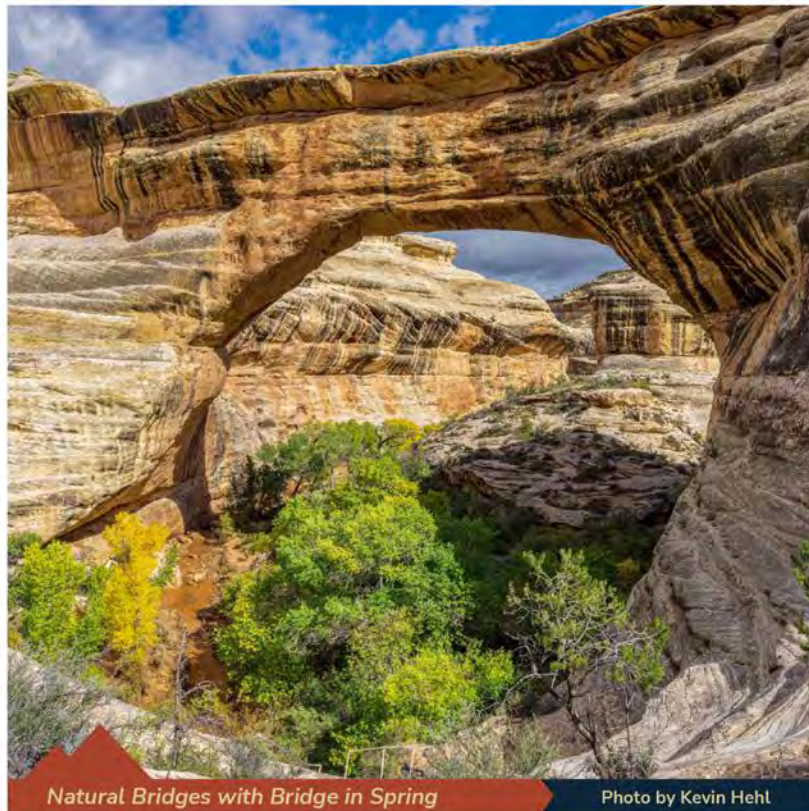
Continues

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

For the Fiscal Year Ended June 30, 2024

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

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Natural Bridges with Bridge in Spring

Photo by Kevin Hehl



Technology Services

This fund is responsible for providing data processing and various other computer services along with voice and data communication services to state agencies.

General Services

This fund manages cooperative purchasing contracts and provides purchasing card, travel services, printing and mailing services, and surplus property services to state agencies.

Fleet Operations

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

Risk Management

This fund provides insurance coverage and loss prevention services to state agencies, institutions of higher education, and participating local school districts. Coverage is provided using a combination of self-insurance and private excess insurance.

Property Management

This fund is responsible for the operation and maintenance of facilities used by state agencies. This fund is also used to account for the State's facility energy efficiency program.

Human Resource Management

This fund provides human resource and payroll services to state agencies.

Attorney General Legal Services

This fund includes legal services provided to state agencies by the Utah Office of the Attorney General.

State of Utah

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

June 30, 2024

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

State of Utah

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

For the Fiscal Year Ended June 30, 2024

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

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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, 2024

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

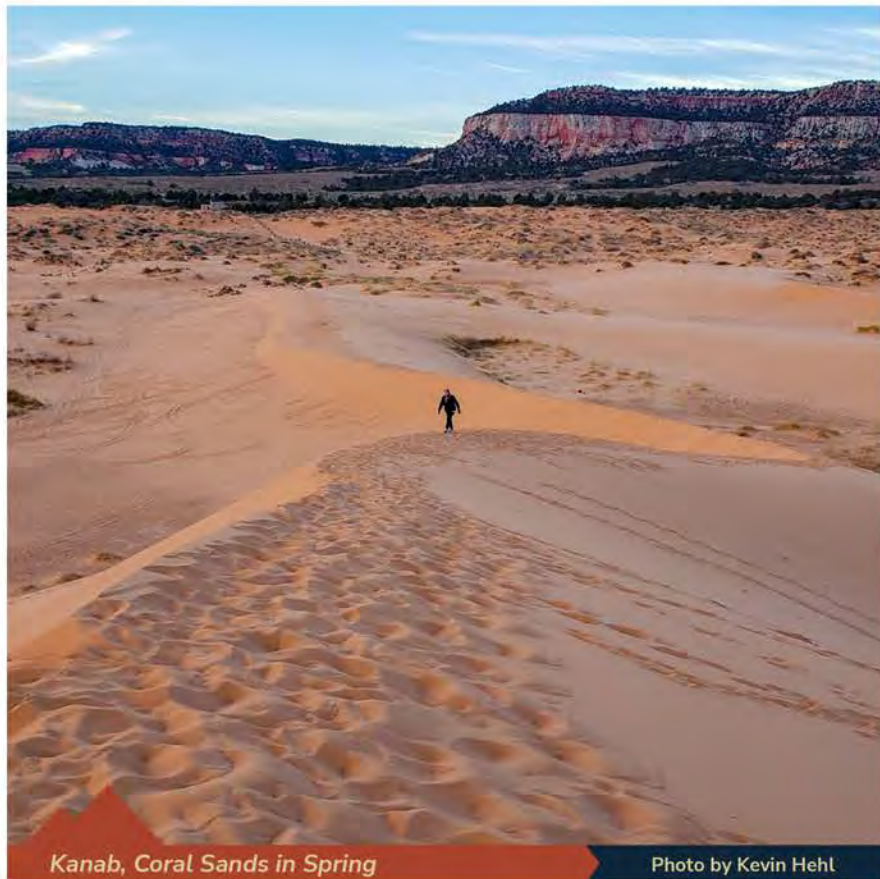
Continues

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

For the Fiscal Year Ended June 30, 2024

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

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Kanab, Coral Sands in Spring

Photo by Kevin Hehl



PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

Defined Benefit Pension Plans and Defined Contribution Plans

These funds are used to account for the various pension trust funds and defined contribution plans administered by the Utah Retirement Systems. Funding comes from employee and employer contributions and investment earnings. Contributions in some systems are augmented by fees, insurance premium taxes, or legislative appropriations.

Post-Retirement Benefits Trust Funds

The State administers the State Employee and the Elected Official Other Postemployment Benefit Plans as irrevocable trusts. These trust funds account for the assets accumulated and the payments made for other postemployment benefits provided to current and future state employee and elected official retirees. Funding comes from employer contributions and investment earnings.

Other Employee Benefits Trust Funds

These trust funds are used to pay other employee benefits upon retirement or termination.

PRIVATE PURPOSE TRUST FUNDS

Utah Navajo Trust

This fund receives oil royalties, operating, and other trust revenues. Funds received are used for the health, education, and general welfare of Navajo residents of San Juan County, Utah.

Utah Educational Savings Plan Trust (dba my529)

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

Higher Education Student Success Trust

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

Local Public Safety and Firefighter Surviving Spouse Trust

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

CUSTODIAL FUNDS

External Investment Pool

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

Unclaimed Property

This fund is used to account for unclaimed property escheated to the State. Proceeds of the fund pay the administrative costs to operate the fund and any claims. The remaining proceeds are deposited in the Income Tax Fund and can only be used to help fund public education.

County and Local Collections

This fund receives and disburses various taxes collected by the State on behalf of county and local governments.

State Courts

This fund receives and disburses various fines and forfeitures collected by the state courts on behalf of state and local agencies.

Miscellaneous

This fund is made up of small individual funds established to account for various receipts and disbursements.

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

June 30, 2024

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

Continues

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

June 30, 2024

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

Continues

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

June 30, 2024

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

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

For the Fiscal Year Ended June 30, 2024

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

Continues

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

For the Fiscal Year Ended June 30, 2024

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

Continues

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

For the Fiscal Year Ended June 30, 2024

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

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

June 30, 2024

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

Continues

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

June 30, 2024

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



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

For the Fiscal Year Ended June 30, 2024

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

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

June 30, 2024

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

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State of Utah

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

For the Fiscal Year Ended June 30, 2024

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



Utah Communications Authority

The Utah Communications Authority (UCA) provides public safety communications services and facilities on a statewide basis for the benefit and use of state, local, and federal agencies. UCA supports statewide interoperability of emergency communications throughout the State, and manages the 911 funds collected by the State for the benefit of the Public Safety Answering Points within the State. UCA operations are funded through service charges supplemented with federal grants and state fees and appropriations.

Utah Schools for the Deaf and the Blind

The Schools were created to provide education to individuals with hearing and/or vision impairments, through direct and indirect education services, as well as consultation to their families and service providers.

Military Installation Development Authority

This Authority is an independent, nonprofit entity whose purpose is to provide for the development and improvement of project areas near military installations throughout the State. Operations are funded through service charges, project revenue, and state appropriations.

Heber Valley Historic Railroad Authority

This Authority was created to operate, maintain, improve, and provide for a scenic and historic railway in and around the Heber Valley in Wasatch County. Operations are funded primarily through user charges.

State Fair Park Authority

This Corporation was created to operate the State Fair Park and conduct the Utah State Fair and other expositions and entertainment events. Operations are funded through admissions, rentals, donations, and state appropriations.

Point of the Mountain State Land Authority

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

Utah Inland Port Authority

This Authority is an independent, nonprofit corporation whose purpose is to facilitate the development of the authority jurisdictional land to maximize the long-term economic and other benefits for the State. Operations are funded through state appropriations.

Utah Lake Authority

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

Utah Water Ways Partnership

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

Utah System of Higher Education

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

Weber State University | Southern Utah University | Salt Lake Community College | Utah Valley University | Utah Tech University | Snow College | Technical Colleges

The Utah Board of Higher Education is the governing board of the institutions of higher education. During fiscal year 2024, this entity was reclassified as a department of the State. Activity here illustrates this reclassification.

**Combining Statement of Net Position
Nonmajor Component Units**

(expressed in thousands)

June 30, 2024

| | Utah Communications Authority | Utah Schools for the Deaf and the Blind | Military Installation Development Authority | Heber Valley Historic Railroad Authority | State Fair Park Authority |
|---|--|--|--|---|--|
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash and Cash Equivalents | \$ 5,180 | \$ 5,620 | \$ 12,501 | \$ 1,856 | \$ 10,233 |
| Restricted Cash and Cash Equivalents | — | — | — | — | — |
| Investments | 78,272 | — | — | — | — |
| Receivables: | | | | | |
| Accounts, net | 6,001 | 916 | 919 | 5 | 197 |
| Notes/Leases/Loans/Mortgages/Pledges, net | 399 | — | — | — | — |
| Accrued Interest | — | — | — | — | — |
| Due From Primary Government | — | 370 | 643 | — | — |
| Prepaid Items | 431 | 160 | — | — | 97 |
| Inventories | — | — | — | 8 | — |
| Other Assets | — | — | — | — | — |
| Total Current Assets | <u>90,283</u> | <u>7,066</u> | <u>14,063</u> | <u>1,869</u> | <u>10,527</u> |
| Noncurrent Assets: | | | | | |
| Restricted Cash and Cash Equivalents | — | — | 49,439 | — | — |
| Investments | — | — | — | — | — |
| Restricted Investments | — | — | 232,261 | — | — |
| Accounts Receivables, net | — | — | 169,300 | — | — |
| Notes/Leases/Loans/Mortgages/Pledges Receivables, net | 1,349 | — | — | — | — |
| Net Pension Asset | — | — | — | — | — |
| Net Other Postemployment Benefit Asset | — | 602 | — | — | — |
| Other Assets | — | — | — | — | — |
| Capital Assets (net of Accumulated Depreciation) | 77,601 | 36,670 | 25,889 | 10,586 | 3,812 |
| Total Noncurrent Assets | <u>78,950</u> | <u>37,272</u> | <u>476,889</u> | <u>10,586</u> | <u>3,812</u> |
| Total Assets | <u>169,233</u> | <u>44,338</u> | <u>490,952</u> | <u>12,455</u> | <u>14,339</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred Amount on Refundings of Bonded Debt | — | — | — | — | — |
| Deferred Outflows Relating to Pensions | 1,009 | 8,214 | 166 | 301 | 347 |
| Deferred Outflows Relating to Other Postemployment Benefit | — | 130 | — | — | — |
| Total Deferred Outflows of Resources | <u>1,009</u> | <u>8,344</u> | <u>166</u> | <u>301</u> | <u>347</u> |

Continues

Combining Statement of Net Position
Nonmajor Component Units
(expressed in thousands)

June 30, 2024

| | Utah Communications Authority | Utah Schools for the Deaf and the Blind | Military Installation Development Authority | Heber Valley Historic Railroad Authority | State Fair Park Authority |
|--|-------------------------------------|--|--|---|---------------------------------|
| <i>Continued</i> | | | | | |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Accounts Payable and Accrued Liabilities | 3,445 | 2,894 | 24,899 | 77 | 119 |
| Deposits | — | — | — | — | — |
| Due To Primary Government | — | — | — | — | 287 |
| Unearned Revenue | 5 | — | 44,375 | — | 126 |
| Current Portion of Long-term Liabilities | 944 | 99 | 1,479 | 245 | 16 |
| Total Current Liabilities | <u>4,394</u> | <u>2,993</u> | <u>70,753</u> | <u>322</u> | <u>548</u> |
| Noncurrent Liabilities: | | | | | |
| Accounts Payable and Accrued Liabilities | — | — | 10,000 | — | — |
| Unearned Revenue | — | — | — | — | — |
| Net Pension Liability | 1,405 | 11,173 | 90 | 289 | 360 |
| Long-term Liabilities | 7,432 | 45 | 522,823 | 2,876 | — |
| Total Noncurrent Liabilities | <u>8,837</u> | <u>11,218</u> | <u>532,913</u> | <u>3,165</u> | <u>360</u> |
| Total Liabilities | <u>13,231</u> | <u>14,211</u> | <u>603,666</u> | <u>3,487</u> | <u>908</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred Inflows Relating to Beneficial Interests | — | — | 476 | — | — |
| Deferred Amount on Refundings of Bonded Debt | — | — | — | — | — |
| Deferred Inflows Relating to Pensions | 57 | 49 | 1 | 6 | 11 |
| Deferred Inflows Relating to Other Postemployment Benefit | — | 99 | — | — | — |
| Deferred Inflows Relating to Leases | 1,706 | — | — | — | — |
| Total Deferred Inflows of Resources | <u>1,763</u> | <u>148</u> | <u>477</u> | <u>6</u> | <u>11</u> |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 69,653 | 36,669 | 8,573 | 8,512 | 3,797 |
| Restricted for: | | | | | |
| Nonexpendable: | | | | | |
| Higher Education | — | — | — | — | — |
| Expendable: | | | | | |
| Higher Education | — | — | — | — | — |
| Other Postemployment Benefits | — | 602 | — | — | — |
| Pension Benefits | — | — | — | — | — |
| Other | 56,503 | — | 91,900 | — | 776 |
| Unrestricted (Deficit) | 29,092 | 1,052 | (213,498) | 751 | 9,194 |
| Total Net Position | <u>\$ 155,248</u> | <u>\$ 38,323</u> | <u>\$ (113,025)</u> | <u>\$ 9,263</u> | <u>\$ 13,767</u> |

Continues

Combining Statement of Net Position
Nonmajor Component Units
(expressed in thousands)

June 30, 2024

| | Utah Lake Authority | Point of the Mountain Development Authority | Utah Inland Port Authority | Utah Water Ways Partnership | Utah Board of Higher Education | Weber State University | Southern Utah University |
|---|---------------------------|--|-------------------------------------|--------------------------------------|---|------------------------------|--------------------------------|
| <i>Continued</i> | | | | | | | |
| ASSETS | | | | | | | |
| Current Assets: | | | | | | | |
| Cash and Cash Equivalents | \$ 726 | \$ 11,235 | \$ 47,512 | \$ 1,157 | \$ — | \$ 43,077 | \$ 12,221 |
| Restricted Cash and Cash Equivalents | — | — | — | — | — | — | — |
| Investments | — | — | 11,733 | — | — | 20,018 | 21,286 |
| Receivables: | | | | | | | |
| Accounts, net | — | — | 200 | 1,501 | — | 5,582 | 8,147 |
| Notes/Leases/Loans/Mortgages/Pledges, net | — | — | — | — | — | 2,545 | 574 |
| Accrued Interest | — | — | 645 | — | — | 1,575 | — |
| Due From Primary Government | — | — | — | — | — | — | — |
| Prepaid Items | — | — | — | 38 | — | 2,902 | 5,584 |
| Inventories | — | — | — | — | — | 3,981 | 913 |
| Other Assets | — | — | — | — | — | 357 | — |
| Total Current Assets | 726 | 11,235 | 60,090 | 2,696 | 0 | 80,037 | 48,725 |
| Noncurrent Assets: | | | | | | | |
| Restricted Cash and Cash Equivalents | — | — | 132,318 | — | — | 42,356 | 341 |
| Investments | — | — | — | — | — | 367,750 | 114,276 |
| Restricted Investments | — | — | — | — | — | — | — |
| Accounts Receivables, net | — | — | — | — | — | 3,443 | — |
| Notes/Leases/Loans/Mortgages/Pledges Receivables, net | — | — | — | — | — | 1,922 | 1,062 |
| Net Pension Asset | — | — | — | — | — | 5,779 | — |
| Net Other Postemployment Benefit Asset | — | — | — | — | — | — | — |
| Other Assets | — | — | — | 15 | — | 8,668 | 285 |
| Capital Assets (net of Accumulated Depreciation) | — | — | 67,831 | 124 | — | 471,276 | 233,652 |
| Total Noncurrent Assets | 0 | 0 | 200,149 | 139 | 0 | 901,194 | 349,616 |
| Total Assets | 726 | 11,235 | 260,239 | 2,835 | 0 | 981,231 | 398,341 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | |
| Deferred Amount on Refundings of Bonded Debt | — | — | — | — | — | 526 | — |
| Deferred Outflows Relating to Pensions | — | 41 | 624 | — | — | 6,140 | 6,755 |
| Deferred Outflows Relating to Other Postemployment Benefit | — | — | — | — | — | — | — |
| Total Deferred Outflows of Resources | 0 | 41 | 624 | 0 | 0 | 6,666 | 6,755 |

Continue

Combining Statement of Net Position
Nonmajor Component Units
(expressed in thousands)

June 30, 2024

*Continued***LIABILITIES**

Current Liabilities:

| | Utah Lake Authority | Point of the Mountain Development Authority | Utah Inland Port Authority | Utah Water Ways Partnership | Utah Board of Higher Education | Weber State University | Southern Utah University |
|--|---------------------------|--|-------------------------------------|--------------------------------------|---|------------------------------|--------------------------------|
| Accounts Payable and Accrued Liabilities | — | 249 | 665 | 91 | — | 4,363 | 6,852 |
| Deposits | — | — | — | — | — | — | 789 |
| Due To Primary Government | — | — | 140 | — | — | 1,101 | 140 |
| Unearned Revenue | — | — | — | — | — | 12,480 | 16,979 |
| Current Portion of Long-term Liabilities | — | — | 1,245 | — | — | 10,158 | 7,619 |
| Total Current Liabilities | 0 | 249 | 2,050 | 91 | 0 | 28,102 | 32,379 |

Noncurrent Liabilities:

| | | | | | | | |
|--|---|----|---------|---|---|--------|--------|
| Accounts Payable and Accrued Liabilities | — | — | 1,404 | — | — | — | — |
| Unearned Revenue | — | — | — | — | — | — | — |
| Net Pension Liability | — | 71 | 1,055 | — | — | 368 | 9,258 |
| Long-term Liabilities | — | — | 217,626 | — | — | 44,231 | 36,964 |
| Total Noncurrent Liabilities | 0 | 71 | 220,085 | 0 | 0 | 44,599 | 46,222 |

| | | | | | | | |
|-------------------------|---|-----|---------|----|---|--------|--------|
| Total Liabilities | 0 | 320 | 222,135 | 91 | 0 | 72,701 | 78,601 |
|-------------------------|---|-----|---------|----|---|--------|--------|

DEFERRED INFLOWS OF RESOURCES

| | | | | | | | |
|--|---|---|---|---|---|-------|-----|
| Deferred Inflows Relating to Beneficial Interests | — | — | — | — | — | 8,668 | 477 |
| Deferred Amount on Refundings of Bonded Debt | — | — | — | — | — | — | — |
| Deferred Inflows Relating to Pensions | — | — | 2 | — | — | 16 | 107 |
| Deferred Inflows Relating to Other Postemployment Benefit | — | — | — | — | — | — | — |
| Deferred Inflows Relating to Leases | — | — | — | — | — | — | 37 |
| Total Deferred Inflows of Resources | 0 | 0 | 2 | 0 | 0 | 8,684 | 621 |

NET POSITION

| | | | | | | | |
|--|--------|-----------|-----------|----------|------|------------|------------|
| Net Investment in Capital Assets | — | — | (3,584) | 124 | — | 428,988 | 194,990 |
| Restricted for: | | | | | | | |
| Nonexpendable: | | | | | | | |
| Higher Education | — | — | — | — | — | 162,336 | 35,054 |
| Expendable: | | | | | | | |
| Higher Education | — | — | — | — | — | 127,659 | 23,839 |
| Other Postemployment Benefits | — | — | — | — | — | — | — |
| Pension Benefits | — | — | — | — | — | 5,779 | — |
| Other | — | — | — | — | — | — | — |
| Unrestricted (Deficit) | 726 | 10,956 | 42,310 | 2,620 | — | 181,750 | 71,991 |
| Total Net Position | \$ 726 | \$ 10,956 | \$ 38,726 | \$ 2,744 | \$ 0 | \$ 906,512 | \$ 325,874 |

Continues

Combining Statement of Net Position
Nonmajor Component Units
(expressed in thousands)

June 30, 2024

| <i>Continued</i> | Salt Lake Community College | Utah Valley University | Utah Tech University | Snow College | Technical Colleges | Total Nonmajor Component Units |
|---|--|---------------------------------------|-------------------------------------|-------------------------|-------------------------------|---|
| ASSETS | | | | | | |
| Current Assets: | | | | | | |
| Cash and Cash Equivalents | \$ 17,603 | \$ 84,060 | \$ 41,530 | \$ 32,355 | \$ 55,114 | \$ 381,980 |
| Restricted Cash and Cash Equivalents | — | 10,147 | — | — | 55 | 10,202 |
| Investments | 68,118 | 57,482 | 3,313 | 887 | 3,737 | 264,846 |
| Receivables: | | | | | | |
| Accounts, net | 10,220 | 23,458 | 8,838 | 5,602 | 4,028 | 75,614 |
| Notes/Leases/Loans/Mortgages/Pledges, net | 1,278 | 1,539 | — | 86 | 288 | 6,709 |
| Accrued Interest | — | — | — | — | — | 2,220 |
| Due From Primary Government | 1,900 | — | — | 646 | 3,051 | 6,610 |
| Prepaid Items | 1,675 | 2,630 | 641 | 1,187 | 515 | 15,860 |
| Inventories | 3,700 | 1,667 | 653 | 272 | 2,450 | 13,644 |
| Other Assets | 58 | — | — | — | — | 415 |
| Total Current Assets | <u>104,552</u> | <u>180,983</u> | <u>54,975</u> | <u>41,035</u> | <u>69,238</u> | <u>778,100</u> |
| Noncurrent Assets: | | | | | | |
| Restricted Cash and Cash Equivalents | 2,467 | 60,676 | 6,166 | 1,877 | 2,714 | 298,354 |
| Investments | 115,397 | 165,673 | 38,515 | 3,996 | 836 | 806,443 |
| Restricted Investments | — | — | — | 18,945 | 1,378 | 252,584 |
| Accounts Receivables, net | — | 20,710 | 3,117 | — | — | 196,570 |
| Notes/Leases/Loans/Mortgages/Pledges Receivables, net | 19,849 | 5,051 | — | 886 | 246 | 30,365 |
| Net Pension Asset | 5,961 | 8,443 | 1,976 | 1,753 | 2,408 | 26,320 |
| Net Other Postemployment Benefit Asset | — | — | — | — | — | 602 |
| Other Assets | — | 1,500 | — | — | — | 10,468 |
| Capital Assets (net of Accumulated Depreciation) | 355,619 | 609,489 | 418,834 | 111,506 | 365,029 | 2,787,918 |
| Total Noncurrent Assets | <u>499,293</u> | <u>871,542</u> | <u>468,608</u> | <u>138,963</u> | <u>372,611</u> | <u>4,409,624</u> |
| Total Assets | <u>603,845</u> | <u>1,052,525</u> | <u>523,583</u> | <u>179,998</u> | <u>441,849</u> | <u>5,187,724</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred Amount on Refundings of Bonded Debt | — | — | — | — | — | 526 |
| Deferred Outflows Relating to Pensions | 6,317 | 8,603 | 2,448 | 1,829 | 9,627 | 52,421 |
| Deferred Outflows Relating to Other Postemployment Benefit | — | — | — | — | — | 130 |
| Total Deferred Outflows of Resources | <u>6,317</u> | <u>8,603</u> | <u>2,448</u> | <u>1,829</u> | <u>9,627</u> | <u>53,077</u> |

Continues

Combining Statement of Net Position
Nonmajor Component Units
(expressed in thousands)

June 30, 2024

| <i>Continued</i> | 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 | 12,956 | 22,145 | 2,753 | 1,611 | 6,690 | 89,809 |
| Deposits | 89 | 122 | 612 | 527 | 4 | 2,143 |
| Due To Primary Government | — | 5,037 | 3,185 | — | 375 | 10,265 |
| Unearned Revenue | 11,556 | 12,730 | 5,079 | 543 | 3,655 | 107,528 |
| Current Portion of Long-term Liabilities | 13,707 | 15,071 | 9,158 | 2,176 | 3,976 | 65,893 |
| Total Current Liabilities | <u>38,308</u> | <u>55,105</u> | <u>20,787</u> | <u>4,857</u> | <u>14,700</u> | <u>275,638</u> |
| Noncurrent Liabilities: | | | | | | |
| Accounts Payable and Accrued Liabilities | — | 156 | — | — | 3 | 11,563 |
| Unearned Revenue | — | 1,853 | — | — | 73 | 1,926 |
| Net Pension Liability | 379 | 536 | 452 | 118 | 10,108 | 35,662 |
| Long-term Liabilities | 16,379 | 58,838 | 161,857 | 12,143 | 12,539 | 1,093,753 |
| Total Noncurrent Liabilities | <u>16,758</u> | <u>61,383</u> | <u>162,309</u> | <u>12,261</u> | <u>22,723</u> | <u>1,142,904</u> |
| Total Liabilities | <u>55,066</u> | <u>116,488</u> | <u>183,096</u> | <u>17,118</u> | <u>37,423</u> | <u>1,418,542</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred Inflows Relating to Beneficial Interests | — | 1,462 | 218 | 1,713 | — | 13,014 |
| Deferred Amount on Refundings of Bonded Debt | — | 234 | — | — | — | 234 |
| Deferred Inflows Relating to Pensions | 20 | 66 | 452 | 26 | 138 | 951 |
| Deferred Inflows Relating to Other Postemployment Benefit | — | — | — | — | — | 99 |
| Deferred Inflows Relating to Leases | 19,892 | 4,334 | — | — | 534 | 26,503 |
| Total Deferred Inflows of Resources | <u>19,912</u> | <u>6,096</u> | <u>670</u> | <u>1,739</u> | <u>672</u> | <u>40,801</u> |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets | 340,474 | 548,858 | 257,556 | 98,417 | 354,051 | 2,347,078 |
| Restricted for: | | | | | | |
| Nonexpendable: | | | | | | |
| Higher Education | 12,444 | 89,062 | 25,321 | 13,856 | 1,329 | 339,402 |
| Expendable: | | | | | | |
| Higher Education | 31,208 | 98,693 | 19,114 | 5,573 | 8,442 | 314,528 |
| Other Postemployment Benefits | — | — | — | — | — | 602 |
| Pension Benefits | 5,961 | 8,443 | 1,976 | 1,753 | 2,408 | 26,320 |
| Other | — | — | — | 1,957 | 1,088 | 152,224 |
| Unrestricted (Deficit) | <u>145,097</u> | <u>193,488</u> | <u>38,298</u> | <u>41,414</u> | <u>46,063</u> | <u>601,304</u> |
| Total Net Position | <u>\$ 535,184</u> | <u>\$ 938,544</u> | <u>\$ 342,265</u> | <u>\$ 162,970</u> | <u>\$ 413,381</u> | <u>\$ 3,781,458</u> |

(The remainder of this page has been intentionally left blank.)

Combining Statement of Activities
Nonmajor Component Units
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

| | Utah Communications Authority | Utah Schools for the Deaf and the Blind | Military Installation Development Authority | Heber Valley Historic Railroad Authority | State Fair Park Authority |
|--|-------------------------------------|--|--|---|---------------------------------|
| Expenses | \$ 30,474 | \$ 57,938 | \$ 153,344 | \$ 3,772 | \$ 7,839 |
| Program Revenues: | | | | | |
| Charges for Services: | | | | | |
| Tuition and Fees | — | — | — | — | — |
| Scholarship Allowances | — | — | — | — | — |
| Sales, Services, and Other Revenues | 577 | 11,436 | 6,731 | 4,182 | 8,996 |
| Operating Grants and Contributions | 28,530 | 1,377 | 16,032 | 1,191 | — |
| Capital Grants and Contributions | — | — | 34,751 | — | — |
| Total Program Revenues | 29,107 | 12,813 | 57,514 | 5,373 | 8,996 |
| Net (Expenses) Revenues | (1,367) | (45,125) | (95,830) | 1,601 | 1,157 |
| General Revenues: | | | | | |
| State Appropriations | 32,000 | 41,454 | — | — | — |
| Gain (Loss) on Sale of Capital Assets | 90 | — | — | 23 | — |
| Miscellaneous | 2,875 | — | 3,406 | 19 | 784 |
| Permanent Endowments Contributions | — | — | — | — | — |
| Total General Revenues, Contributions and Other | 34,965 | 41,454 | 3,406 | 42 | 784 |
| Change in Net Position | 33,598 | (3,671) | (92,424) | 1,643 | 1,941 |
| Net Position – Beginning | 121,650 | 41,994 | (20,601) | 7,620 | 11,826 |
| Adjustment to Beginning Net Position | — | — | — | — | — |
| Net Position – Beginning as Adjusted | 121,650 | 41,994 | (20,601) | 7,620 | 11,826 |
| Net Position – Ending | \$ 155,248 | \$ 38,323 | \$ (113,025) | \$ 9,263 | \$ 13,767 |

Continues

Combining Statement of Activities
Nonmajor Component Units
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

| | Utah Lake Authority | Point of the Mountain Development Authority | Utah Inland Port Authority | Utah Water Ways Partnership | Utah Board of Higher Education | Weber State University | Southern Utah University |
|--|---------------------------|--|-------------------------------------|--------------------------------------|---|------------------------------|--------------------------------|
| <i>Continued</i> | | | | | | | |
| Expenses | \$ 1,935 | \$ 1,736 | \$ 28,564 | \$ 687 | \$ — | \$ 316,445 | \$ 254,730 |
| Program Revenues: | | | | | | | |
| Charges for Services: | | | | | | | |
| Tuition and Fees | — | — | — | — | — | 136,417 | 135,396 |
| Scholarship Allowances | — | — | — | — | — | (42,459) | (45,234) |
| Sales, Services, and Other Revenues | — | — | — | — | — | 28,336 | 25,530 |
| Operating Grants and Contributions | 1,457 | 192 | 9,415 | 3,400 | — | 96,128 | 61,341 |
| Capital Grants and Contributions | — | — | 3,183 | — | — | 14,154 | 7,718 |
| Total Program Revenues | 1,457 | 192 | 12,598 | 3,400 | 0 | 232,576 | 184,751 |
| Net (Expenses) Revenues | (478) | (1,544) | (15,966) | 2,713 | 0 | (83,869) | (69,979) |
| General Revenues: | | | | | | | |
| State Appropriations | — | 1,750 | — | — | — | 150,568 | 74,465 |
| Gain (Loss) on Sale of Capital Assets | — | — | — | — | — | — | — |
| Miscellaneous | — | — | 27,502 | 31 | — | — | — |
| Permanent Endowments Contributions | — | — | — | — | — | 2,113 | 1,120 |
| Total General Revenues, Contributions and Other | 0 | 1,750 | 27,502 | 31 | 0 | 152,681 | 75,585 |
| Change in Net Position | (478) | 206 | 11,536 | 2,744 | 0 | 68,812 | 5,606 |
| Net Position – Beginning | 1,204 | 10,750 | 27,190 | — | 369,552 | 837,700 | 281,452 |
| Adjustment to Beginning Net Position | — | — | — | — | (369,552) | — | 38,816 |
| Net Position – Beginning as Adjusted | 1,204 | 10,750 | 27,190 | 0 | 0 | 837,700 | 320,268 |
| Net Position – Ending | \$ 726 | \$ 10,956 | \$ 38,726 | \$ 2,744 | \$ 0 | \$ 906,512 | \$ 325,874 |

Continues

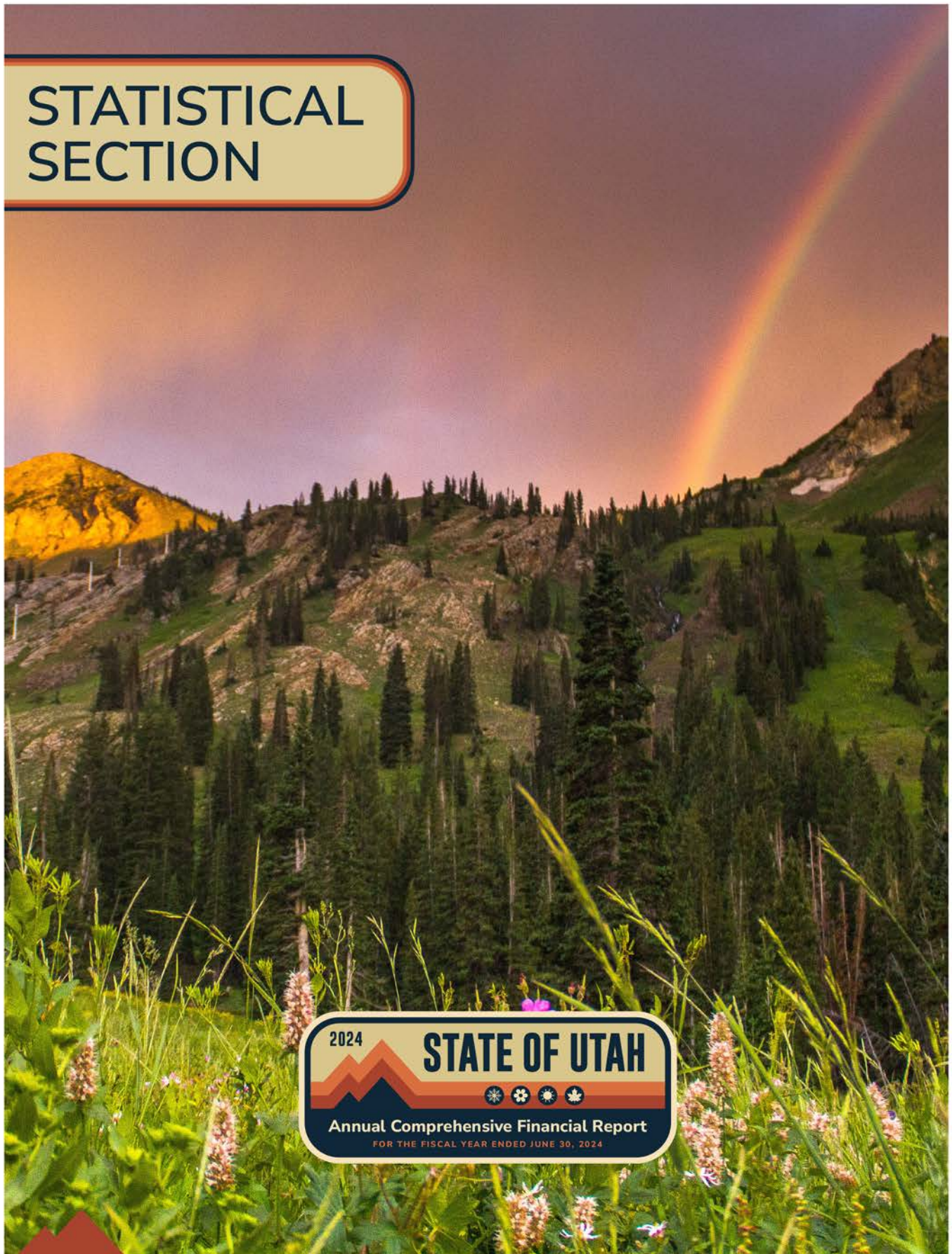
Combining Statement of Activities
Nonmajor Component Units
(expressed in thousands)

For the Fiscal Year Ended June 30, 2024

| <i>Continued</i> | Salt Lake Community College | Utah Valley University | Utah Tech University | Snow College | Technical Colleges | Total Nonmajor Component Units |
|--|--|---------------------------------------|-------------------------------------|-------------------------|-------------------------------|---|
| Expenses | \$ 273,831 | \$ 509,082 | \$ 171,804 | \$ 72,606 | \$ 213,448 | \$ 2,098,235 |
| Program Revenues: | | | | | | |
| Charges for Services: | | | | | | |
| Tuition and Fees | 79,940 | 217,920 | 82,493 | 18,221 | 21,146 | 691,533 |
| Scholarship Allowances | (27,611) | (58,386) | (32,223) | (5,804) | (6,561) | (218,278) |
| Sales, Services, and Other Revenues | 7,058 | 26,759 | 17,346 | 7,140 | 11,333 | 155,424 |
| Operating Grants and Contributions | 79,895 | 139,914 | 39,472 | 5,964 | 37,865 | 522,173 |
| Capital Grants and Contributions | 42,712 | 17,271 | 8,581 | 19,845 | 45,608 | 193,823 |
| Total Program Revenues | 181,994 | 343,478 | 115,669 | 45,366 | 109,391 | 1,344,675 |
| Net (Expenses) Revenues | (91,837) | (165,604) | (56,135) | (27,240) | (104,057) | (753,560) |
| General Revenues: | | | | | | |
| State Appropriations | 142,433 | 189,430 | 64,584 | 46,999 | 154,843 | 898,526 |
| Gain (Loss) on Sale of Capital Assets | — | — | — | — | 201 | 314 |
| Miscellaneous | — | — | — | — | 11 | 34,628 |
| Permanent Endowments Contributions | 2,152 | 6,394 | 245 | 199 | 25 | 12,248 |
| Total General Revenues, Contributions and Other | 144,585 | 195,824 | 64,829 | 47,198 | 155,080 | 945,716 |
| Change in Net Position | 52,748 | 30,220 | 8,694 | 19,958 | 51,023 | 192,156 |
| Net Position – Beginning | 482,436 | 908,324 | 333,571 | 143,012 | 347,350 | 3,905,030 |
| Adjustment to Beginning Net Position | — | — | — | — | 15,008 | (315,728) |
| Net Position – Beginning as Adjusted | 482,436 | 908,324 | 333,571 | 143,012 | 362,358 | 3,589,302 |
| Net Position – Ending | <u>\$ 535,184</u> | <u>\$ 938,544</u> | <u>\$ 342,265</u> | <u>\$ 162,970</u> | <u>\$ 413,381</u> | <u>\$ 3,781,458</u> |

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STATISTICAL SECTION



Late Summer Sunrise in the Albion Basin

Photo by Nanette Sorensen

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STATISTICAL SECTION

Fiscal Year Ended June 30, 2024

This section of the State of Utah's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes to the financial statements, and required supplementary information says about the State's overall financial health.

Financial Trends Information

These schedules present trend information to help the reader understand how the State's financial performance and fiscal health have changed over time.

| | Page |
|--|------|
| Schedule A-1 Net Position by Component | 240 |
| Schedule A-2 Changes in Net Position | 242 |
| Schedule A-3 Fund Balances – Governmental Funds | 246 |
| Schedule A-4 Changes in Fund Balances – Governmental Funds | 248 |

Revenue Capacity Information

These schedules contain information to help the reader understand the State's capacity to raise revenues and the sources of those revenues.

| | |
|---|-----|
| Schedule B-1 Revenue Base | 250 |
| Schedule B-2 Revenue Payers by Industry – Taxable Sales, Services and Use Tax Purchases | 252 |
| Schedule B-3 Revenue Payers – Personal Income Tax | 252 |
| Schedule B-4 Personal Income Tax Rates | 253 |

Debt Capacity Information

These schedules present information to help the reader understand and assess the State's levels of outstanding debt and the State's ability to issue additional debt in the future.

| | |
|---|-----|
| Schedule C-1 Ratios of Outstanding Debt by Type | 254 |
| Schedule C-2 Long-term Debt and Other Long-Term Liabilities | 256 |
| Schedule C-3 Legal Debt Margin | 258 |
| Schedule C-4 Statutory Debt Limit | 258 |
| Schedule C-5 Pledged Revenue Bond Coverage | 260 |

Demographic and Economic Information

These schedules contain demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

| | |
|---|-----|
| Schedule D-1 Demographic and Economic Indicators | 262 |
| Schedule D-2 Principal Employers | 263 |
| Schedule D-3 Composition of Labor Force | 264 |
| Schedule D-4 Public Education Student Enrollment (K-12) | 266 |
| Schedule D-5 Public Higher Education Enrollment | 266 |

Operating Information

These schedules offer operating data to help the reader understand how the information in the State's financial report relates to the services it provides and the activities it performs.

| | |
|---|-----|
| Schedule E-1 Full-Time Equivalent State Employees by Function | 268 |
| Schedule E-2 Operating Indicators by Function | 270 |
| Schedule E-3 Capital Asset Statistics by Function | 272 |

Other Information

These graphs and schedules offer a historical view of expenditures in constant dollars.

| | |
|--|-----|
| Schedule F-1 Expenditures – Historical and Constant Dollars | 274 |
| Schedule F-2 Per Capita Expenditures – Historical and Constant Dollars | 275 |

Sources: Unless otherwise noted, the information in the following schedules is derived from the State of Utah's Annual Comprehensive Financial Report.

Schedule A-1
Net Position by Component*
 Last Ten Fiscal Years
(expressed in thousands)

| | Fiscal Year | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2024 | 2023 ⁵ | 2022 | 2021 | 2020 |
| Governmental Activities | | | | | |
| Net Investment in Capital Assets..... | \$ 23,532,243 | \$ 22,314,274 | \$ 20,829,680 | \$ 18,939,682 | \$ 18,041,509 |
| Restricted ¹ | 8,540,802 | 8,746,440 | 8,687,475 | 7,020,889 | 5,579,823 |
| Unrestricted ² | 9,867,887 | 8,468,680 | 6,020,128 | 2,946,200 | 1,550,994 |
| Total Governmental Activities Net Position..... | <u>41,940,932</u> | <u>39,529,394</u> | <u>35,537,283</u> | <u>28,906,771</u> | <u>25,172,326</u> |
| Business-type Activities | | | | | |
| Net Investment in Capital Assets..... | 62,228 | 51,914 | 54,715 | 44,002 | 41,047 |
| Restricted ³ | 2,086,655 | 1,983,695 | 2,083,669 | 1,904,934 | 2,092,141 |
| Unrestricted ⁴ | 2,380,778 | 1,823,545 | 1,412,814 | 1,465,626 | 1,334,431 |
| Total Business-type Activities Net Position..... | <u>4,529,661</u> | <u>3,859,154</u> | <u>3,551,198</u> | <u>3,414,562</u> | <u>3,467,619</u> |
| Primary Government | | | | | |
| Net Investment in Capital Assets..... | 23,594,471 | 22,366,188 | 20,884,395 | 18,983,684 | 18,082,556 |
| Restricted | 10,627,457 | 10,730,135 | 10,771,144 | 8,925,823 | 7,671,964 |
| Unrestricted..... | 12,248,665 | 10,292,225 | 7,432,942 | 4,411,826 | 2,885,425 |
| Total Primary Government Net Position..... | <u>\$ 46,470,593</u> | <u>\$ 43,388,548</u> | <u>\$ 39,088,481</u> | <u>\$ 32,321,333</u> | <u>\$ 28,639,945</u> |

Continues

*This schedule is presented using the accrual basis of accounting.

¹ In fiscal year 2015 to 2017, restricted net position increased primarily due to an increase in investment values because of general market conditions. In fiscal year 2015, higher tax revenues also contributed to the increase in restricted net position. In fiscal year 2017, unspent restricted revenue as a result of a gas tax increase also contributed to the increase in restricted net position. In fiscal year 2018, restricted net position increased due to higher tax revenues from continued growth in the economy, an increase in unspent bond proceeds for transportation and capital projects, and an increase in investment values because of general market conditions. In fiscal year 2019, restricted net position increased due to an increase in investment values because of general market conditions and higher tax revenues from continued growth in the economy. Recent federal tax changes also caused a temporary surge in corporate tax revenues as corporations repatriated foreign corporate earnings. In fiscal year 2020 to 2022, restricted net position increased primarily due to overall higher individual income taxes and revenues generated from land use and gains on sale of trust lands. In fiscal year 2023, restricted net position increased primarily due to investment gains from trust lands. In fiscal year 2024, the restricted net position declined primarily due to a reduction in the amount designated for appropriations.

² In fiscal year 2015, unrestricted net position decreased due to the implementation of Governmental Accounting Standards Board Statement 68, *Accounting and Financial Reporting for Pensions* that required the measurement and recognition of the State's net pension liability. In fiscal year 2017, unrestricted net position decreased primarily due to a decrease in amounts unspent and carried forward in the General Fund and for transportation and capital projects. In fiscal years 2018 to 2019, unrestricted net position increased due to an increase in amounts unspent and carried forward in the General Fund and for transportation and capital related projects. In fiscal year 2020, unrestricted net position decreased due to an increase in expenditures that utilized unrestricted net position for transportation projects and capital projects. In fiscal year 2021 to 2023, unrestricted net position in governmental activities increased primarily due to an increase in the amount unspent and carried forward in the General Fund. In fiscal year 2024, unrestricted net position in governmental activities increased primarily due to growth in sales and use tax revenue, investment income, and unspent appropriations at yearend in the Transportation Investment Fund.

³ From fiscal year 2015 to 2019, restricted net position has continued to steadily increase due to unemployment revenues exceeding related claims. In fiscal year 2020 and 2021, restricted net position decreased due to reduced contributions to unemployment compensation and with a large increase in benefit claims as a result of economic conditions previously triggered by the COVID-19 pandemic, as well as reductions in the Student Assistance Programs. In fiscal year 2022, restricted net position increased due to unemployment revenues exceeding related claims. In fiscal year 2023, restricted net position decreased primarily due to water loans programs' debt service restriction ending with the payoff of a related bond. In fiscal year 2024, restricted net position increased due to unemployment revenues exceeding related claims.

⁴ In fiscal years 2017 to 2021, business-type activities' unrestricted net position increased primarily due to the State providing additional capital to the loan funds from dedicated sales tax revenues. Fiscal year 2021 also experienced an increase due to a revenue bond defeasement by the Student Loan Programs. In fiscal year 2022, business-type activities' unrestricted net position decreased due to loan sales and transfers of portfolio liquidation processed to the Utah Board of Higher Education (nonmajor discretely presented component unit). In fiscal year 2023, business-type activities' unrestricted net position increased due to water loans debt service restriction ending and a reclassification of restricted balances to unrestricted. In fiscal year 2024, the unrestricted net position of business-type activities increased, driven by several factors: a rise in the Local Government Loan Fund from appropriations for the Inland Port and Point of the Mountain Infrastructure Funds, growth in Water Loan Programs due to new appropriations and revenues exceeding expenses, and an increase in Alcoholic Beverage Services resulting from appropriations for new store construction.

⁵ Figures for June 30, 2023 have been restated to include fiscal year 2024 adjustments to beginning net position related to accounting error corrections in accordance with the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*.

Schedule A-1
Net Position by Component* - continued
 Last Ten Fiscal Years
(expressed in thousands)

| | Fiscal Year | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| Governmental Activities | | | | | |
| Net Investment in Capital Assets | \$ 17,147,477 | \$ 16,827,887 | \$ 16,370,572 | \$ 15,478,397 | \$ 14,789,631 |
| Restricted ¹ | 4,953,627 | 4,693,165 | 4,251,152 | 3,864,294 | 3,877,468 |
| Unrestricted ² | 1,847,710 | 1,249,827 | 819,880 | 1,011,204 | 888,526 |
| Total Governmental Activities Net Position | <u>23,948,814</u> | <u>22,770,879</u> | <u>21,441,604</u> | <u>20,353,895</u> | <u>19,555,625</u> |
| Business-type Activities | | | | | |
| Net Investment in Capital Assets | 32,972 | 29,237 | 19,440 | 20,384 | 16,740 |
| Restricted ³ | 2,286,785 | 2,221,712 | 2,110,776 | 2,065,552 | 1,975,859 |
| Unrestricted ⁴ | 1,319,130 | 1,287,673 | 1,228,915 | 1,169,162 | 1,157,416 |
| Total Business-type Activities Net Position | <u>3,638,887</u> | <u>3,538,622</u> | <u>3,359,131</u> | <u>3,255,098</u> | <u>3,150,015</u> |
| Primary Government | | | | | |
| Net Investment in Capital Assets | 17,180,449 | 16,857,124 | 16,390,012 | 15,498,781 | 14,806,371 |
| Restricted | 7,240,412 | 6,914,877 | 6,361,928 | 5,929,846 | 5,853,327 |
| Unrestricted | 3,166,840 | 2,537,500 | 2,048,795 | 2,180,366 | 2,045,942 |
| Total Primary Government Net Position | <u>\$ 27,587,701</u> | <u>\$ 26,309,501</u> | <u>\$ 24,800,735</u> | <u>\$ 23,608,993</u> | <u>\$ 22,705,640</u> |

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Schedule A-2
Changes in Net Position*
 Last Ten Fiscal Years
(expressed in thousands)

| | Fiscal Year | | | | |
|--|--------------|--------------------|--------------|--------------|-------------|
| | 2024 | 2023 ¹⁴ | 2022 | 2021 | 2020 |
| GOVERNMENTAL ACTIVITIES | | | | | |
| Expenses | | | | | |
| General Government | \$ 1,360,294 | \$ 1,341,897 | \$ 1,192,448 | \$ 1,284,195 | \$ 682,799 |
| Health and Human Services ¹³ | 6,722,540 | 6,132,422 | — | — | — |
| Human Services and Juvenile Justice Services ¹³ | — | — | 1,049,810 | 995,914 | 987,683 |
| Corrections | 467,488 | 429,819 | 325,273 | 313,584 | 339,380 |
| Public Safety | 521,151 | 493,163 | 428,758 | 361,004 | 314,582 |
| Courts | 206,578 | 195,907 | 146,490 | 153,986 | 172,154 |
| Environmental Quality ¹³ | 77,260 | 80,236 | — | — | — |
| Health and Environmental Quality ^{1, 13} | — | — | 4,701,394 | 4,007,254 | 3,410,176 |
| Higher Education | 2,097,529 | 1,796,650 | 1,575,526 | 1,561,004 | 1,312,020 |
| Employment and Family Services | 1,243,690 | 1,568,934 | 1,356,482 | 1,063,022 | 781,075 |
| Natural Resources | 510,952 | 381,099 | 293,246 | 264,901 | 279,871 |
| Cultural and Community Engagement ² | 89,760 | 75,018 | 57,187 | 67,086 | 42,670 |
| Business, Labor, and Agriculture | 203,409 | 161,471 | 127,807 | 147,102 | 133,129 |
| Public Education ³ | 6,106,108 | 5,566,960 | 5,236,842 | 4,827,043 | 4,422,984 |
| Transportation ⁴ | 1,652,445 | 1,136,207 | 1,277,249 | 1,368,487 | 1,583,608 |
| Interest and Other Charges on Long-Term Debt | 43,027 | 52,921 | 60,623 | 74,879 | 78,745 |
| Total Expenses | 21,302,231 | 19,412,704 | 17,829,135 | 16,489,461 | 14,540,876 |
| Program Revenues | | | | | |
| Charges for Services: | | | | | |
| General Government | 796,899 | 683,923 | 644,309 | 550,574 | 204,787 |
| Health and Human Services ¹³ | 785,765 | 539,104 | — | — | — |
| Human Services and Juvenile Justice Services ¹³ | — | — | 13,335 | 17,188 | 21,000 |
| Corrections | 4,211 | 3,197 | 3,642 | 3,573 | 2,229 |
| Public Safety | 91,561 | 89,948 | 93,403 | 60,804 | 81,252 |
| Courts | 63,023 | 59,750 | 58,271 | 52,195 | 49,817 |
| Environmental Quality ¹³ | 16,185 | 16,718 | — | — | — |
| Health and Environmental Quality ^{5, 13} | — | — | 671,530 | 479,732 | 487,658 |
| Higher Education | 84 | — | — | — | — |
| Employment and Family Services | 7,883 | 9,780 | 7,114 | 18,957 | 7,838 |
| Natural Resources | 124,074 | 139,625 | 149,939 | 136,753 | 134,642 |
| Cultural and Community Engagement ² | 3,987 | 3,499 | 2,720 | 1,667 | 3,024 |
| Business, Labor, and Agriculture | 138,489 | 132,675 | 129,518 | 132,149 | 129,467 |
| Public Education | 80,473 | 109,227 | 92,491 | 55,036 | 61,914 |
| Transportation | 342,324 | 278,806 | 279,829 | 277,205 | 259,022 |
| Operating Grants and Contributions ⁶ | 7,720,490 | 7,904,918 | 6,925,662 | 6,993,130 | 4,595,460 |
| Capital Grants and Contributions | 141,509 | 118,509 | 104,400 | 154,058 | 180,207 |
| Total Program Revenues | 10,316,957 | 10,089,679 | 9,176,163 | 8,933,021 | 6,218,317 |
| Net Program (Expense) - Governmental Activities | (10,985,274) | (9,323,025) | (8,652,972) | (7,556,440) | (8,322,559) |
| General Revenues and Other Changes in Net Position | | | | | |
| Taxes: | | | | | |
| Sales Tax and Use Tax ⁷ | 4,532,375 | 4,421,304 | 4,203,297 | 3,567,337 | 3,070,713 |
| Individual Income Tax Imposed for Education ⁷ | 6,052,374 | 6,045,283 | 7,078,771 | 5,652,907 | 4,779,868 |
| Corporate Tax Imposed for Education ⁷ | 902,313 | 895,504 | 960,673 | 688,583 | 406,423 |
| Motor and Special Fuel Taxes Imposed for Transportation | 639,874 | 608,188 | 576,705 | 561,443 | 498,400 |
| Other Taxes | 564,826 | 578,763 | 535,494 | 439,990 | 425,507 |
| American Rescue Plan Act | — | — | 332,774 | — | — |
| Investment Income (Loss) | 371,894 | 288,384 | (32,549) | 26,247 | 44,541 |
| Gain on Sale of Capital Assets | 75,492 | 56,374 | 126,797 | 79,625 | 58,651 |
| Miscellaneous | 246,139 | 144,946 | 142,865 | 137,346 | 110,835 |
| Special Items ¹¹ | — | — | 136,192 | — | — |
| Transfers—Internal Activities | (358,027) | 2,748 | 47,460 | 151,676 | 151,133 |
| Prior Period Adjustments and Restatements | 331,010 | 273,642 | 1,175,005 | — | — |
| Total General Revenues and Other Changes in Net Position | 13,358,270 | 13,315,136 | 15,283,484 | 11,305,154 | 9,546,071 |
| Change in Net Position — Governmental Activities — Increase (Decrease) | 2,372,996 | 3,992,111 | 6,630,512 | 3,748,714 | 1,223,512 |

Continues

Schedule A-2
Changes in Net Position* - continued
 Last Ten Fiscal Years
(expressed in thousands)

| | Fiscal Year | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| GOVERNMENTAL ACTIVITIES | | | | | |
| Expenses | | | | | |
| General Government | \$ 576,183 | \$ 503,430 | \$ 476,428 | \$ 457,564 | \$ 442,340 |
| Health and Human Services ¹³ | — | — | — | — | — |
| Human Services and Juvenile Justice Services ¹³ | 932,553 | 854,614 | 818,058 | 765,027 | 718,731 |
| Corrections | 340,123 | 314,701 | 297,587 | 282,538 | 273,695 |
| Public Safety | 363,510 | 307,121 | 266,032 | 245,598 | 231,250 |
| Courts | 165,833 | 162,049 | 150,066 | 142,913 | 129,951 |
| Environmental Quality ¹³ | — | — | — | — | — |
| Health and Environmental Quality ^{1, 13} | 2,979,063 | 2,807,215 | 2,719,553 | 2,600,928 | 2,503,794 |
| Higher Education | 1,339,338 | 1,318,207 | 1,104,855 | 1,137,364 | 1,004,382 |
| Employment and Family Services | 769,277 | 753,205 | 760,777 | 710,018 | 724,477 |
| Natural Resources | 264,093 | 238,545 | 225,176 | 198,190 | 194,026 |
| Cultural and Community Engagement ² | 31,928 | 30,279 | 28,874 | 27,048 | 23,207 |
| Business, Labor, and Agriculture | 122,449 | 116,964 | 106,523 | 112,809 | 100,566 |
| Public Education ³ | 4,141,443 | 3,981,186 | 3,748,684 | 3,554,337 | 3,338,653 |
| Transportation ⁴ | 1,288,760 | 970,442 | 888,854 | 825,923 | 797,392 |
| Interest and Other Charges on Long-Term Debt | 83,657 | 85,141 | 84,820 | 93,598 | 98,442 |
| Total Expenses | 13,398,210 | 12,443,099 | 11,676,287 | 11,153,855 | 10,580,906 |
| Program Revenues | | | | | |
| Charges for Services: | | | | | |
| General Government | 208,338 | 216,929 | 182,026 | 166,386 | 181,907 |
| Health and Human Services ¹³ | — | — | — | — | — |
| Human Services and Juvenile Justice Services ¹³ | 10,843 | 11,399 | 12,674 | 10,725 | 11,744 |
| Corrections | 1,960 | 3,199 | 4,824 | 3,836 | 5,106 |
| Public Safety | 78,901 | 73,939 | 59,581 | 61,395 | 60,528 |
| Courts | 54,481 | 52,563 | 51,645 | 51,868 | 54,615 |
| Environmental Quality ¹³ | — | — | — | — | — |
| Health and Environmental Quality ^{5, 13} | 391,072 | 337,171 | 315,962 | 325,024 | 313,376 |
| Higher Education | 500 | — | — | — | — |
| Employment and Family Services | 9,153 | 9,639 | 8,911 | 8,082 | 7,440 |
| Natural Resources | 107,817 | 105,790 | 101,933 | 90,561 | 88,304 |
| Cultural and Community Engagement ² | 3,325 | 3,041 | 3,961 | 3,443 | 2,524 |
| Business, Labor, and Agriculture | 119,166 | 104,113 | 94,305 | 94,924 | 89,722 |
| Public Education | 75,944 | 79,337 | 191,968 | 89,269 | 75,123 |
| Transportation | 222,588 | 214,221 | 206,963 | 207,554 | 243,301 |
| Operating Grants and Contributions ⁶ | 4,162,578 | 4,057,460 | 3,994,614 | 3,632,735 | 3,717,276 |
| Capital Grants and Contributions | 155,265 | 164,278 | 132,708 | 87,942 | 114,490 |
| Total Program Revenues | 5,601,931 | 5,433,079 | 5,362,075 | 4,833,744 | 4,965,456 |
| Net Program (Expense) - Governmental Activities | (7,796,279) | (7,010,020) | (6,314,212) | (6,320,111) | (5,615,450) |
| General Revenues and Other Changes in Net Position | | | | | |
| Taxes: | | | | | |
| Sales Tax and Use Tax ⁷ | 2,804,457 | 2,648,552 | 2,402,809 | 2,300,368 | 2,206,633 |
| Individual Income Tax Imposed for Education ⁷ | 4,346,855 | 4,072,919 | 3,646,721 | 3,435,425 | 3,280,568 |
| Corporate Tax Imposed for Education ⁷ | 529,279 | 422,980 | 327,266 | 354,979 | 369,747 |
| Motor and Special Fuel Taxes Imposed for Transportation | 521,012 | 500,080 | 483,922 | 425,366 | 370,974 |
| Other Taxes | 398,486 | 398,940 | 355,075 | 354,800 | 386,228 |
| American Rescue Plan Act | — | — | — | — | — |
| Investment Income | 60,503 | 34,424 | 22,058 | 9,365 | 7,804 |
| Gain on Sale of Capital Assets | 65,471 | 40,871 | 54,012 | 27,048 | 28,131 |
| Miscellaneous | 104,415 | 139,753 | 106,723 | 82,882 | 94,616 |
| Special Items ¹¹ | — | — | — | — | 16,288 |
| Transfers—Internal Activities | 143,736 | 96,245 | 135,338 | 128,148 | 109,028 |
| Prior Period Adjustments and Restatements | — | (15,469) | 1,207 | — | 1,940 |
| Total General Revenues and Other Changes in Net Position | 8,974,214 | 8,339,295 | 7,535,131 | 7,118,381 | 6,871,957 |
| Change in Net Position — Governmental Activities — Increase (Decrease) | 1,177,935 | 1,329,275 | 1,220,919 | 798,270 | 1,256,507 |

Continues

Schedule A-2
Changes in Net Position* - continued
 Last Ten Fiscal Years
(expressed in thousands)

| | Fiscal Year | | | | |
|---|--------------|--------------------|--------------|--------------|------------------|
| | 2024 | 2023 ¹⁴ | 2022 | 2021 | 2020 |
| BUSINESS-TYPE ACTIVITIES | | | | | |
| Expenses | | | | | |
| Student Assistance Programs ¹² | \$ 1,267 | \$ 146,354 | \$ 359,063 | \$ 77,918 | \$ 107,416 |
| Unemployment Compensation ⁸ | 296,011 | 209,626 | 140,358 | 1,115,481 | 1,152,794 |
| Water Loan Programs | 44,664 | 17,227 | 13,063 | 15,463 | 12,266 |
| Community and Economic Loan Programs | 48,457 | 24,855 | 36,037 | 18,556 | 5,361 |
| Liquor Retail Sales | 367,934 | 364,409 | 366,989 | 340,951 | 327,070 |
| Other Business-type Activities | 56,826 | 47,159 | 43,438 | 46,597 | 43,694 |
| Total Expenses | 815,159 | 809,630 | 958,948 | 1,614,966 | 1,648,601 |
| Program Revenues | | | | | |
| Charges for Services: | | | | | |
| Student Assistance Programs | — | 129 | 59,914 | 62,288 | 87,691 |
| Unemployment Compensation | 340,168 | 335,999 | 280,087 | 214,488 | 181,404 |
| Water Loan Programs | 784 | 366 | 793 | 1,927 | 3,322 |
| Community and Economic Loan Programs | 6,239 | 5,924 | 4,892 | 2,999 | 2,759 |
| Liquor Retail Sales | 499,666 | 506,492 | 501,496 | 466,012 | 449,760 |
| Other Business-type Activities | 64,082 | 56,492 | 61,476 | 51,494 | 47,928 |
| Operating Grants and Contributions ^{9, 10} | 28,542 | 103,582 | 162,799 | 783,845 | 755,894 |
| Total Program Revenues | 939,481 | 1,008,984 | 1,071,457 | 1,583,053 | 1,528,758 |
| Net Program Revenue (Expense) — Business-type Activities | 124,322 | 199,354 | 112,509 | (31,913) | (119,843) |
| General Revenues and Other Changes in Net Position | | | | | |
| Taxes: | | | | | |
| Sales Tax and Use Tax | 57,187 | 56,074 | 51,905 | 48,927 | 36,607 |
| Investment Income ¹⁰ | 130,451 | 83,176 | 12,053 | 50,781 | 62,620 |
| Gain on Sale of Capital Assets | 100 | 60 | — | — | — |
| Miscellaneous | 420 | 298 | 5,088 | — | 482 |
| Transfers—Internal Activities | 358,027 | (41,508) | (47,460) | (151,676) | (151,133) |
| Capital Contributions | — | — | — | — | — |
| Prior Period Adjustments and Restatements | (4,123) | (6,998) | 2,541 | — | — |
| Total General Revenues and Other Changes in Net Position | 542,062 | 91,102 | 24,127 | (51,968) | (51,424) |
| Change in Net Position — Business-type Activities – Increase (Decrease) | 666,384 | 290,456 | 136,636 | (83,881) | (171,267) |
| Total Primary Government Change in Net Position | \$ 3,039,380 | \$ 4,282,567 | \$ 6,767,148 | \$ 3,664,833 | \$ 1,052,245 |
| Change in Net Position | \$ 2,712,493 | | | | <i>Continues</i> |
| Adjustment to Beginning Net Position | \$ 326,887 | | | | |

*This schedule is presented using the accrual basis of accounting.

¹ Health and Environmental Quality expenditures have increased over the last ten fiscal years due to rising Medicaid program costs and COVID-19 Pandemic costs beginning at the end fiscal year 2020.

² In fiscal year 2022, legislative action renamed the Department of Heritage and Arts to the Department of Cultural and Community Engagement.

³ Public Education expenses continue to rise due to increased expenditures in the Minimum School Program.

⁴ In fiscal year 2022, Transportation expenses decreased slightly due to a decrease in the amount spent for capital outlay.

⁵ In fiscal years 2020 to 2022, Health and Environmental Quality revenues have increased from 2019 due to an increase in Medicaid drug rebates and new litigation proceeds and an increase in federal funding to cover rising program costs.

⁶ In fiscal years 2021 to 2023, Operating Grants and Contributions increased due to an increase in federal funded economic relief due to the COVID-19 pandemic.

⁷ In fiscal years 2015 to 2019, general tax revenues increased due to higher revenues from a strengthening economy. In fiscal year 2019, corporate tax revenues also increased due to recent federal tax changes, which created a temporary surge as corporations repatriated foreign corporate earnings. In fiscal year 2020, corporate tax revenues decreased following the temporary surge caused by repatriated foreign corporate earnings in the prior year. In fiscal year 2021, corporate tax revenue increased due to State income taxes being postponed for 3 months in fiscal year 2020, affecting the timing of cash deposits. In fiscal year 2022, general taxes increased due to economic growth. In fiscal year 2023, general taxes decreased due to decline in net final payments normalizing after unprecedented growth in fiscal year 2022. In fiscal year 2024, general tax revenues increased due to higher revenues from a strengthening economy.

Schedule A-2
Changes in Net Position* - continued
 Last Ten Fiscal Years
(expressed in thousands)

| | Fiscal Year | | | | |
|---|---------------------|---------------------|---------------------|-------------------|---------------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| BUSINESS-TYPE ACTIVITIES | | | | | |
| Expenses | | | | | |
| Student Assistance Programs | \$ 114,087 | \$ 120,169 | \$ 136,037 | \$ 154,247 | \$ 111,437 |
| Unemployment Compensation ⁸ | 152,359 | 156,121 | 175,354 | 182,516 | 177,105 |
| Water Loan Programs | 13,744 | 12,613 | 15,998 | 14,913 | 18,276 |
| Community and Economic Loan Programs | 2,402 | 4,991 | 9,074 | 5,253 | 2,967 |
| Liquor Retail Sales | 311,261 | 292,936 | 277,965 | 260,755 | 242,933 |
| Other Business-type Activities | 45,344 | 45,065 | 45,612 | 37,849 | 36,720 |
| Total Expenses | 639,197 | 631,895 | 660,040 | 655,533 | 589,438 |
| Program Revenues | | | | | |
| Charges for Services: | | | | | |
| Student Assistance Programs | 97,239 | 101,350 | 108,057 | 123,218 | 88,188 |
| Unemployment Compensation | 169,468 | 187,754 | 210,907 | 240,709 | 295,851 |
| Water Loan Programs | 729 | 234 | 746 | 902 | 406 |
| Community and Economic Loan Programs | 3,159 | 3,137 | 3,393 | 3,208 | 5,562 |
| Liquor Retail Sales | 430,829 | 407,694 | 384,009 | 364,482 | 338,039 |
| Other Business-type Activities | 45,891 | 43,991 | 47,994 | 34,968 | 38,892 |
| Operating Grants and Contributions ^{9, 10} | 33,575 | 44,392 | 39,053 | 46,118 | 48,482 |
| Total Program Revenues | 780,890 | 788,552 | 794,159 | 813,605 | 815,420 |
| Net Program Revenue (Expense) — Business-type Activities | 141,693 | 156,657 | 134,119 | 158,072 | 225,982 |
| General Revenues and Other Changes in Net Position | | | | | |
| Taxes: | | | | | |
| Sales Tax and Use Tax | 34,278 | 59,864 | 57,528 | 29,841 | 28,384 |
| Investment Income ¹⁰ | 68,162 | 56,561 | 49,349 | 45,318 | 41,421 |
| Gain on Sale of Capital Assets | (132) | — | 529 | — | — |
| Miscellaneous | — | 2,654 | — | — | — |
| Transfers—Internal Activities | (143,736) | (96,245) | (135,338) | (128,148) | (109,028) |
| Capital Contributions | — | — | 37 | — | — |
| Prior Period Adjustments and Restatements | — | — | — | — | (367) |
| Total General Revenues and Other Changes in Net Position | (41,428) | 22,834 | (27,895) | (52,989) | (39,590) |
| Change in Net Position — Business-type Activities – Increase (Decrease) | 100,265 | 179,491 | 106,224 | 105,083 | 186,392 |
| Total Primary Government Change in Net Position | <u>\$ 1,278,200</u> | <u>\$ 1,508,766</u> | <u>\$ 1,327,143</u> | <u>\$ 903,353</u> | <u>\$ 1,442,899</u> |

⁸ In fiscal year 2015, Unemployment Compensation expenses decreased reflecting Utah's improving economy and employment. In fiscal years 2020 and 2021, significantly more claims paid as a result of COVID-19 pandemic, and the additional benefit provided by the federal government. In fiscal year 2022, Unemployment Compensation expenses decreased due to Utah's recovering economy and improved employment condition. In fiscal year 2023 and 2024, Unemployment Compensation expenses increased due to an increase in higher paid claims.

⁹ In fiscal years 2020 and 2021, significant increases to Operating Grants and Contributions are due to increased federal grants as a result of the COVID-19 pandemic, and the increased demand for unemployment compensation benefits. In fiscal years 2022 and 2023, Operating Grants and Contributions decreased primarily due to the conclusion of COVID-19 unemployment pandemic relief programs. In fiscal year 2024, Operating Grants and Contributions decreased primarily due to the liquidation of the Student Assistance Program in fiscal year 2023.

¹⁰ In fiscal year 2016, Investment Income of business-type activities was reclassified to other general revenues from operating grants and contributions. This change was made to comply with applicable governmental accounting standards. Prior years have been restated.

¹¹ In fiscal year 2015, the Comprehensive Health Insurance Pool (nonmajor discretely presented component unit) was dissolved and the remaining cash balance was transferred to the State's general fund. In fiscal year 2022, special item revenue represented the State's portion of the National Opioid Settlement.

¹² In fiscal year 2023, Student Assistance Program expenses decreased due to liquidation.

¹³ In fiscal year 2023, Legislative action reorganized the Department of Health, previously reported under the Health and Environmental Quality function line, and the Department of Human Services consolidating them into one department and renaming them as the Department of Health and Human Services.

¹⁴ Figures for June 30, 2023 have been restated to include fiscal year 2024 adjustments to beginning net position related to accounting error corrections in accordance with the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*.

Schedule A-3
Fund Balances — Governmental Funds*
 Last Ten Fiscal Years
(expressed in thousands)

| | Fiscal Year | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2024 | 2023 ⁹ | 2022 | 2021 | 2020 |
| General Fund | | | | | |
| Nonspendable: | | | | | |
| Long-term Portion of Interfund Loans Receivable | \$ 30,442 | \$ 18,150 | \$ 5,703 | \$ 6,272 | \$ 9,388 |
| Prepaid Items ¹ | 17,925 | 163,936 | 38,683 | 209,933 | 183,074 |
| Inventories ¹ | 23,067 | 43,581 | 48,212 | 43,823 | 27,564 |
| Restricted ² | 286,445 | 327,737 | 117,384 | 85,032 | 69,366 |
| Committed ³ | 2,381,591 | 1,835,230 | 1,692,944 | 1,181,796 | 855,925 |
| Assigned ⁴ | 663,230 | 1,451,406 | 1,359,364 | 607,794 | 294,255 |
| Unassigned | — | 49,884 | 130,243 | 109,774 | 14,456 |
| Total General Fund | <u>3,402,700</u> | <u>3,889,924</u> | <u>3,392,533</u> | <u>2,244,424</u> | <u>1,454,028</u> |
| All Other Governmental Funds | | | | | |
| Nonspendable: | | | | | |
| Prepaid Items | 3,316 | 1,000 | 824 | 569 | 528 |
| Inventories | 19,974 | 14,540 | 14,796 | 13,058 | 13,093 |
| Permanent Fund Principal ⁵ | 2,391,455 | 2,195,279 | 2,074,233 | 1,932,765 | 1,841,255 |
| Restricted ⁶ | 5,471,841 | 5,724,601 | 5,363,334 | 4,624,040 | 4,045,256 |
| Committed ⁷ | 5,289,791 | 3,711,841 | 2,340,705 | 1,255,703 | 874,589 |
| Assigned ⁸ | 1,439,861 | 1,294,390 | 720,884 | 301,469 | 205,129 |
| Total All Other Governmental Funds | <u>14,616,238</u> | <u>12,941,651</u> | <u>10,514,776</u> | <u>8,127,604</u> | <u>6,979,850</u> |
| Total Fund Balances — Governmental Funds | <u>\$18,018,938</u> | <u>\$16,831,575</u> | <u>\$13,907,309</u> | <u>\$10,372,028</u> | <u>\$ 8,433,878</u> |

Continues

*This schedule is presented using the modified accrual basis of accounting.

¹ Nonspendable fund balance within the General Fund as to prepaid items varies from year to year due to the timing of yearend payments. The long-term portion of interfund loans receivable with Internal Service Funds varies from year to year based on changes in loan balances and projections for repayments for the next year. In fiscal year 2024, the nonspendable fund balance primarily decreased due to prepaid items.

² In fiscal years 2021 to 2023, restricted fund balance within the General Fund increased as a result of an increase in revenues set aside for specific purposes due to constraints that are imposed externally or by law. In fiscal year 2024, restricted fund balance within the General Fund decreased due to reclassification of the Utah Fund of funds to a special revenue fund.

³ In fiscal years 2021 to 2024, the committed fund balance within the General Fund increased due to an increase in monies set aside for specific purposes.

⁴ In fiscal years 2021 to 2023, the assigned fund balance increased due to increase in future year general fund appropriations. In fiscal year 2024, the assigned fund balance decreased due to a reduction in future year General Fund appropriations.

⁵ In fiscal years 2015 to 2017, the nonspendable fund balance within other governmental funds increased primarily due to a change in investment values as a result of the rebounding and then prospering economy. In fiscal year 2018, the nonspendable balance decreased due to the reclassification of a portion of the fund balance within the Permanent Fund to restricted fund balance. This reclassification was the result of a constitutional amendment that implemented a new spending plan to allow the distribution of Permanent Fund earnings.

⁶ In fiscal year 2017, the restricted fund balance within other governmental funds increased primarily due to an increase in the unspent balance of restricted resources within the Transportation Fund as the result of an increase in the motor and special fuels tax and also higher fuel consumption. In fiscal year 2018, the increase within other governmental funds was primarily due to the reclassification of a portion of the Permanent Fund, as explained in note 5 above. The balance of the increase was due to an increase in the unspent balance of restricted resources within the Income Tax Fund as a result of growth in the individual and corporate income tax and increases within the Capital Projects and Transportation Investment Funds due to unspent bond proceeds. In fiscal year 2020, the increase is primarily due to unspent bond proceeds in the Capital Projects and Transportation Investment Funds. The Income Tax Fund restricted balance contributed the balance of the increase due to unspent restricted resources as a result of growth in individual income tax. In fiscal year 2021, the growth in Income Tax Fund restricted balance was due to an increase in individual income tax. In fiscal year 2022, the increase in the Income Tax Fund was due to growth in income taxes, netting with decreases in fund balance of Trust Lands and Nonmajor Funds. In fiscal year 2023, the restricted fund balance increased due to unspent balances of restricted resources within the Transportation Fund as the result of an increase in the motor and special fuels tax and investment income earnings within the other governmental funds. In fiscal year 2024, the restricted fund balance decreased primarily due to a reduction in the Income Tax Fund, driven by a decrease in the amount designated for appropriations.

Schedule A-3
Fund Balances — Governmental Funds* - continued
 Last Ten Fiscal Years
(expressed in thousands)

| | Fiscal Year | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| General Fund | | | | | |
| Nonspendable: | | | | | |
| Long-term Portion of Interfund Loans Receivable | \$ 12,063 | \$ 14,950 | \$ 18,927 | \$ 26,747 | \$ 26,996 |
| Prepaid Items ¹ | 7,625 | 2,463 | 14,475 | 106,745 | 96,939 |
| Inventories ¹ | 421 | 721 | 687 | 434 | 662 |
| Restricted ² | 43,241 | 38,978 | 33,516 | 38,124 | 34,278 |
| Committed ³ | 835,171 | 675,228 | 559,791 | 546,782 | 496,758 |
| Assigned ⁴ | 339,999 | 314,910 | 194,174 | 132,126 | 255,841 |
| Unassigned | — | 7,966 | 9,585 | 7,196 | — |
| Total General Fund | <u>1,238,520</u> | <u>1,055,216</u> | <u>831,155</u> | <u>858,154</u> | <u>911,474</u> |
| All Other Governmental Funds | | | | | |
| Nonspendable: | | | | | |
| Prepaid Items | 437 | 874 | — | — | — |
| Inventories | 12,769 | 12,959 | 13,905 | 13,990 | 13,605 |
| Permanent Fund Principal ⁵ | 1,785,184 | 1,707,449 | 2,504,560 | 2,267,538 | 2,244,902 |
| Restricted ⁶ | 2,733,925 | 2,731,594 | 1,308,585 | 1,189,881 | 1,188,672 |
| Committed ⁷ | 999,561 | 876,576 | 686,583 | 758,530 | 843,483 |
| Assigned ⁸ | 546,447 | 235,974 | 305,065 | 347,321 | 163,194 |
| Total All Other Governmental Funds | <u>6,078,323</u> | <u>5,565,426</u> | <u>4,818,698</u> | <u>4,577,260</u> | <u>4,453,856</u> |
| Total Fund Balances — Governmental Funds | <u>\$ 7,316,843</u> | <u>\$ 6,620,642</u> | <u>\$ 5,649,853</u> | <u>\$ 5,435,414</u> | <u>\$ 5,365,330</u> |

⁷ In fiscal years 2016 and 2017, the committed fund balance decreased as expenditures increased for transportation projects utilizing sales and use tax revenue. In fiscal year 2018, the committed fund balance increased due to growth in sales and use tax revenue allocated for transportation projects. In fiscal year 2019, the committed fund balance increased primarily due to growth in sales and use tax revenue for transportation, and also due to new sales and use tax diversions for the Medicaid and outdoor recreation grant programs. In fiscal year 2020, the decrease is due to an increase in expenditures that utilized dedicated sales and use tax revenue. In fiscal year 2021, the increase is attributed to growth in sales and use tax revenue for transportation due to improved economic conditions and improved investment performance in the state endowment fund. In fiscal year 2022, the increase is attributed to growth in sales and use tax revenue for all transportation due to improved economic conditions, and unspent appropriations. In fiscal year 2023, the increase is attributed to growth in sales and use tax revenue for all funds besides the Income Tax Fund. In fiscal year 2024, the increase in the committed fund balance is primarily attributed to growth in the Transportation Investment Fund, driven by higher sales and use tax revenue, increased investment income, and unspent appropriations at yearend.

⁸ The assigned fund balance within other governmental funds varies from year to year due to changes in funding provided for capital projects.

⁹ Figures for June 30, 2023 have been restated to include fiscal year 2024 adjustments to beginning net position related to accounting error corrections in accordance with the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*.

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Schedule A-4
Changes in Fund Balances — Governmental Funds*
 Last Ten Fiscal Years
(dollars expressed in thousands)

| | Fiscal Year | | | | |
|--|--------------|--------------------|--------------|--------------|--------------|
| | 2024 | 2023 ¹⁸ | 2022 | 2021 | 2020 |
| Revenues | | | | | |
| Sales and Use Tax ¹ | \$ 4,527,203 | \$ 4,417,783 | \$ 4,201,118 | \$ 3,569,706 | \$ 3,068,002 |
| Individual Income Tax ¹ | 6,243,189 | 6,510,385 | 6,814,382 | 5,451,297 | 4,758,082 |
| Corporate Tax ¹ | 902,927 | 894,682 | 960,035 | 687,791 | 405,632 |
| Motor and Special Fuel Taxes ² | 639,781 | 608,170 | 577,407 | 560,763 | 498,402 |
| Other Taxes ³ | 565,244 | 578,815 | 535,139 | 439,311 | 425,482 |
| Federal Contracts and Grants ⁴ | 6,859,413 | 7,291,203 | 7,366,055 | 6,223,486 | 4,648,234 |
| Charges for Services/Royalties | 1,621,890 | 1,379,743 | 1,231,608 | 1,112,837 | 859,452 |
| Licenses, Permits, and Fees | 299,816 | 262,371 | 246,782 | 237,702 | 225,258 |
| Federal Mineral Lease ⁵ | 84,283 | 137,559 | 75,616 | 49,039 | 58,606 |
| Intergovernmental | — | — | — | — | 8,057 |
| Investment Income ⁶ | 1,111,683 | 662,850 | (177,324) | 756,946 | (13,567) |
| Miscellaneous and Other ⁷ | 814,225 | 708,116 | 762,630 | 646,815 | 560,138 |
| Total Revenues | 23,669,654 | 23,451,677 | 22,593,448 | 19,735,693 | 15,501,778 |
| Expenditures | | | | | |
| General Government ⁸ | 1,244,524 | 1,205,448 | 1,109,712 | 1,204,986 | 608,657 |
| Health and Human Services ⁹ | 6,700,697 | 6,158,813 | — | — | — |
| Human Services and Juvenile Justice Services ⁹ | — | — | 1,107,034 | 1,023,128 | 984,607 |
| Corrections | 441,627 | 430,889 | 377,325 | 341,174 | 337,885 |
| Public Safety | 527,380 | 516,054 | 458,918 | 363,518 | 341,668 |
| Courts | 220,607 | 198,450 | 176,715 | 162,466 | 165,465 |
| Environmental Quality ⁹ | 81,980 | 83,608 | — | — | — |
| Health and Environmental Quality ⁹ | — | — | 4,771,546 | 4,048,719 | 3,427,211 |
| Higher Education—State Administration ¹⁰ | 148,389 | 133,320 | 114,235 | 182,070 | 125,335 |
| Higher Education—Colleges and Universities | 1,823,061 | 1,522,765 | 1,324,098 | 1,271,944 | 1,109,447 |
| Employment and Family Services | 1,251,901 | 1,567,466 | 1,385,699 | 1,067,848 | 778,046 |
| Natural Resources ¹¹ | 530,598 | 398,983 | 297,321 | 274,500 | 272,994 |
| Cultural and Community Engagement ¹² | 79,754 | 75,249 | 59,510 | 67,719 | 41,864 |
| Business, Labor, and Agriculture | 208,713 | 164,679 | 136,921 | 149,968 | 132,022 |
| Public Education ¹³ | 6,118,349 | 5,577,981 | 5,249,375 | 4,829,615 | 4,409,279 |
| Transportation ¹⁴ | 1,420,977 | 1,238,165 | 1,131,668 | 1,206,786 | 1,166,194 |
| Capital Outlay ¹⁵ | 1,377,974 | 925,911 | 1,117,262 | 1,394,526 | 1,286,659 |
| Debt Service – Principal Retirement | 349,817 | 368,972 | 363,067 | 320,546 | 281,801 |
| Debt Service – Interest and Other Charges | 69,969 | 85,064 | 101,560 | 119,504 | 190,114 |
| Total Expenditures | 22,596,317 | 20,651,817 | 19,281,966 | 18,029,017 | 15,659,248 |
| Revenues Over (Under) Expenditures | 1,073,337 | 2,799,860 | 3,311,482 | 1,706,676 | (157,470) |
| Other Financing Sources (Uses) | | | | | |
| General Obligation Bonds Issued ¹⁶ | — | — | — | — | 895,745 |
| Revenue Bonds Issued | — | — | — | — | — |
| Refunding Bonds Issued | — | — | — | — | — |
| Premium on Bonds Issued | — | — | — | — | 173,585 |
| Payment to Refunded Bond Escrow Agent | — | — | — | — | — |
| Leases/Contracts Issued | 38,853 | 10,488 | 3,366 | — | — |
| Sale of Capital Assets | 76,615 | 67,245 | 134,358 | 78,690 | 58,756 |
| Transfers In | 5,943,254 | 5,640,288 | 4,898,297 | 3,408,383 | 1,899,963 |
| Transfers Out | (6,314,248) | (5,656,691) | (4,859,871) | (3,259,113) | (1,753,543) |
| Special Item | | | | | |
| Comprehensive Health Insurance Pool Transfer ¹⁷ | — | — | — | — | — |
| Prior Period Adjustments and Restatements | — | — | — | — | — |
| Total Other Financing Sources (Uses) | (255,526) | 61,330 | 176,150 | 227,960 | 1,274,506 |
| Net Change in Fund Balances | \$ 817,811 | \$ 2,861,190 | \$ 3,487,632 | \$ 1,934,636 | \$ 1,117,036 |
| Debt Service as a Percentage of Noncapital Expenditures | 1.95 % | 2.31 % | 2.55 % | 2.63 % | 3.22 % |

*This schedule is presented using the modified accrual basis of accounting.

¹ In fiscal years 2015 to 2019, tax revenues increased due to a rebounding and then prospering economy. In fiscal 2019, an increase in corporate tax revenue was also due to recent federal tax changes, creating a temporary surge as corporations repatriated foreign corporate earnings. In fiscal year 2020, sales and use tax revenue is up due in part to increased consumer spending in response to the COVID-19 pandemic as a result of federal economic stimulus payments made to individuals. The increase in sales and use tax is also the result of new legislation to tax online marketplaces, effective October 2019. Individual income tax increased primarily due to accruals of income after individual income tax payments due were shifted from April 2020 to July 2020. Corporate tax is decreasing due to timing and the residual effect of the temporary surge seen in the prior year. In fiscal year 2021 and 2022, sales and use tax revenue is up due in part to increased consumer spending in response to the economic growth and recovery from the COVID-19 pandemic. In fiscal year 2023 and 2024, sales and use tax revenue saw a slight increase from the prior year due to consumer spending.

² In fiscal years 2016 and 2017, motor and special fuels tax increased due in part to a tax increase that became effective in mid-2016, and also as a result of higher fuel consumption. In fiscal 2019, the increase in motor and special fuels tax was due in part to a tax increase that became effective in mid-2019, and also as a result of higher fuel consumption. In fiscal year 2020, motor and special fuels tax increased due to a decrease in consumption and effects of the COVID-19 Pandemic. In fiscal years 2021 and 2022, motor and special fuels tax increased due increase in fuel rates and taxable gallons sold. In fiscal year 2023 and 2024, motor and special fuels tax increased due to an increase in fuel tax collections.

³ In fiscal year 2024, other taxes slightly decreased primarily due to overall decreases in mine occupation taxes.

⁴ In fiscal year 2017, federal contracts and grants increased due to an increase in funding provided for the Medicaid program and highway projects. In fiscal years 2018 to 2020, the increase was the result of an increase in funding provided for the Medicaid program. The federal CARES Act provided additional funding to the state for relief assistance as a result of the COVID-19 pandemic. Additionally, the Income Tax Fund saw increases due to the Families First Coronavirus Response Act that provided increased funds for nutrition and food distribution. The Transportation fund received additional federal grant money for road and highway construction. In fiscal year 2021 and 2022, the increase was a result of an increase in federal funding for Medicaid programs and the CARES Act. The state also received federal funding from the American Rescue Plan Act of 2021 and from the Federal Emergency Management Agency. In fiscal year 2023 and 2024, there was a slight decrease in federal revenues as some pandemic era programs ended.

⁵ In fiscal year 2024, federal mineral lease revenue decreased due to decrease in production and price fluctuations.

Schedule A-4
Changes in Fund Balances — Governmental Funds* - continued
 Last Ten Fiscal Years
(dollars expressed in thousands)

| | Fiscal Year | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| Revenues | | | | | |
| Sales and Use Tax ¹ | \$ 2,805,618 | \$ 2,646,996 | \$ 2,403,347 | \$ 2,302,886 | \$ 2,204,389 |
| Individual Income Tax ¹ | 4,336,437 | 4,033,320 | 3,646,112 | 3,393,087 | 3,211,476 |
| Corporate Tax ¹ | 534,977 | 423,019 | 325,701 | 354,615 | 366,543 |
| Motor and Special Fuel Taxes ² | 521,199 | 500,049 | 484,677 | 425,343 | 371,412 |
| Other Taxes ³ | 398,684 | 399,286 | 354,863 | 355,229 | 386,066 |
| Federal Contracts and Grants ⁴ | 3,973,026 | 3,893,654 | 3,828,715 | 3,573,699 | 3,478,563 |
| Charges for Services/Royalties | 780,790 | 740,282 | 667,665 | 630,300 | 682,288 |
| Licenses, Permits, and Fees | 219,972 | 211,045 | 203,830 | 199,748 | 194,648 |
| Federal Mineral Lease ⁵ | 77,607 | 76,693 | 73,787 | 69,245 | 138,635 |
| Intergovernmental | 16,029 | 11,801 | 19,273 | 11,264 | 12,620 |
| Investment Income ⁶ | 218,077 | 198,082 | 266,775 | 34,168 | 133,092 |
| Miscellaneous and Other ⁷ | 433,733 | 448,431 | 394,167 | 388,295 | 384,968 |
| Total Revenues | 14,316,149 | 13,582,658 | 12,668,912 | 11,737,879 | 11,564,700 |
| Expenditures | | | | | |
| General Government ⁸ | 492,800 | 460,569 | 409,626 | 412,204 | 386,059 |
| Health and Human Services ⁹ | — | — | — | — | — |
| Human Services and Juvenile Justice Services ⁹ | 919,227 | 858,099 | 804,283 | 766,186 | 723,663 |
| Corrections | 328,586 | 317,425 | 305,438 | 290,217 | 272,053 |
| Public Safety | 340,210 | 294,693 | 253,976 | 263,417 | 266,586 |
| Courts | 165,369 | 170,233 | 152,262 | 146,510 | 137,901 |
| Environmental Quality ⁹ | — | — | — | — | — |
| Health and Environmental Quality ⁹ | 2,997,039 | 2,823,947 | 2,733,374 | 2,622,797 | 2,517,513 |
| Higher Education—State Administration ¹⁰ | 96,323 | 78,773 | 73,641 | 79,567 | 56,935 |
| Higher Education—Colleges and Universities | 1,102,310 | 1,018,286 | 981,938 | 915,432 | 875,610 |
| Employment and Family Services | 755,613 | 749,620 | 754,530 | 708,184 | 730,972 |
| Natural Resources ¹¹ | 251,545 | 231,665 | 225,387 | 196,188 | 190,378 |
| Cultural and Community Engagement ¹² | 31,981 | 30,965 | 29,335 | 27,826 | 24,041 |
| Business, Labor, and Agriculture | 119,491 | 119,158 | 107,800 | 111,186 | 101,331 |
| Public Education ¹³ | 4,140,263 | 3,983,098 | 3,732,813 | 3,556,897 | 3,340,290 |
| Transportation ¹⁴ | 996,728 | 1,024,576 | 975,662 | 835,111 | 903,700 |
| Capital Outlay ¹⁵ | 847,541 | 778,543 | 668,768 | 523,937 | 499,705 |
| Debt Service — Principal Retirement | 260,949 | 288,051 | 342,622 | 348,576 | 319,739 |
| Debt Service — Interest and Other Charges | 103,417 | 103,866 | 105,023 | 118,805 | 135,994 |
| Total Expenditures | 13,949,392 | 13,331,567 | 12,656,478 | 11,923,040 | 11,482,470 |
| Revenues Over (Under) Expenditures | 366,757 | 251,091 | 12,434 | (185,161) | 82,230 |
| Other Financing Sources (Uses) | | | | | |
| General Obligation Bonds Issued ¹⁶ | 127,715 | 485,225 | — | — | — |
| Revenue Bonds Issued | — | 2,920 | — | 93,625 | — |
| Refunding Bonds Issued | — | 144,610 | — | — | 221,765 |
| Premium on Bonds Issued | 23,308 | 71,360 | — | 4,405 | 47,562 |
| Payment to Refunded Bond Escrow Agent | (27,770) | (118,495) | — | — | (267,870) |
| Leases/Contracts Issued | — | 13,705 | — | 5,100 | — |
| Sale of Capital Assets | 65,331 | 40,277 | 53,025 | 30,688 | 29,274 |
| Transfers In | 2,581,581 | 1,880,116 | 1,792,074 | 1,998,019 | 1,659,616 |
| Transfers Out | (2,440,721) | (1,784,551) | (1,657,967) | (1,876,592) | (1,549,960) |
| Special Item | | | | | |
| Comprehensive Health Insurance Pool Transfer ¹⁷ | — | — | — | — | 16,288 |
| Prior Period Adjustments and Restatements | — | (15,469) | 1,207 | — | 1,940 |
| Total Other Financing Sources (Uses) | 329,444 | 719,698 | 188,339 | 255,245 | 158,615 |
| Net Change in Fund Balances | \$ 696,201 | \$ 970,789 | \$ 200,773 | \$ 70,084 | \$ 240,845 |
| Debt Service as a Percentage of Noncapital Expenditures | 2.74 % | 3.18 % | 3.78 % | 4.17 % | 4.22 % |

⁶ Significant changes in investment income from year to year are due to the change in the fair value of investments as a result of general market conditions.

⁷ In fiscal year 2024, miscellaneous and other revenues primarily increased due to an increase in unclaimed property transfer.

⁸ In fiscal year 2024, general government expenditures increased slightly due to new grant activity.

⁹ In fiscal year 2023, Legislative action reorganized the Department of Health, previously reported under the Health and Environmental Quality function line, and the Department of Human Services consolidating them into one department and renaming them as the Department of Health and Human Services.

¹⁰ Higher education—state administration fiscal year 2024 expenditures increased due to an increase in appropriation allotment payments.

¹¹ Expenditures increased for natural resources due to an increase construction and maintenance expenses for Parks, Wildlife, and Forestry.

¹² In fiscal year 2022, Legislative action renamed the Department of Heritage and Arts to the Department of Cultural and Community Engagement.

¹³ Public education expenditures continue to increase for both enrollment growth and benefit-related costs for educators.

¹⁴ Expenditures for transportation vary from year to year due to the timing of highway construction projects.

¹⁵ Expenditures for capital outlay vary from year to year due to changes in funding from bond proceeds or state appropriations provided for buildings, highways, and other projects.

¹⁶ Expenditures for debt service decreased due to decreasing long term debts, as explained in [Note 10](#).

¹⁷ In fiscal year 2015, the Comprehensive Health Insurance Pool (nonmajor discretely presented component unit) was dissolved and the remaining cash balance was transferred to the State's General Fund.

¹⁸ Figures for June 30, 2023 have been restated to include fiscal year 2024 adjustments to beginning net position related to accounting error corrections in accordance with the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*

State of Utah

Schedule B-1
Revenue Base
Last Ten Calendar Years
(dollars expressed in thousands)

| | Calendar Year | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Taxable Sales, Services, and Use Tax Purchases¹ | | | | | |
| Agriculture, Forestry, and Fishing | \$ 45,144 | \$ 42,228 | \$ 40,881 | \$ 36,411 | \$ 22,535 |
| Mining | 662,731 | 555,783 | 350,208 | 231,015 | 320,753 |
| Construction | 1,848,665 | 1,807,296 | 1,513,228 | 1,281,216 | 1,147,119 |
| Manufacturing | 4,718,278 | 4,884,759 | 4,152,264 | 3,389,590 | 2,942,959 |
| Transportation | 369,018 | 269,838 | 180,482 | 147,661 | 150,515 |
| Communications and Utilities | 7,257,505 | 6,489,594 | 5,365,479 | 4,862,836 | 4,797,280 |
| Wholesale Trade | 9,299,428 | 9,374,894 | 7,990,132 | 6,331,798 | 5,774,636 |
| Retail | 55,797,931 | 56,166,728 | 51,976,015 | 44,323,114 | 38,154,835 |
| Finance, Insurance, and Real Estate | 2,941,894 | 2,784,889 | 2,495,014 | 2,107,424 | 2,171,717 |
| Services | 18,357,165 | 17,237,574 | 14,884,632 | 11,155,388 | 12,239,990 |
| Public Administration | 362,251 | 321,571 | 306,885 | 278,380 | 272,759 |
| Prior Period Payments and Refunds | 997,364 | 958,392 | 850,000 | 585,873 | 928,042 |
| Total Taxable Sales, Services and Use Tax Purchases | <u>\$ 102,657,374</u> | <u>\$ 100,893,546</u> | <u>\$ 90,105,220</u> | <u>\$ 74,730,706</u> | <u>\$ 68,923,140</u> |
| State Sales Tax Rate | 4.85 % | 4.85 % | 4.85 % | 4.85 % | 4.85 % |
| Personal Income by Industry | | | | | |
| Federal Civilian | \$ 4,839,522 | \$ 4,491,607 | \$ 4,310,633 | \$ 4,154,092 | \$ 3,913,587 |
| Federal Military | 1,075,738 | 1,004,536 | 980,001 | 929,445 | 882,696 |
| State and Local Government | 18,021,325 | 15,795,733 | 14,944,234 | 13,868,093 | 13,270,480 |
| Forestry, Fishing, and Related Activities | 116,432 | 104,842 | 110,151 | 111,891 | 99,777 |
| Mining | 2,088,307 | 1,628,944 | 1,446,946 | 952,304 | 983,443 |
| Utilities | 2,789,455 | 2,733,432 | 1,684,115 | 1,248,804 | 1,204,996 |
| Construction | 14,655,894 | 13,609,584 | 12,018,858 | 10,902,966 | 9,801,500 |
| Manufacturing | 14,499,126 | 13,456,511 | 12,657,653 | 11,272,173 | 10,837,710 |
| Wholesale Trade | 6,955,103 | 6,331,727 | 6,047,750 | 5,522,614 | 5,216,033 |
| Retail Trade | 10,720,367 | 10,978,508 | 10,085,319 | 9,058,716 | 8,387,261 |
| Transportation and Warehousing | 6,345,408 | 5,663,723 | 5,323,967 | 5,146,101 | 4,943,933 |
| Information | 6,022,836 | 5,785,245 | 5,386,442 | 4,502,472 | 4,118,870 |
| Financial, Insurance, Real Estate, Rental, and Leasing | 13,237,383 | 12,852,373 | 12,806,081 | 12,661,680 | 11,409,294 |
| Services | 57,008,958 | 52,598,173 | 47,007,607 | 42,381,551 | 40,946,697 |
| Farm Earnings | 525,711 | 752,986 | 432,762 | 691,575 | 423,694 |
| Other ² | 60,430,063 | 53,223,888 | 51,748,008 | 46,251,871 | 40,895,078 |
| Total Personal Income | <u>\$ 219,331,628</u> | <u>\$ 201,011,812</u> | <u>\$ 186,990,527</u> | <u>\$ 169,656,348</u> | <u>\$ 157,335,049</u> |
| Highest Income Tax Rate | 4.65 % | 4.85 % | 4.95 % | 4.95 % | 4.95 % |

Sources: Taxable Sales, Services, and Use Tax Purchases – Utah State Tax Commission; Personal Income by Industry – U.S. Department of Commerce, Bureau of Economic Analysis and the Utah Department of Workforce Services. Prior year information has been updated with the most recent data available.

¹ Taxable Sales, Services, and Use Tax Purchases utilize *American Industrial Classification* codes.

² Other personal income includes dividends, interest, rents, residence adjustment, government transfers to individuals, and deduction for social insurance contributions.

State of Utah

Schedule B-1
Revenue Base - continued
 Last Ten Calendar Years
(dollars expressed in thousands)

| | Calendar Year | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Taxable Sales, Services, and Use Tax Purchases¹ | | | | | |
| Agriculture, Forestry, and Fishing | \$ 20,664 | \$ 19,438 | \$ 16,790 | \$ 15,400 | \$ 16,721 |
| Mining | 562,722 | 555,332 | 473,021 | 606,129 | 842,837 |
| Construction | 1,048,607 | 930,707 | 793,332 | 719,199 | 718,877 |
| Manufacturing | 2,692,334 | 2,500,510 | 2,334,180 | 2,394,889 | 2,439,019 |
| Transportation | 165,418 | 150,783 | 129,326 | 119,530 | 116,776 |
| Communications and Utilities | 4,554,313 | 4,575,019 | 4,603,701 | 4,640,315 | 4,764,084 |
| Wholesale Trade | 5,420,375 | 4,922,340 | 4,508,459 | 4,544,672 | 4,564,362 |
| Retail | 34,806,178 | 33,029,982 | 30,458,131 | 28,847,726 | 27,160,751 |
| Finance, Insurance, and Real Estate | 1,835,800 | 1,715,813 | 1,562,251 | 1,518,729 | 1,441,941 |
| Services | 11,229,829 | 10,636,808 | 10,058,980 | 9,383,910 | 8,696,364 |
| Public Administration | 275,969 | 265,678 | 256,124 | 254,337 | 262,250 |
| Prior Period Payments and Refunds | 2,370,315 | 1,729,282 | 1,308,139 | 888,441 | 685,181 |
| Total Taxable Sales, Services and Use Tax Purchases | <u>\$ 64,982,524</u> | <u>\$ 61,031,692</u> | <u>\$ 56,502,434</u> | <u>\$ 53,933,277</u> | <u>\$ 51,709,163</u> |
| State Sales Tax Rate | 4.70 % | 4.70 % | 4.70 % | 4.70 % | 4.70 % |
| Personal Income by Industry | | | | | |
| Federal Civilian | \$ 3,755,880 | \$ 3,640,850 | \$ 3,503,288 | \$ 3,362,932 | \$ 3,226,299 |
| Federal Military | 807,528 | 754,588 | 745,003 | 715,450 | 732,507 |
| State and Local Government | 12,670,392 | 12,023,320 | 11,377,417 | 11,214,437 | 10,932,387 |
| Forestry, Fishing, and Related Activities | 93,312 | 81,560 | 79,894 | 73,334 | 71,162 |
| Mining | 917,021 | 728,766 | 677,740 | 919,572 | 1,055,022 |
| Utilities | 962,616 | 734,147 | 581,721 | 559,871 | 518,729 |
| Construction | 8,847,094 | 8,126,268 | 7,497,605 | 6,757,362 | 6,139,119 |
| Manufacturing | 10,251,192 | 9,839,547 | 9,335,841 | 9,074,439 | 8,607,123 |
| Wholesale Trade | 4,998,104 | 4,772,174 | 4,433,918 | 4,457,942 | 4,019,735 |
| Retail Trade | 8,090,145 | 7,659,363 | 7,462,318 | 7,036,881 | 6,688,936 |
| Transportation and Warehousing | 4,515,650 | 4,219,443 | 4,055,241 | 3,664,221 | 3,319,368 |
| Information | 3,763,888 | 3,508,693 | 3,308,820 | 2,939,164 | 2,729,627 |
| Financial, Insurance, Real Estate, Rental, and Leasing | 10,540,492 | 9,683,027 | 9,169,397 | 7,951,465 | 7,068,780 |
| Services | 37,687,654 | 34,897,156 | 32,839,863 | 30,551,475 | 28,810,801 |
| Farm Earnings | 393,503 | 334,015 | 338,436 | 465,109 | 509,130 |
| Other ² | 39,946,150 | 35,540,769 | 33,000,523 | 28,980,981 | 26,415,095 |
| Total Personal Income | <u>\$ 148,240,621</u> | <u>\$ 136,543,686</u> | <u>\$ 128,407,025</u> | <u>\$ 118,724,635</u> | <u>\$ 110,843,820</u> |
| Highest Income Tax Rate | 4.95 % | 5.00 % | 5.00 % | 5.00 % | 5.00 % |

Sources: Taxable Sales, Services, and Use Tax Purchases – Utah State Tax Commission; Personal Income by Industry – U.S. Department of Commerce, Bureau of Economic Analysis and the Utah Department of Workforce Services. Prior year information has been updated with the most recent data available.

¹ Taxable Sales, Services, and Use Tax Purchases utilize *American Industrial Classification* codes.

² Other personal income includes dividends, interest, rents, residence adjustment, government transfers to individuals, and deduction for social insurance contributions.

Schedule B-2
Revenue Payers by Industry – Taxable Sales, Services, and Use Tax Purchases
 Most Current Calendar Year and Historical Comparison
(dollars expressed in thousands)

| | Calendar Year 2014 | | Calendar Year 2023 | |
|--|--|-----------------------------|--|-----------------------------|
| | Taxable Sales and Purchases | Percent of Total | Taxable Sales and Purchases | Percent of Total |
| Agriculture, Forestry, and Fishing | \$ 16,721 | 0.03 % | \$ 45,144 | 0.04 % |
| Mining | 842,837 | 1.63 % | 662,731 | 0.65 % |
| Construction | 718,877 | 1.39 % | 1,848,665 | 1.80 % |
| Manufacturing | 2,439,019 | 4.72 % | 4,718,278 | 4.60 % |
| Transportation | 116,776 | 0.23 % | 369,018 | 0.36 % |
| Communications and Utilities | 4,764,084 | 9.21 % | 7,257,505 | 7.07 % |
| Wholesale Trade | 4,564,362 | 8.83 % | 9,299,428 | 9.06 % |
| Retail | 27,160,751 | 52.53 % | 55,797,931 | 54.35 % |
| Finance, Insurance, and Real Estate | 1,441,941 | 2.79 % | 2,941,894 | 2.87 % |
| Services | 8,696,364 | 16.82 % | 18,357,165 | 17.88 % |
| Public Administration | 262,250 | 0.51 % | 362,251 | 0.35 % |
| Prior Period Payments, Refunds | 685,181 | 1.33 % | 997,364 | 0.97 % |
| Total Taxable Sales, Services, and Use Tax Purchases | <u>\$ 51,709,163</u> | <u>100.00 %</u> | <u>\$ 102,657,374</u> | <u>100.00 %</u> |
| State Sales Tax Rates | 4.70 % except 2.00 % for Communications and Utilities | | 4.85 % except 2.00 % for Communications and Utilities | |

Source: Utah State Tax Commission.

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue.

Schedule B-3
Revenue Payers – Personal Income Tax
 Most Current Calendar Year and Historical Comparison
(dollars expressed in thousands)

| | Calendar Year 2013 | | | | Calendar Year 2022 | | | |
|------------------------------------|-----------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------|-----------------------------|
| | Number of Filers | Percent of Total | Tax Liability | Percent of Total | Number of Filers | Percent of Total | Tax Liability | Percent of Total |
| Adjusted Gross Income Class | | | | | | | | |
| \$10,000 and under | 163,181 | 14.89 % | \$ 1,057 | 0.04 % | 142,050 | 10.10 % | \$ 235 | 0.00 % |
| \$10,001–20,000 | 157,938 | 14.41 % | 20,677 | 0.84 % | 145,506 | 10.34 % | 5,001 | 0.10 % |
| \$20,001–30,000 | 138,825 | 12.67 % | 60,643 | 2.46 % | 131,825 | 9.37 % | 46,835 | 0.91 % |
| \$30,001–40,000 | 110,868 | 10.12 % | 94,890 | 3.85 % | 136,062 | 9.67 % | 107,579 | 2.09 % |
| \$40,001–50,000 | 90,382 | 8.25 % | 121,549 | 4.93 % | 116,935 | 8.31 % | 149,905 | 2.91 % |
| \$50,001–75,000 | 169,401 | 15.46 % | 376,230 | 15.26 % | 218,376 | 15.52 % | 469,635 | 9.10 % |
| \$75,001–100,000 | 111,695 | 10.19 % | 387,523 | 15.72 % | 154,668 | 10.99 % | 514,588 | 9.97 % |
| \$100,001–250,000 | 133,353 | 12.17 % | 838,507 | 34.02 % | 298,044 | 21.19 % | 1,962,753 | 38.04 % |
| Over \$250,000 | 20,011 | 1.83 % | 563,694 | 22.87 % | 63,375 | 4.50 % | 1,902,733 | 36.88 % |
| Total | <u>1,095,654</u> | <u>100.00 %</u> | <u>\$ 2,464,770</u> | <u>100.00 %</u> | <u>1,406,841</u> | <u>100.00 %</u> | <u>\$ 5,159,264</u> | <u>100.00 %</u> |

Source: Utah State Tax Commission, for full-year residents only.

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue. The most current period available for personal income tax information is calendar year 2022.

Schedule B-4
Personal Income Tax Rates
 Last Ten Calendar Years

| | Calendar Year | | | |
|---|---------------|--------|--------------|--------------|
| | 2023 | 2022 | 2018 to 2021 | 2012 to 2017 |
| Single and Married Filing Separately | | | | |
| Tax Rate | 4.65 % | 4.85 % | 4.95 % | 5.00 % |
| Married Filing Joint, Head of Household, and Qualifying Widow(er) | | | | |
| Tax Rate | 4.65 % | 4.85 % | 4.95 % | 5.00 % |

Source: Utah State Tax Commission.

Note: The Utah State Legislature can raise the income tax rates by legislation, no vote of the populace is required; *Utah Constitution*, Article XIII, Section 5.



Tony Grove Small Waterfall in Spring

Photo by Gavin Vanderbeek

Schedule C-1
Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
(dollars expressed in millions)

| | Fiscal Year | | | | |
|---|-------------|----------|----------|----------|----------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Governmental Activities | | | | | |
| General Obligation Bonds | \$ 1,554 | \$ 1,922 | \$ 2,314 | \$ 2,706 | \$ 3,061 |
| State Building Ownership Authority | | | | | |
| Lease Revenue Bonds | 137 | 150 | 163 | 177 | 191 |
| Leases ⁶ | 190 | 175 | 192 | 26 | 28 |
| Software Subscriptions ⁷ | 12 | 10 | — | — | — |
| Contracts/Notes Payable | 12 | 3 | 4 | — | — |
| Total Governmental Activities | 1,905 | 2,260 | 2,673 | 2,909 | 3,280 |
| Business-type Activities | | | | | |
| Student Assistance Revenue Bonds ^{1, 4, 5} | — | — | — | 931 | 1,069 |
| State Building Ownership Authority | | | | | |
| Lease Revenue Bonds | 108 | 116 | 126 | 84 | 91 |
| Leases ⁶ | 28 | 28 | 17 | — | — |
| Software Subscriptions ⁷ | 1 | — | — | — | — |
| Water Loan Recapitalization Revenue Bonds | — | — | 7 | 13 | 20 |
| Contracts/Notes Payable ^{1, 4} | — | — | — | — | — |
| Total Business-type Activities | 137 | 144 | 150 | 1,028 | 1,180 |
| Total Primary Government | \$ 2,042 | \$ 2,404 | \$ 2,823 | \$ 3,937 | \$ 4,460 |
| Debt as a Percentage of Personal Income ² | 0.91 % | 1.12 % | 1.44 % | 2.20 % | 2.61 % |
| Amount of Debt Per Capita (expressed in dollars) ² | \$ 590 | \$ 702 | \$ 830 | \$ 1,183 | \$ 1,320 |
| Net General Obligation Bonded Debt | | | | | |
| General Obligation Bonds | \$ 1,554 | \$ 1,922 | \$ 2,314 | \$ 2,706 | \$ 3,061 |
| Net General Obligation Bonded Debt as a Percentage of Taxable Property Value ³ | 0.28 % | 0.38 % | 0.59 % | 0.76 % | 0.80 % |
| Amount of Net General Obligation Bonded Debt Per Capita (expressed in dollars) ² | \$ 449 | \$ 561 | \$ 681 | \$ 813 | \$ 932 |

Sources: Utah Department of Government Operations, Division of Finance; Utah State Tax Commission – Property Tax; and Utah Governor’s Office of Planning and Budget – Demographics.

¹ During 2015 the Student Assistance Programs issued a line of credit to acquire federally guaranteed student loans. In 2017, the Student Assistance Programs issued additional bonds to retire its line of credit issued in 2015 related to acquiring federally guaranteed student loans.

² Ratios are calculated using personal income and population data. See [Schedule D-1](#) for personal income and population data.

³ The percentage of Net General Obligation Bonded Debt based upon taxable property value is presented for comparative purposes. The State does not presently levy ad valorem property taxes for General Obligation Bonded Debt, but is authorized to do so in accordance with Title 59, Chapter 2, Part 901 of the *Utah Code*. See [Schedule C-3](#) for taxable property value.

⁴ During 2020, the Student Assistance Programs issued a line of credit to retire outstanding revenue bonds and purchase governmental obligation for the purpose of redeeming the Series 2010 EE bonds. In 2020, the Student Assistance Programs issued additional bonds to retire its line of credit issued in 2020.

Schedule C-1
Ratios of Outstanding Debt by Type - continued
 Last Ten Fiscal Years
(dollars expressed in millions)

| | Fiscal Year | | | | |
|---|-------------|----------|----------|----------|----------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| Governmental Activities | | | | | |
| General Obligation Bonds | \$ 2,374 | \$ 2,498 | \$ 2,235 | \$ 2,585 | \$ 2,950 |
| State Building Ownership Authority | | | | | |
| Lease Revenue Bonds | 205 | 244 | 230 | 249 | 170 |
| Leases ⁶ | 31 | 33 | 22 | 23 | 20 |
| Software Subscriptions ⁷ | — | — | — | — | — |
| Contracts/Notes Payable | — | — | — | — | — |
| Total Governmental Activities | 2,610 | 2,775 | 2,487 | 2,857 | 3,140 |
| Business-type Activities | | | | | |
| Student Assistance Revenue Bonds ^{1, 4, 5} | 1,254 | 1,495 | 1,812 | 1,255 | 1,511 |
| State Building Ownership Authority | | | | | |
| Lease Revenue Bonds | 77 | 83 | 73 | 79 | 80 |
| Leases ⁶ | — | — | — | — | — |
| Software Subscriptions ⁷ | — | — | — | — | — |
| Water Loan Recapitalization Revenue Bonds | 26 | 31 | 37 | 42 | 47 |
| Contracts/Notes Payable ^{1, 4} | 1 | 1 | — | 922 | 1,152 |
| Total Business-type Activities | 1,358 | 1,610 | 1,922 | 2,298 | 2,790 |
| Total Primary Government | \$ 3,968 | \$ 4,385 | \$ 4,409 | \$ 5,155 | \$ 5,930 |
| Debt as a Percentage of Personal Income ² | 2.53 % | 2.96 % | 3.23 % | 4.01 % | 5.04 % |
| Amount of Debt Per Capita (expressed in dollars) ² | \$ 1,237 | \$ 1,390 | \$ 1,421 | \$ 1,693 | \$ 1,979 |
| Net General Obligation Bonded Debt | | | | | |
| General Obligation Bonds | \$ 2,374 | \$ 2,498 | \$ 2,235 | \$ 2,585 | \$ 2,950 |
| Net General Obligation Bonded Debt as a Percentage of Taxable Property Value ³ | 0.92 % | 0.92 % | 0.89 % | 1.10 % | 1.33 % |
| Amount of Net General Obligation Bonded Debt Per Capita (expressed in dollars) ² | \$ 734 | \$ 784 | \$ 721 | \$ 849 | \$ 985 |

⁵ During 2022, all Student Assistance Programs bonds were redeemed upon the sale of the related student loans. Additionally, funds in the amount of \$517 thousand were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the outstanding bond issuance under the State Board of Regents Revenue Refunding Bonds Indenture dated May 1, 2012. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

⁶ Balances increased during fiscal year 2022, due to the implementation of GASB Statement No. 87, *Leases*.

⁷ Balances increased during fiscal year 2023, due to the implementation of GASB Statement No. 96, *Software-Based IT Arrangements*.

Schedule C-2
Long-term Debt and Other Long-term Liabilities
 Last Ten Fiscal Years
(expressed in thousands)

| | Fiscal Year | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Governmental Activities | | | | | |
| General Obligation Bonds | \$ 1,375,010 | \$ 1,694,190 | \$ 2,049,115 | \$ 2,397,925 | \$ 2,704,640 |
| General Obligation Bonds – Direct Placement | 94,500 | 112,200 | 113,600 | 115,000 | 116,300 |
| State Building Ownership Authority | | | | | |
| Lease Revenue Bonds | 137,300 | 144,797 | 151,864 | 159,261 | 166,693 |
| SBOA Lease Revenue Bonds – Direct Placement | — | 5,440 | 10,525 | 15,985 | 21,105 |
| Net Unamortized Premiums | 84,447 | 115,627 | 152,374 | 195,167 | 243,120 |
| Leases ¹ | 190,456 | 174,961 | 192,038 | 23,372 | 25,849 |
| Software Subscriptions ⁹ | 11,552 | 10,004 | — | — | — |
| Capital Leases | — | — | — | 2,252 | 2,531 |
| Notes Payable | 12,291 | 3,035 | 3,794 | 134 | 183 |
| Compensated Absences ² | 264,150 | 254,992 | 231,060 | 217,280 | 210,811 |
| Claims Liability | 74,387 | 71,636 | 66,886 | 87,317 | 73,622 |
| Pollution Remediation Obligation | 4,412 | 4,921 | 5,183 | 10,639 | 5,308 |
| Settlement Obligations | 554 | 366 | 461 | 768 | 1,113 |
| Net Pension Liability ⁵ | 665,414 | 631,147 | 927 | 405,970 | 719,708 |
| Net Other Post Employment Benefit Obligation ⁶ | — | — | — | — | — |
| Net Other Post Employment Benefit Liability ⁶ | — | 1,610 | 2,012 | 608 | 18,410 |
| Arbitrage Liability | — | — | — | 198 | 418 |
| Total Governmental Activities | <u>2,914,473</u> | <u>3,224,926</u> | <u>2,979,839</u> | <u>3,631,876</u> | <u>4,309,811</u> |
| Business-type Activities | | | | | |
| Student Assistance Revenue Bonds ^{3, 7, 8} | — | — | — | 940,447 | 1,081,161 |
| State Building Ownership Authority | | | | | |
| Lease Revenue Bonds | 100,290 | 107,198 | 114,916 | 79,109 | 85,612 |
| Water Loan Recapitalization Revenue Bonds | — | — | 6,830 | 13,345 | 19,565 |
| Net Unamortized Premiums/(Discounts) | 7,708 | 9,122 | 10,711 | (4,610) | (6,811) |
| Leases ¹ | 27,604 | 28,013 | 16,510 | — | — |
| Software Subscriptions ⁹ | 1,070 | 275 | — | — | — |
| Notes Payable ⁴ | — | — | — | — | — |
| Claims and Uninsured Liabilities | 226,754 | 239,260 | 246,992 | 257,864 | 79,789 |
| Net Pension Liability ⁵ | 11,881 | 10,360 | — | 5,447 | 11,064 |
| Net Other Post Employment Benefit Liability ⁶ | — | — | — | — | 350 |
| Total Business-type Activities | <u>375,307</u> | <u>394,228</u> | <u>395,959</u> | <u>1,291,602</u> | <u>1,270,730</u> |
| Total Primary Government Other Long-term Liabilities | <u>\$ 3,289,780</u> | <u>\$ 3,619,154</u> | <u>\$ 3,375,798</u> | <u>\$ 4,923,478</u> | <u>\$ 5,580,541</u> |

Note: Details regarding the liabilities listed above can be found in [Note 10. Long-term Liabilities](#) in the financial statements.

¹ Balances increased during fiscal year 2022, due to the implementation of GASB Statement No. 87, *Leases*.

² During 2019, a new actuary valuation was performed for GASB Statement No. 16, *Accounting for Compensated Absences* and as a result the total liability increased. This valuation is performed biannually.

³ In 2017, the Student Assistance Programs issued additional bonds to retire its line of credit issued in 2015 related to acquiring federally guaranteed student loans.

⁴ In 2015, the Student Assistance Programs issued a line of credit to acquire federally guaranteed student loans.

⁵ During 2015, the State implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* which replaced GASB Statements No. 27 and 50 as they relate to pensions that are provided through pension plans administered as trust or equivalent arrangements that meet certain criteria. In part, GASB Statement No. 68 requires the reporting of the net Pension liability. GASB Statement No. 27 only required the reporting of a Pension obligation when contributions were less than the actuary's Annual Required Contribution.

⁶ During 2017, the State implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which replaced GASB Statement No. 45. In part, GASB Statement No. 75 requires the reporting of the net Other Postemployment Benefit (OPEB) liability. GASB Statement No. 45 only required the reporting of an OPEB obligation when contributions were less than the actuary's Annual Required Contribution.

Schedule C-2
Long-term Debt and Other Long-term Liabilities - continued
 Last Ten Fiscal Years
(expressed in thousands)

| | Fiscal Year | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| Governmental Activities | | | | | |
| General Obligation Bonds | \$ 2,155,675 | \$ 2,396,875 | \$ 2,173,985 | \$ 2,498,895 | \$ 2,830,150 |
| General Obligation Bonds – Direct Placement ¹ | 117,600 | — | — | — | — |
| State Building Ownership Authority | | | | | |
| Lease Revenue Bonds | 174,076 | 237,426 | 225,163 | 242,976 | 166,773 |
| SBOA Lease Revenue Bonds – Direct Placement ¹ | 25,910 | — | — | — | — |
| Net Unamortized Premiums | 106,066 | 108,115 | 66,423 | 92,827 | 122,321 |
| Leases ¹ | 28,203 | 33,132 | 21,616 | 23,498 | 20,287 |
| Software Subscriptions ⁹ | — | — | — | — | — |
| Capital Leases | 2,803 | — | — | — | — |
| Notes Payable | 227 | 268 | 305 | 339 | 370 |
| Compensated Absences ² | 211,138 | 184,505 | 181,557 | 182,707 | 185,792 |
| Claims Liability | 63,558 | 57,330 | 53,645 | 48,092 | 46,931 |
| Pollution Remediation Obligation | 5,324 | 5,366 | 5,891 | 6,401 | 5,086 |
| Settlement Obligations | 227 | 273 | 319 | 365 | 4,471 |
| Net Pension Liability ⁵ | 1,140,766 | 763,753 | 1,031,449 | 992,495 | 802,543 |
| Net Other Post Employment Benefit Obligation ⁶ | — | — | — | 3,848 | 4,126 |
| Net Other Post Employment Benefit Liability ⁶ | 68,335 | 99,058 | 109,618 | — | — |
| Arbitrage Liability | 544 | — | — | — | — |
| Total Governmental Activities | <u>4,100,452</u> | <u>3,886,101</u> | <u>3,869,971</u> | <u>4,092,443</u> | <u>4,188,850</u> |
| Business-type Activities | | | | | |
| Student Assistance Revenue Bonds ^{3, 7, 8} | 1,265,880 | 1,506,965 | 1,822,807 | 1,256,026 | 1,509,543 |
| State Building Ownership Authority | | | | | |
| Lease Revenue Bonds | 72,549 | 77,704 | 67,438 | 72,674 | 73,207 |
| Water Loan Recapitalization Revenue Bonds | 25,520 | 31,225 | 36,680 | 41,915 | 46,940 |
| Net Unamortized Premiums/(Discounts) | (8,000) | (6,418) | (5,437) | 5,434 | 8,696 |
| Leases ¹ | — | — | — | — | — |
| Software Subscriptions ⁹ | — | — | — | — | — |
| Notes Payable ⁴ | 618 | 635 | — | 921,995 | 1,152,207 |
| Claims and Uninsured Liabilities | 3,279 | 4,365 | 4,810 | 5,726 | 7,587 |
| Net Pension Liability ⁵ | 19,065 | 12,038 | 17,468 | 17,845 | 12,853 |
| Net Other Post Employment Benefit Liability ⁶ | 1,108 | 1,564 | 1,731 | — | — |
| Total Business-type Activities | <u>1,380,019</u> | <u>1,628,078</u> | <u>1,945,497</u> | <u>2,321,615</u> | <u>2,811,033</u> |
| Total Primary Government Other Long-term Liabilities | <u>\$ 5,480,471</u> | <u>\$ 5,514,179</u> | <u>\$ 5,815,468</u> | <u>\$ 6,414,058</u> | <u>\$ 6,999,883</u> |

⁷ During 2020, the Student Assistance Programs issued a line of credit to retire outstanding revenue bonds and purchase governmental obligation for the purpose of redeeming the Series 2010 EE bonds. In 2020, the Student Assistance Programs issued additional bonds to retire its line of credit issued in 2020.

⁸ During 2022, all Student Assistance Programs bonds were redeemed upon the sale of the related student loans. Additionally, funds in the amount of \$517 thousand were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the outstanding bond issuance under the State Board of Regents Revenue Refunding Bonds Indenture dated May 1, 2012. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

⁹ Balances increased during fiscal year 2023, due to the implementation of GASB Statement No. 96, *Software-Based IT Arrangements*.

Schedule C-3
Legal Debt Margin
 Last Ten Fiscal Years
(dollars expressed in millions)

| | Fiscal Year | | | | |
|--|-------------|------------|------------|------------|------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Taxable Property, Taxable Value ¹ | \$ 552,610 | \$ 504,084 | \$ 393,665 | \$ 353,750 | \$ 329,096 |
| Taxable Property, Fair Market Value ¹ | 790,466 | 728,724 | 559,692 | 497,914 | 461,064 |
| Debt Limit (Fair Market Value times 1.50 %) | 1.50 % | 1.50 % | 1.50 % | 1.50 % | 1.50 % |
| Debt Limit Amount | 11,857 | 10,931 | 8,395 | 7,469 | 6,916 |
| Net General Obligation Bonded Debt | 1,554 | 1,922 | 2,314 | 2,706 | 3,061 |
| Legal Debt Margin | \$ 10,303 | \$ 9,009 | \$ 6,081 | \$ 4,763 | \$ 3,855 |
| Net General Obligation Bonded Debt | | | | | |
| As a Percentage of the Debt Limit Amount | 13.11 % | 17.58 % | 27.57 % | 36.23 % | 44.26 % |

Source: Utah State Tax Commission and the Utah Department of Government Operations, Division of Finance.

Note: Article XIV, Section 1 of the *Utah Constitution* allows the State to contract debts not exceeding 1.50 percent of the total taxable property in the State. The Legislature authorizes general obligation indebtedness within this limit. The State uses outstanding general obligation bond debt to comply within the constitutional debt limit. The State has other long-term contract liabilities consisting of unused vacation for employees of \$153.616 million as of fiscal yearend. These contract liabilities do not affect the State's compliance with the constitutional debt limit. Historically, the State Auditor, out of an abundance of caution, has considered this other long-term contract liabilities when monitoring the compliance with the constitutional debt limits.

¹ Taxable property is assessed January 1 of each year. The value used for the fiscal year limitation is from the prior calendar year; assessed values as of January 1, 2023, are used for fiscal year 2024.

Schedule C-4
Statutory Debt Limit
 Last Ten Fiscal Years
(dollars expressed in millions)

| | Fiscal Year | | | | |
|--|-------------|----------|----------|----------|----------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Appropriations Limitation Amount | \$ 5,587 | \$ 4,845 | \$ 4,412 | \$ 4,162 | \$ 3,990 |
| Limit (Appropriations Limitation Amount times applicable percentage) | 45.00 % | 45.00 % | 45.00 % | 45.00 % | 45.00 % |
| Statutory Debt Limit Amount | 2,514 | 2,180 | 1,985 | 1,873 | 1,796 |
| Net General Obligation Bonded Debt | 1,554 | 1,922 | 2,314 | 2,706 | 3,061 |
| Less: Exempt Highway Construction Bonds | (1,266) | (1,565) | (1,890) | (2,214) | (2,534) |
| Net General Obligation Bonded Debt Subject to Statutory Debt Limit | 288 | 357 | 425 | 492 | 527 |
| Additional General Obligation Debt Incurring Capacity | \$ 2,226 | \$ 1,823 | \$ 1,561 | \$ 1,381 | \$ 1,269 |

Source: Utah Governor's Office of Planning and Budget and the Utah Department of Government Operations, Division of Finance.

Note: Article XIV, Section 5 of the *Utah Constitution* limits any funds borrowed to be used solely for purposes as authorized by law. In addition, Title 63J-3-402 of the *Utah Code* limits outstanding state general obligation debt to not exceed the applicable percentage (unless approved by more than two-thirds of both houses of the Legislature) of that fiscal year's appropriations limit. The State uses outstanding general obligation bond debt to comply within the constitutional debt limit. The State has other long-term contract liabilities consisting of unused vacation for employees of \$153.616 million as of fiscal yearend. These contract liabilities do not affect the State's compliance with the constitutional debt limit. Historically, the State Auditor, out of an abundance of caution, has considered this other long-term contract liabilities when monitoring the compliance with the constitutional debt limits.

Schedule C-3
Legal Debt Margin - continued
 Last Ten Fiscal Years
(dollars expressed in millions)

| | Fiscal Year | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| Taxable Property, Taxable Value ¹ | \$ 298,114 | \$271,649.295 | \$ 251,598 | \$ 235,273 | \$ 221,650 |
| Taxable Property, Fair Market Value ¹ | 415,650 | 377,260 | 347,716 | 323,367 | 303,725 |
| Debt Limit (Fair Market Value times 1.50 %) | 1.50 % | 1.50 % | 1.50 % | 1.50 % | 1.50 % |
| Debt Limit Amount | 6,235 | 5,659 | 5,216 | 4,851 | 4,556 |
| Net General Obligation Bonded Debt | 2,374 | 2,498 | 2,235 | 2,585 | 2,950 |
| Legal Debt Margin | <u>\$ 3,861</u> | <u>\$ 3,161</u> | <u>\$ 2,981</u> | <u>\$ 2,266</u> | <u>\$ 1,606</u> |
| Net General Obligation Bonded Debt | | | | | |
| As a Percentage of the Debt Limit Amount | 38.08 % | 44.14 % | 42.85 % | 53.29 % | 64.75 % |

Schedule C-4
Statutory Debt Limit - continued
 Last Ten Fiscal Years
(dollars expressed in millions)

| | Fiscal Year | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| Appropriations Limitation Amount | \$ 3,911 | \$ 3,738 | \$ 3,567 | \$ 3,469 | \$ 3,315 |
| Limit (Appropriations Limitation Amount times applicable percentage) | 45.00 % | 45.00 % | 45.00 % | 45.00 % | 45.00 % |
| Statutory Debt Limit Amount | 1,760 | 1,682 | 1,605 | 1,561 | 1,492 |
| Net General Obligation Bonded Debt | 2,374 | 2,498 | 2,235 | 2,585 | 2,950 |
| Less: Exempt Highway Construction Bonds | (2,175) | (2,282) | (2,180) | (2,402) | (2,622) |
| Net General Obligation Bonded Debt Subject to Statutory Debt Limit | 199 | 216 | 55 | 183 | 328 |
| Additional General Obligation Debt Incurring Capacity | <u>\$ 1,561</u> | <u>\$ 1,466</u> | <u>\$ 1,550</u> | <u>\$ 1,378</u> | <u>\$ 1,164</u> |

Schedule C-5
Pledged Revenue Bond Coverage
 Last Ten Fiscal Years
(dollars expressed in thousands)

| Fiscal Year | Gross Revenues ¹ | Less Operating Expenses ² | Net Available Revenue | Debt Service | | Coverage ³ | |
|-----------------------------|-----------------------------|--------------------------------------|-----------------------|---------------------------|-----------|-----------------------|--|
| | | | | Principal | Interest | | |
| Water Loan Programs | | | | | | | |
| 2015 | \$ 3,920 | \$ — | \$ 3,920 | \$ 4,860 | \$ 2,067 | 0.57 | |
| 2016 | \$ 3,744 | \$ — | \$ 3,744 | \$ 5,025 | \$ 1,851 | 0.54 | |
| 2017 | \$ 3,628 | \$ — | \$ 3,628 | \$ 5,235 | \$ 1,658 | 0.53 | |
| 2018 | \$ 3,756 | \$ — | \$ 3,756 | \$ 5,455 | \$ 1,406 | 0.55 | |
| 2019 | \$ 4,113 | \$ — | \$ 4,113 | \$ 5,705 | \$ 1,167 | 0.60 | |
| 2020 | \$ 3,648 | \$ — | \$ 3,648 | \$ 5,955 | \$ 908 | 0.53 | |
| 2021 | \$ 2,694 | \$ — | \$ 2,694 | \$ 6,220 | \$ 629 | 0.39 | |
| 2022 | \$ 1,542 | \$ — | \$ 1,542 | \$ 6,515 | \$ 327 | 0.23 | |
| 2023 | \$ 3,830 | \$ — | \$ 3,830 | \$ 6,830 ⁹ | \$ — | 0.56 | |
| Student Assistance Programs | | | | | | | |
| 2015 | \$ 75,796 | \$ 59,463 | \$ 16,333 | \$ 967,584 ⁴ | \$ 6,646 | 0.02 | |
| 2016 | \$ 110,982 ⁵ | \$ 87,889 | \$ 23,093 | \$ 483,729 | \$ 25,338 | 0.05 | |
| 2017 | \$ 92,421 | \$ 65,327 | \$ 27,094 | \$ 1,227,465 ⁶ | \$ 30,833 | 0.02 | |
| 2018 | \$ 79,408 | \$ 40,098 | \$ 39,310 | \$ 315,842 | \$ 38,403 | 0.11 | |
| 2019 | \$ 69,749 | \$ 22,821 | \$ 46,928 | \$ 241,085 | \$ 44,081 | 0.16 | |
| 2020 | \$ 58,733 | \$ 28,819 | \$ 29,914 | \$ 184,719 | \$ 28,496 | 0.14 | |
| 2021 | \$ 46,868 | \$ 36,974 | \$ 9,894 | \$ 363,165 ⁷ | \$ 7,486 | 0.03 | |
| 2022 | \$ 58,117 | \$ 20,146 | \$ 37,971 | \$ 940,447 ⁸ | \$ 17,670 | 0.04 | |

Note: Details regarding the State's outstanding bonds can be found in [Note 10. Long-term Liabilities](#) in the financial statements.

¹ Revenues for Water Loan Programs are primarily interest on revolving loan receivables; principal repayments are not included in gross revenues, but are pledged to cover debt service payments. Revenues for Student Assistance Programs are primarily interest on student loans and federal allowances.

² Operating Expenses do not include interest, depreciation, or amortization expenses.

³ Coverage equals net available revenue divided by debt service.

⁴ During 2015, a line of credit was issued for \$1.600 billion in order to acquire federally guaranteed student loans.

⁵ During 2016, the Student Assistance Programs had a substantial increase in interest on loans related to the line of credit that was issued in 2015 to acquire federally-guaranteed student loans.

⁶ During 2017, the Student Assistance Programs retired its line of credit issued in 2015 related to acquiring federally guaranteed student loans.

⁷ During 2020, the Student Assistance Programs issued a line of credit to retire outstanding revenue bonds and purchase governmental obligation bonds for the purpose of redeeming the Series 2010 EE bonds. In 2020, the Student Assistance Programs issued additional bonds to retire its line of credit issued in 2020.

⁸ During 2022, all Student Assistance Programs bonds were redeemed upon the sale of the related student loans. Additionally, funds in the amount of \$517 thousand were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the outstanding bond issuance under the State Board of Regents Revenue Refunding Bonds Indenture dated May 1, 2012. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

⁹ The pledged revenue for the water loan programs ended with the final debt service payment made during fiscal year 2023.



Schedule D–1
Demographic and Economic Indicators
Last Ten Calendar Years

| Calendar Year | Population <i>(in thousands)</i> | | | | Unemployment Rate | | Utah Net Migration |
|---------------|----------------------------------|--------|---------|--------|-------------------|--------|--------------------|
| | Utah | | U.S. | | Utah | U.S. | |
| | Number | Change | Number | Change | | | |
| 2015 | 2,991 | 1.56 % | 321,500 | 0.63 % | 3.50 % | 5.30 % | 14,200 |
| 2016 | 3,044 | 1.77 % | 324,000 | 0.78 % | 3.30 % | 4.90 % | 25,300 |
| 2017 | 3,103 | 1.94 % | 326,000 | 0.62 % | 3.10 % | 4.40 % | 30,000 |
| 2018 | 3,188 | 2.74 % | 329,000 | 0.92 % | 2.90 % | 3.90 % | 22,300 |
| 2019 | 3,237 | 1.54 % | 330,000 | 0.30 % | 2.60 % | 3.70 % | 20,200 |
| 2020 | 3,282 | 1.39 % | 332,000 | 0.61 % | 4.70 % | 8.10 % | 22,300 |
| 2021 | 3,339 | 1.74 % | 332,000 | 0.00 % | 2.70 % | 5.40 % | 31,700 |
| 2022 | 3,381 | 1.26 % | 334,000 | 0.60 % | 2.30 % | 3.60 % | 19,300 |
| 2023 | 3,418 | 1.09 % | 335,000 | 0.30 % | 2.60 % | 3.60 % | 11,600 |
| 2024 (est.) | 3,462 | 1.29 % | 337,000 | 0.60 % | 2.90 % | 3.80 % | 19,500 |

| Calendar Year | Personal Income <i>(in millions)</i> | | | | Per Capita Income <i>(in dollars)</i> | | | |
|---------------|--------------------------------------|---------|--------------|--------|---------------------------------------|--------|-----------|--------|
| | Utah | | U.S. | | Utah | | U.S. | |
| | Amount | Change | Amount | Change | Amount | Change | Amount | Change |
| 2015 | \$ 118,725 | 7.11 % | \$15,553,000 | 5.02 % | \$ 39,694 | 5.46 % | \$ 48,376 | 4.36 % |
| 2016 | \$ 128,407 | 8.15 % | \$16,125,000 | 3.68 % | \$ 42,184 | 6.27 % | \$ 49,769 | 2.88 % |
| 2017 | \$ 136,544 | 6.34 % | \$16,879,000 | 4.68 % | \$ 44,004 | 4.31 % | \$ 51,776 | 4.03 % |
| 2018 | \$ 148,241 | 8.57 % | \$17,852,000 | 5.76 % | \$ 46,500 | 5.67 % | \$ 54,261 | 4.80 % |
| 2019 | \$ 157,336 | 6.14 % | \$18,424,000 | 3.20 % | \$ 48,605 | 4.53 % | \$ 55,830 | 2.89 % |
| 2020 | \$ 171,385 | 8.93 % | \$19,832,000 | 7.64 % | \$ 52,220 | 7.44 % | \$ 59,735 | 6.99 % |
| 2021 | \$ 190,468 | 11.13 % | \$21,408,000 | 7.95 % | \$ 57,043 | 9.24 % | \$ 64,482 | 7.95 % |
| 2022 | \$ 201,012 | 5.54 % | \$21,841,000 | 2.02 % | \$ 59,453 | 4.23 % | \$ 65,392 | 1.41 % |
| 2023 | \$ 213,159 | 6.04 % | \$22,971,000 | 5.17 % | \$ 62,364 | 4.90 % | \$ 68,570 | 4.86 % |
| 2024 (est.) | \$ 224,135 | 5.15 % | \$24,058,000 | 4.73 % | \$ 64,741 | 3.81 % | \$ 71,389 | 4.11 % |

Source: Population – Utah Population Estimates Committee at July 1 each year. The 2024 estimate is from the Utah Revenue Assumption Committee.

Source: Unemployment Rate – Utah Department of Workforce Services. The 2024 estimate is from the Utah Revenue Assumption Committee.

Source: Utah Net Migration – Utah Population Estimates Committee at July 1 each year. The 2024 estimate is from the Utah Revenue Assumption Committee.

Source: Personal Income – U.S. Department of Commerce, Bureau of Economic Analysis, and Utah Department of Workforce Services. The 2024 estimate is from the Utah Revenue Assumption Committee.

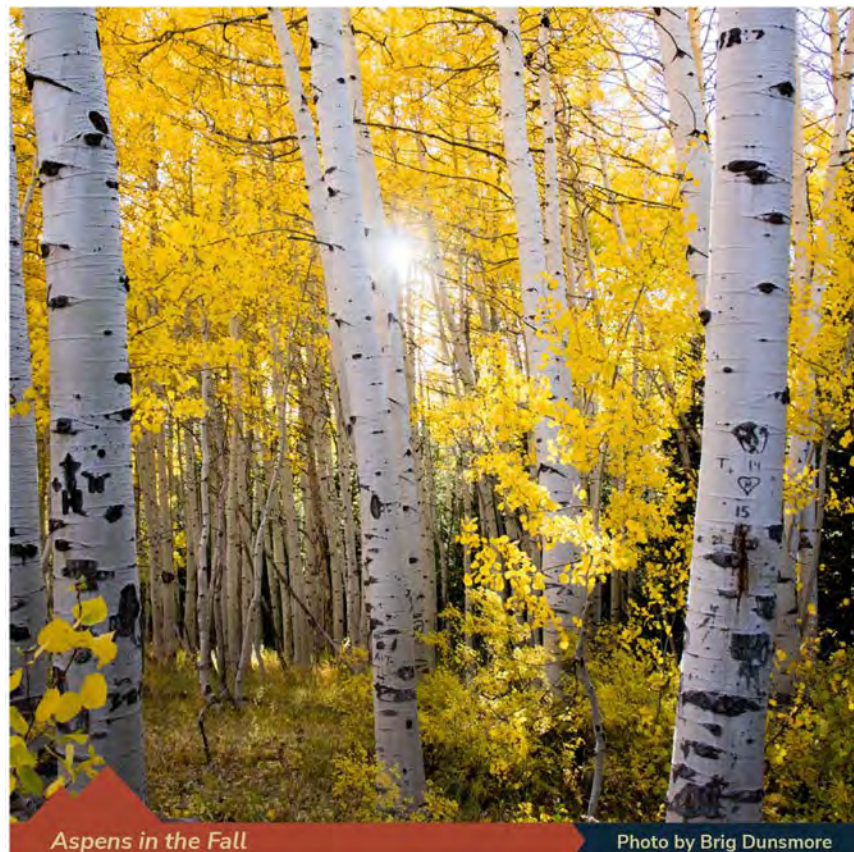
Note: Prior year information has been updated with the most recent data available. Per Capita Income is calculated by dividing total personal income by population. Amounts may not be exact due to rounding.

Schedule D-2
Principal Employers
Most Current Calendar Year and Historical Comparisons

| Entity Name | Calendar Year 2014 | | | Calendar Year 2023 | | |
|---|---------------------|------|--------------------------|---------------------|------|--------------------------|
| | Number of Employees | Rank | Percent of All Employees | Number of Employees | Rank | Percent of All Employees |
| Intermountain Health Care (IHC)..... | 20,000 + | 1 | 2.50 % | 20,000 + | 1 | 2.40 % |
| University of Utah (includes Hospital)..... | 20,000 + | 2 | 2.10 % | 20,000 + | 2 | 2.00 % |
| State of Utah..... | 20,000 + | 3 | 1.60 % | 20,000 + | 3 | 1.30 % |
| Wal-Mart Stores..... | 15,000–19,999 | 5 | 1.30 % | 20,000 + | 4 | 1.30 % |
| Brigham Young University..... | 15,000–19,999 | 4 | 1.30 % | 15,000–19,999 | 5 | 1.00 % |
| Hill Air Force Base..... | 10,000–14,999 | 6 | 0.90 % | 10,000–14,999 | 6 | 0.70 % |
| Davis County School District..... | 7,000–9,999 | 7 | 0.60 % | 10,000–14,999 | 7 | 0.70 % |
| Utah State University..... | 7,000–9,999 | 9 | 0.60 % | 7,000–9,999 | 8 | 0.50 % |
| Northrop Grumman Corp..... | | | | 7,000–9,999 | 9 | 0.50 % |
| Smith's Food and Drug Centers..... | 5,000–6,999 | 10 | 0.60 % | 7,000–9,999 | 10 | 0.50 % |
| Granite School District..... | 7,000–9,999 | 8 | 0.60 % | | | |
| Total Employees of Principal Employers..... | 160,051 | | 12.10 % | 191,000 | | 10.90 % |

Source: Utah Department of Workforce Services.

Notes: Number of employees is based on a calendar year average.



Schedule D-3
Composition of the Labor Force
 Last Ten Calendar Years

| | Calendar Year | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Nonagricultural Jobs | | | | | |
| Government | 266,530 | 256,173 | 251,682 | 248,608 | 253,697 |
| Mining | 10,779 | 9,909 | 8,822 | 8,658 | 9,361 |
| Construction | 134,214 | 131,058 | 122,346 | 115,432 | 109,486 |
| Manufacturing | 152,917 | 151,605 | 145,654 | 136,420 | 136,924 |
| Trade, Transportation, and Utilities | 315,621 | 313,247 | 306,785 | 290,381 | 290,908 |
| Information | 42,765 | 45,127 | 41,050 | 38,474 | 39,572 |
| Financial Activity | 98,377 | 98,051 | 97,694 | 93,313 | 90,007 |
| Professional and Business Services | 249,672 | 247,044 | 234,350 | 225,252 | 223,789 |
| Education and Health Services | 235,021 | 224,931 | 216,456 | 208,847 | 209,998 |
| Leisure and Hospitality | 172,206 | 162,737 | 148,307 | 133,416 | 153,446 |
| Other Services | 46,187 | 45,594 | 43,690 | 42,037 | 42,379 |
| Total Nonagricultural Jobs | <u>1,724,289</u> | <u>1,685,476</u> | <u>1,616,836</u> | <u>1,540,838</u> | <u>1,559,567</u> |
| Civilian Labor Force | 1,790,381 | 1,743,054 | 1,681,494 | 1,640,426 | 1,618,055 |
| Total Employed | 1,743,223 | 1,702,674 | 1,636,150 | 1,562,799 | 1,576,421 |
| Unemployed | 47,158 | 40,380 | 45,344 | 77,627 | 41,634 |
| Unemployment Rate | 2.60 % | 2.30 % | 2.70 % | 4.70 % | 2.60 % |

Source: Utah Department of Workforce Services and the Utah Revenue Assumption Committee. Prior year information has been updated with the most recent data available.

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Schedule D-3
Composition of the Labor Force - continued
 Last Ten Calendar Years

| | Calendar Year | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Nonagricultural Jobs | | | | | |
| Government | 247,904 | 244,311 | 239,416 | 233,658 | 230,619 |
| Mining | 9,470 | 8,618 | 8,494 | 10,372 | 12,160 |
| Construction | 104,341 | 97,495 | 91,537 | 84,676 | 78,676 |
| Manufacturing | 133,006 | 129,199 | 125,926 | 123,695 | 120,706 |
| Trade, Transportation, and Utilities | 286,355 | 278,526 | 271,432 | 263,158 | 252,574 |
| Information | 38,080 | 38,429 | 36,860 | 34,402 | 33,320 |
| Financial Activity | 87,540 | 84,072 | 81,710 | 79,020 | 74,965 |
| Professional and Business Services | 217,642 | 206,987 | 202,175 | 194,127 | 185,121 |
| Education and Health Services | 203,484 | 198,251 | 190,935 | 182,273 | 174,309 |
| Leisure and Hospitality | 148,530 | 143,029 | 138,591 | 133,657 | 128,086 |
| Other Services | 41,189 | 40,210 | 39,472 | 38,689 | 37,604 |
| Total Nonagricultural Jobs | <u>1,517,541</u> | <u>1,469,127</u> | <u>1,426,548</u> | <u>1,377,727</u> | <u>1,328,140</u> |
| Civilian Labor Force | 1,583,703 | 1,554,352 | 1,500,137 | 1,453,457 | 1,415,779 |
| Total Employed | 1,537,389 | 1,505,413 | 1,449,981 | 1,401,945 | 1,364,353 |
| Unemployed | 46,314 | 46,314 | 50,156 | 51,512 | 51,426 |
| Unemployment Rate | 2.90 % | 3.10 % | 3.30 % | 3.50 % | 3.60 % |

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Schedule D-4
Public Education Student Enrollment (K-12)
 Last Ten Academic Years

| | Academic Year | | | | |
|------------------------|----------------|----------------|----------------|----------------|----------------|
| | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 |
| Elementary | 350,529 | 353,570 | 354,817 | 350,621 | 358,817 |
| Secondary | 322,133 | 321,080 | 319,534 | 314,685 | 308,008 |
| Total All Grades | <u>672,662</u> | <u>674,650</u> | <u>674,351</u> | <u>665,306</u> | <u>666,825</u> |

Source: State of Utah Office of Education.

Note: Public Education Student Enrollment count is based on October 1st counts.

Schedule D-5
Public Higher Education Enrollment
 Last Ten Academic Years

| | Academic Year | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| | 2024-25 | 2023-24 | 2022-23 | 2021-22 | 2020-21 |
| University of Utah | 36,970 | 35,310 | 34,734 | 34,462 | 33,080 |
| Utah State University | 28,900 | 28,063 | 27,943 | 27,426 | 27,691 |
| Weber State University | 32,701 | 30,536 | 29,914 | 29,774 | 29,596 |
| Southern Utah University | 15,444 | 15,033 | 14,330 | 13,611 | 12,582 |
| Salt Lake Community College | 27,437 | 26,764 | 26,348 | 27,225 | 27,293 |
| Utah Valley University | 46,809 | 44,653 | 43,099 | 41,262 | 40,936 |
| Utah Tech University ¹ | 13,167 | 12,567 | 12,556 | 12,266 | 12,043 |
| Snow College | 5,577 | 5,506 | 5,997 | 6,106 | 5,800 |
| Technical Colleges | 22,285 | 20,455 | 20,083 | 19,852 | 18,284 |
| Total All Institutions | <u>229,290</u> | <u>218,887</u> | <u>215,004</u> | <u>211,984</u> | <u>207,305</u> |

Source: Utah Board of Higher Education.

Note: Utah Higher Education Enrollment count is based on fall semester third week headcounts.

¹ In fiscal year 2022, Legislative action renamed Dixie State University to Utah Tech University.

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Schedule D-4
Public Education Student Enrollment (K-12) - continued
 Last Ten Academic Years

| | Academic Year | | | | |
|------------------------|----------------|----------------|----------------|----------------|----------------|
| | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
| Elementary | 358,908 | 358,190 | 356,686 | 353,050 | 349,382 |
| Secondary | 299,893 | 294,158 | 287,790 | 280,846 | 272,771 |
| Total All Grades | <u>658,801</u> | <u>652,348</u> | <u>644,476</u> | <u>633,896</u> | <u>622,153</u> |

Schedule D-5
Public Higher Education Enrollment - continued
 Last Ten Academic Years

| | Academic Year | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 |
| University of Utah | 32,852 | 33,023 | 32,800 | 32,061 | 31,673 |
| Utah State University | 27,810 | 27,932 | 27,679 | 28,118 | 28,622 |
| Weber State University | 29,644 | 28,247 | 27,949 | 26,809 | 25,955 |
| Southern Utah University | 11,224 | 10,196 | 9,468 | 8,955 | 8,881 |
| Salt Lake Community College | 29,517 | 29,156 | 29,620 | 29,901 | 28,814 |
| Utah Valley University | 41,728 | 39,931 | 37,282 | 34,978 | 33,211 |
| Utah Tech University ¹ | 11,193 | 9,950 | 9,673 | 8,993 | 8,503 |
| Snow College | 5,383 | 5,514 | 5,563 | 5,350 | 5,111 |
| Technical Colleges | 20,130 | 19,418 | 16,838 | 17,293 | 16,933 |
| Total All Institutions | <u>209,481</u> | <u>203,367</u> | <u>196,872</u> | <u>192,458</u> | <u>187,703</u> |

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Schedule E-1
Full-Time Equivalent State Employees by Function
 Last Ten Fiscal Years

| | Fiscal Year | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| General Government: | | | | | |
| Government Operations | 2,338 | 2,153 | 2,101 | 2,169 | 2,180 |
| Tax Commission | 647 | 631 | 627 | 650 | 674 |
| All Other | 225 | 211 | 213 | 198 | 196 |
| Health and Human Services ³ | 5,615 | 5,262 | 5,213 | 5,161 | 5,098 |
| Corrections | 2,540 | 2,557 | 2,499 | 2,520 | 2,501 |
| Public Safety: | | | | | |
| Department of Public Safety | 1,597 | 1,485 | 1,424 | 1,427 | 1,435 |
| Utah National Guard | 248 | 252 | 254 | 266 | 266 |
| State Courts | 1,073 | 1,035 | 1,005 | 998 | 1,009 |
| Environmental Quality ³ | 383 | 361 | 359 | 358 | 361 |
| Employment and Family Services ^{1,2} | 2,011 | 2,035 | 2,044 | 2,053 | 2,026 |
| Natural Resources | 1,591 | 1,488 | 1,419 | 1,427 | 1,384 |
| Cultural and Community Engagement ¹ | 170 | 162 | 151 | 140 | 142 |
| Business, Labor, and Agriculture | 897 | 840 | 804 | 798 | 806 |
| Education: | | | | | |
| Public Education Support ² | 940 | 893 | 837 | 800 | 786 |
| Higher Education Support | 73 | 74 | 163 | 196 | 369 |
| Transportation | 1,753 | 1,728 | 1,685 | 1,687 | 1,694 |
| Total Full-time Equivalent State Employees | <u>22,101</u> | <u>21,167</u> | <u>20,798</u> | <u>20,848</u> | <u>20,927</u> |

Source: Utah Department of Government Operations, Division of Finance.

¹ In fiscal year 2013, Legislative action transferred the Housing and Community Development Division from Heritage and Arts to Employment and Family Services. In fiscal year 2022, Legislative action renamed the Department of Heritage and Arts to the Department of Cultural and Community Engagement.

² In fiscal year 2017, Legislative action transferred the Utah State Office of Rehabilitation from Public Education Support to Employment and Family Services.

³ In fiscal year 2023, Legislative action reorganized the Department of Health, previously reported under the Health and Environmental Quality function line, and the Department of Human Services consolidating them into one department and renaming them as the Department of Health and Human Services.

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Schedule E-1
Full-Time Equivalent State Employees by Function - continued
 Last Ten Fiscal Years

| | Fiscal Year | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| General Government: | | | | | |
| Government Operations | 2,150 | 2,122 | 2,095 | 2,063 | 2,055 |
| Tax Commission | 685 | 690 | 690 | 697 | 708 |
| All Other | 191 | 184 | 185 | 181 | 176 |
| Health and Human Services ³ | 4,970 | 5,023 | 5,067 | 4,980 | 4,888 |
| Corrections | 2,513 | 2,527 | 2,453 | 2,392 | 2,307 |
| Public Safety: | | | | | |
| Department of Public Safety | 1,403 | 1,341 | 1,333 | 1,329 | 1,324 |
| Utah National Guard | 261 | 253 | 247 | 226 | 210 |
| State Courts | 1,004 | 983 | 986 | 994 | 994 |
| Environmental Quality ³ | 358 | 361 | 365 | 367 | 373 |
| Employment and Family Services ^{1,2} | 2,013 | 2,043 | 1,989 | 1,719 | 1,758 |
| Natural Resources | 1,355 | 1,361 | 1,334 | 1,320 | 1,315 |
| Cultural and Community Engagement ¹ | 128 | 124 | 126 | 125 | 120 |
| Business, Labor, and Agriculture | 796 | 786 | 773 | 767 | 748 |
| Education: | | | | | |
| Public Education Support ² | 749 | 721 | 816 | 1,138 | 1,135 |
| Higher Education Support | 422 | 399 | 274 | 236 | 277 |
| Transportation | 1,693 | 1,638 | 1,642 | 1,616 | 1,569 |
| Total Full-time Equivalent State Employees | <u>20,691</u> | <u>20,556</u> | <u>20,375</u> | <u>20,150</u> | <u>19,957</u> |

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Schedule E-2
Operating Indicators by Function
 Last Ten Fiscal Years

| | Fiscal Year | | | | |
|--|-------------|-----------|-----------|-----------|-----------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| General Government | | | | | |
| Government Operations: | | | | | |
| Construction Projects Managed | 1,084 | 1,193 | 1,198 | 1,099 | 1,058 |
| Tax Commission: | | | | | |
| Percent of Data Managed Electronically | 92.00 % | 92.00 % | 91.00 % | 88.00 % | 89.00 % |
| Number of Returns Filed Electronically | 1,611,410 | 1,567,315 | 1,493,502 | 1,603,914 | 1,256,658 |
| Motor Vehicle Registrations (in thousands) | 3,642 | 3,618 | 3,577 | 3,352 | 3,113 |
| Health and Human Services ⁶ | | | | | |
| Food Stamp Recipients | 261,053 | 248,071 | 244,599 | 254,397 | 265,352 |
| Percent of Population | 7.54 % | 7.26 % | 7.23 % | 7.62 % | 8.09 % |
| Juveniles, Daily Average in Justice System Placement | 334 | 312 | 300.7 | 330 | 380 |
| Rate of Reccommitment to Juvenile Custody | 21.60 % | 22.80 % | 21.70 % | 19.90 % | 25.80 % |
| Children's Health Insurance Program Enrollment | 11,628 | 7,114 | 7,145 | 15,388 | 17,235 |
| Medicaid Eligible (unduplicated) | 543,027 | 571,705 | 514,438 | 451,244 | 413,533 |
| Percent of Population | 15.69 % | 16.73 % | 15.22 % | 13.51 % | 12.60 % |
| Corrections ¹ | | | | | |
| Incarcerated Offenders | N/A | 6,183 | 5,935 | 5,765 | 5,986 |
| Supervised Offenders | N/A | 15,439 | 15,034 | 15,013 | 16,180 |
| Utah Incarceration Rate (per 100,000 population) | N/A | N/A | 176 | 175 | 166 |
| US Incarceration Rate (per 100,000 population) | N/A | N/A | 355 | 350 | 358 |
| State Courts ² | | | | | |
| State Court Filings | 277,780 | 270,533 | 253,926 | 260,461 | 277,250 |
| State Court Dispositions | 255,397 | 242,155 | 234,012 | 232,952 | 243,996 |
| Employment and Family Services | | | | | |
| Individuals Registered for Employment | 481,072 | 444,157 | 490,587 | 553,241 | 382,178 |
| Percent Who Entered Employment | 65.90 % | 68.40 % | 70.10 % | 67.30 % | 71.00 % |
| Natural Resources | | | | | |
| Hatchery Fish, Pounds Raised | 1,064,702 | 1,008,841 | 1,152,293 | 1,148,452 | 1,162,722 |
| Hunting and Fishing Licenses Sold ^{1,3} | 606,613 | 620,852 | 638,152 | 725,191 | 605,957 |
| State Park Visitations (in thousands) | 12,962 | 11,011 | 10,794.96 | 12,080 | 8,705 |
| Business, Labor, and Agriculture | | | | | |
| Department of Commerce: | | | | | |
| Licenses and Registrations Issued ⁴ | 547,481 | 521,421 | 494,471 | 454,816 | 440,481 |
| Department of Agriculture and Food: ¹ | | | | | |
| Dairy Farm Inspections | N/A | 389 | 329 | 361 | 465 |
| Pounds of Turkey Inspected and Graded (in thousands) | N/A | N/A | N/A | N/A | 18,805 |
| Gas Pumps and Scales Inspected | N/A | 40,754 | 39,883 | 28,290 | 43,762 |
| Higher Education | | | | | |
| Number of Certificates and Degrees Awarded | 66,925 | 56,553 | 53,619 | 47,974 | 44,031 |
| Transportation | | | | | |
| Percent of Roads which are Deficient ⁵ | N/A | 4.49 % | 4.50 % | 4.90 % | 6.74 % |
| Vehicles Weighed or Inspected (in thousands) | 9,532 | 9,245 | 8,367 | 9,728 | 8,583 |

Source: Various agencies of the State and the Utah Board of Higher Education.

Note: N/A = Data Not Available

¹ Data is provided on a calendar year basis.

² State Courts includes filings and dispositions for the appellate, district, and juvenile courts; it does not include the justice courts which are operated by cities and counties.

³ Includes only licenses for elk, deer, fishing, and all other big game.

⁴ Includes professional, occupational, real estate, and securities licenses. Does not include corporation and other business registrations or filings.

⁵ Assessments are completed at a minimum of every other calendar year. See [Information About Infrastructure Assets Reported Using The Modified Approach](#).

Schedule E-2
Operating Indicators by Function - continued
 Last Ten Fiscal Years

| | Fiscal Year | | | | |
|--|-------------|-----------|-----------|-----------|-----------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| General Government | | | | | |
| Government Operations: | | | | | |
| Construction Projects Managed | 1,052 | 1,155 | 896 | 910 | 802 |
| Tax Commission: | | | | | |
| Percent of Data Managed Electronically | 86.00 % | 84.50 % | 83.80 % | 83.20 % | 81.80 % |
| Number of Returns Filed Electronically | 1,307,267 | 1,246,011 | 1,196,647 | 1,171,287 | 1,103,323 |
| Motor Vehicle Registrations (in thousands) | 2,976 | 2,950 | 3,027 | 2,961 | 2,846 |
| Health and Human Services ⁶ | | | | | |
| Food Stamp Recipients | 273,779 | 298,396 | 323,768 | 338,362 | 348,459 |
| Percent of Population | 8.46 % | 9.36 % | 10.43 % | 11.12 % | 11.65 % |
| Juveniles, Daily Average in Justice System Placement | 425 | 467 | 604 | 686 | 812 |
| Rate of Recombitment to Juvenile Custody | 16.90 % | 14.90 % | 9.90 % | 8.40 % | 7.80 % |
| Children's Health Insurance Program Enrollment | 18,198 | 19,338 | 19,248 | 17,058 | 15,775 |
| Medicaid Eligible (unduplicated) | 404,861 | 404,303 | 414,519 | 418,356 | 415,843 |
| Percent of Population | 12.51 % | 12.68 % | 13.36 % | 13.74 % | 13.90 % |
| Corrections ¹ | | | | | |
| Incarcerated Offenders | 6,772 | 6,522 | 6,309 | 6,298 | 6,723 |
| Supervised Offenders | 16,775 | 17,329 | 16,855 | 16,590 | 13,897 |
| Utah Incarceration Rate (per 100,000 population) | 206 | 208 | 205 | 201 | 215 |
| US Incarceration Rate (per 100,000 population) | 419 | 431 | 441 | 450 | 459 |
| State Courts ² | | | | | |
| State Court Filings | 284,152 | 278,392 | 283,449 | 288,797 | 305,778 |
| State Court Dispositions | 255,926 | 245,764 | 262,841 | 260,952 | 273,731 |
| Employment and Family Services | | | | | |
| Individuals Registered for Employment | 121,759 | 131,386 | 150,168 | 185,347 | 215,861 |
| Percent Who Entered Employment | 67.00 % | 67.00 % | 73.00 % | 71.00 % | 66.00 % |
| Natural Resources | | | | | |
| Hatchery Fish, Pounds Raised | 1,155,821 | 1,089,720 | 1,081,766 | 1,093,205 | 1,212,696 |
| Hunting and Fishing Licenses Sold ^{1,3} | 590,111 | 587,443 | 582,751 | 558,893 | 585,666 |
| State Park Visitations (in thousands) | 7,424 | 6,712 | 5,691 | 5,176 | 4,482 |
| Business, Labor, and Agriculture | | | | | |
| Department of Commerce: | | | | | |
| Licenses and Registrations Issued ⁴ | 417,172 | 409,301 | 387,348 | 378,478 | 355,124 |
| Department of Agriculture and Food: ¹ | | | | | |
| Dairy Farm Inspections | 435 | 515 | 525 | 533 | 560 |
| Pounds of Turkey Inspected and Graded (in thousands) | 27,692 | 108,130 | 121,106 | 102,511 | 79,060 |
| Gas Pumps and Scales Inspected | 31,655 | 33,774 | 30,116 | 32,486 | 32,131 |
| Higher Education | | | | | |
| Number of Certificates and Degrees Awarded | 38,622 | 37,756 | 36,701 | 33,822 | 32,797 |
| Transportation | | | | | |
| Percent of Roads which are Deficient ⁵ | 8.82 % | 8.60 % | 9.64 % | N/A | 10.68 % |
| Vehicles Weighed or Inspected (in thousands) | 8,542 | 8,116 | 7,893 | 5,969 | 6,706 |

⁶ In fiscal year 2023, Legislative action reorganized the Department of Health, previously reported under the Health and Environmental Quality function line, and the Department of Human Services consolidating them into one department and renaming them as the Department of Health and Human Services.

State of Utah

Schedule E-3 Capital Asset Statistics by Function* Last Ten Fiscal Years

| | Fiscal Year | | | | |
|--|-------------|-------|-------|-------|-------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| General Government | | | | | |
| Buildings | 332 | 331 | 333 | 333 | 333 |
| Vehicles | 6,733 | 8,233 | 8,138 | 8,045 | 8,049 |
| Data Processing Equipment and Software | 1,193 | 1,193 | 1,113 | 1,059 | 1,367 |
| Reproduction and Printing Equipment | 1,007 | 969 | 896 | 831 | 841 |
| Health and Human Services | | | | | |
| Data Processing Equipment and Software | 146 | 146 | 147 | 145 | 141 |
| Medical and Lab Equipment | 414 | 344 | 323 | 311 | 308 |
| Corrections | | | | | |
| Data Processing Equipment and Software | 224 | 223 | 222 | 220 | 216 |
| Security and Surveillance Equipment | 132 | 108 | 110 | 109 | 79 |
| Public Safety | | | | | |
| Department of Public Safety: | | | | | |
| Vehicles | 39 | 37 | 36 | 35 | 35 |
| Data Processing Equipment and Software | 264 | 264 | 256 | 241 | 230 |
| Medical and Lab Equipment | 357 | 347 | 330 | 296 | 216 |
| Utah National Guard: | | | | | |
| Buildings | 239 | 239 | 239 | 239 | 239 |
| State Courts | | | | | |
| Data Processing Equipment and Software | 89 | 84 | 80 | 78 | 78 |
| Audio Visual Equipment | 136 | 134 | 134 | 132 | 136 |
| Environmental Quality | | | | | |
| Monitoring and Lab Equipment | 695 | 583 | 521 | 522 | 534 |
| Employment and Family Services | | | | | |
| Data Processing Equipment and Software | 426 | 390 | 414 | 407 | 407 |
| Natural Resources | | | | | |
| Division of Parks and Recreation: | | | | | |
| State Parks | 46 | 46 | 46 | 46 | 44 |
| Buildings | 804 | 798 | 800 | 794 | 793 |
| Vehicles | 377 | 376 | 371 | 369 | 368 |
| Division of Wildlife Resources: | | | | | |
| Wildlife Management Areas | 194 | 193 | 193 | 92 | 92 |
| Fish Hatcheries | 13 | 12 | 12 | 12 | 12 |
| Buildings | 209 | 205 | 203 | 203 | 202 |
| Vehicles | 239 | 238 | 236 | 236 | 234 |
| Business, Labor, and Agriculture | | | | | |
| Data Processing Equipment and Software | 127 | 127 | 125 | 121 | 116 |
| Monitoring and Lab Equipment | 199 | 160 | 157 | 153 | 156 |
| Transportation | | | | | |
| Highway Center Line Miles | 6,926 | 6,919 | 6,920 | 5,865 | 5,859 |
| Buildings | 460 | 463 | 462 | 457 | 456 |
| Vehicles | 445 | 416 | 399 | 333 | 345 |
| Heavy Equipment | 2,417 | 2,589 | 2,583 | 2,437 | 2,395 |

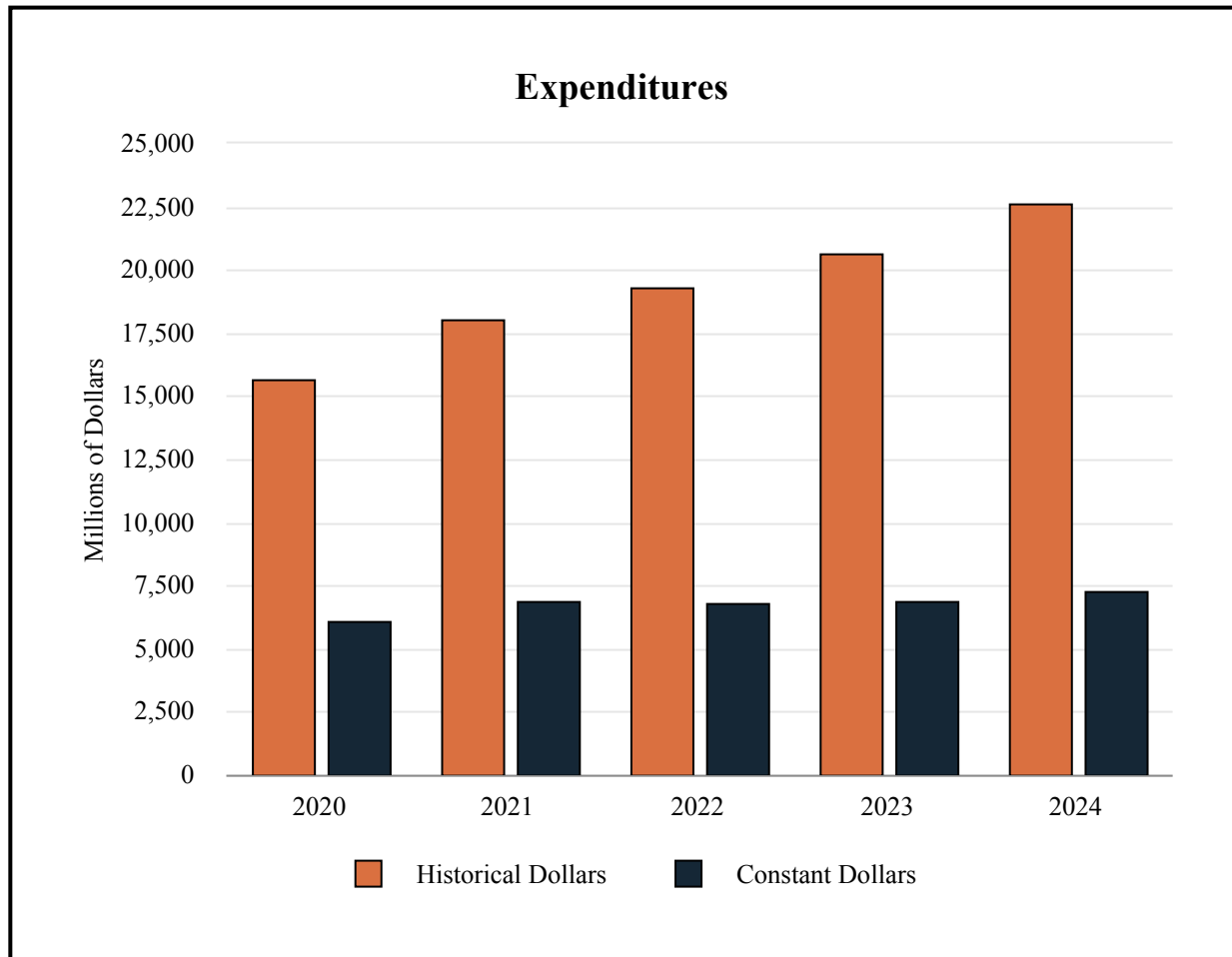
Source: Utah Department of Government Operations, Division of Finance and various agencies of the State.

*Lease assets under GASB Statement No. 87, *Leases*, implemented in 2022, and subscription based-software under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, implemented in 2023, are not included on this table.

Schedule E-3
Capital Asset Statistics by Function - continued
 Last Ten Fiscal Years

| | Fiscal Year | | | | |
|--|-------------|-------|-------|-------|-------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| General Government | | | | | |
| Buildings | 332 | 326 | 323 | 319 | 315 |
| Vehicles | 7,969 | 7,828 | 7,732 | 7,886 | 7,781 |
| Data Processing Equipment and Software | 1,315 | 1,314 | 1,397 | 2,428 | 2,383 |
| Reproduction and Printing Equipment | 1,133 | 1,112 | 1,138 | 1,140 | 1,178 |
| Health and Human Services | | | | | |
| Data Processing Equipment and Software | 144 | 143 | 137 | 153 | 176 |
| Medical and Lab Equipment | 299 | 287 | 283 | 295 | 291 |
| Corrections | | | | | |
| Data Processing Equipment and Software | 217 | 219 | 220 | 222 | 220 |
| Security and Surveillance Equipment | 83 | 70 | 75 | 73 | 69 |
| Public Safety | | | | | |
| Department of Public Safety: | | | | | |
| Vehicles | 35 | 35 | 35 | 35 | 34 |
| Data Processing Equipment and Software | 219 | 208 | 222 | 213 | 204 |
| Medical and Lab Equipment | 208 | 205 | 236 | 220 | 207 |
| Utah National Guard: | | | | | |
| Buildings | 237 | 237 | 237 | 235 | 229 |
| State Courts | | | | | |
| Data Processing Equipment and Software | 72 | 65 | 60 | 63 | 63 |
| Audio Visual Equipment | 134 | 134 | 146 | 150 | 151 |
| Environmental Quality | | | | | |
| Monitoring and Lab Equipment | 555 | 562 | 510 | 448 | 433 |
| Employment and Family Services | | | | | |
| Data Processing Equipment and Software | 402 | 393 | 387 | 370 | 365 |
| Natural Resources | | | | | |
| Division of Parks and Recreation: | | | | | |
| State Parks | 44 | 44 | 43 | 43 | 43 |
| Buildings | 789 | 785 | 779 | 778 | 756 |
| Vehicles | 359 | 356 | 351 | 344 | 340 |
| Division of Wildlife Resources: | | | | | |
| Wildlife Management Areas | 92 | 92 | 92 | 92 | 92 |
| Fish Hatcheries | 12 | 12 | 11 | 11 | 12 |
| Buildings | 195 | 192 | 191 | 190 | 183 |
| Vehicles | 229 | 224 | 220 | 214 | 209 |
| Business, Labor, and Agriculture | | | | | |
| Data Processing Equipment and Software | 115 | 112 | 110 | 101 | 114 |
| Monitoring and Lab Equipment | 142 | 143 | 138 | 122 | 118 |
| Transportation | | | | | |
| Highway Center Line Miles | 5,787 | 5,780 | 5,880 | 5,825 | 5,830 |
| Buildings | 456 | 446 | 442 | 440 | 423 |
| Vehicles | 330 | 1,010 | 956 | 931 | 904 |
| Heavy Equipment | 2,412 | 2,635 | 2,602 | 2,599 | 2,595 |

Schedule F-1
Expenditures — Historical and Constant Dollars
 All Governmental Fund Types
 Last Five Fiscal Years

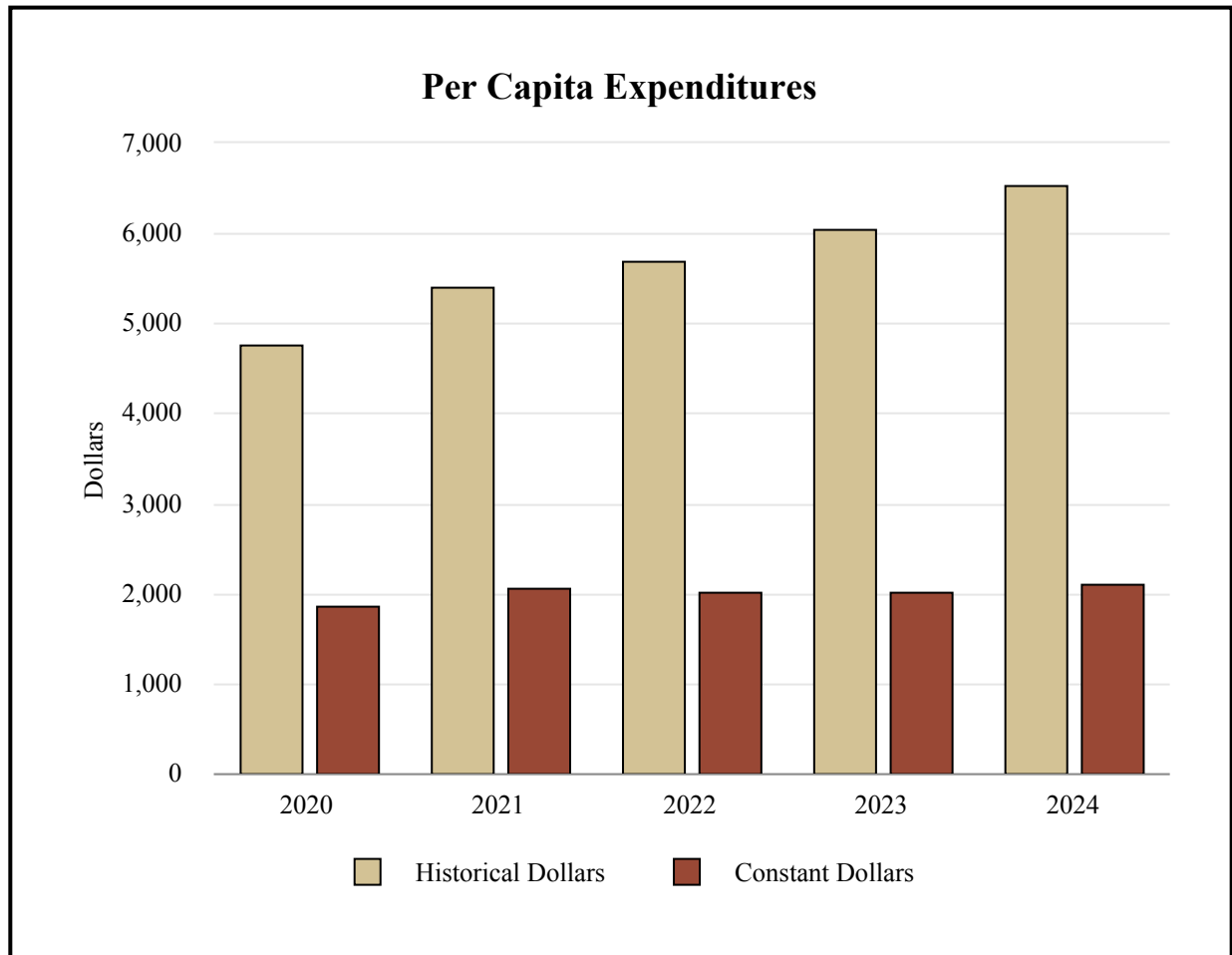


| Fiscal Year | Historical Dollars | | Constant Dollars | |
|-------------|--------------------|---------|------------------|---------|
| | (in millions) | Change | (in millions) | Change |
| 2020 | \$15,659 | 12.26 % | \$6,088 | 10.53 % |
| 2021 | \$18,029 | 15.13 % | \$6,851 | 12.54 % |
| 2022 | \$19,282 | 6.95 % | \$6,837 | (0.21)% |
| 2023 | \$20,652 | 7.10 % | \$6,891 | 0.79 % |
| 2024 | \$22,596 | 9.42 % | \$7,299 | 5.92 % |

Note: Historical and Constant percentage changes may not be exact due to rounding.

Source: Constant Dollars are derived using the Consumer Price Index for all urban consumers, base year 1982–84 = 100.

Schedule F-2
Per Capita Expenditures — Historical and Constant Dollars
 All Governmental Fund Types
 Last Five Fiscal Years

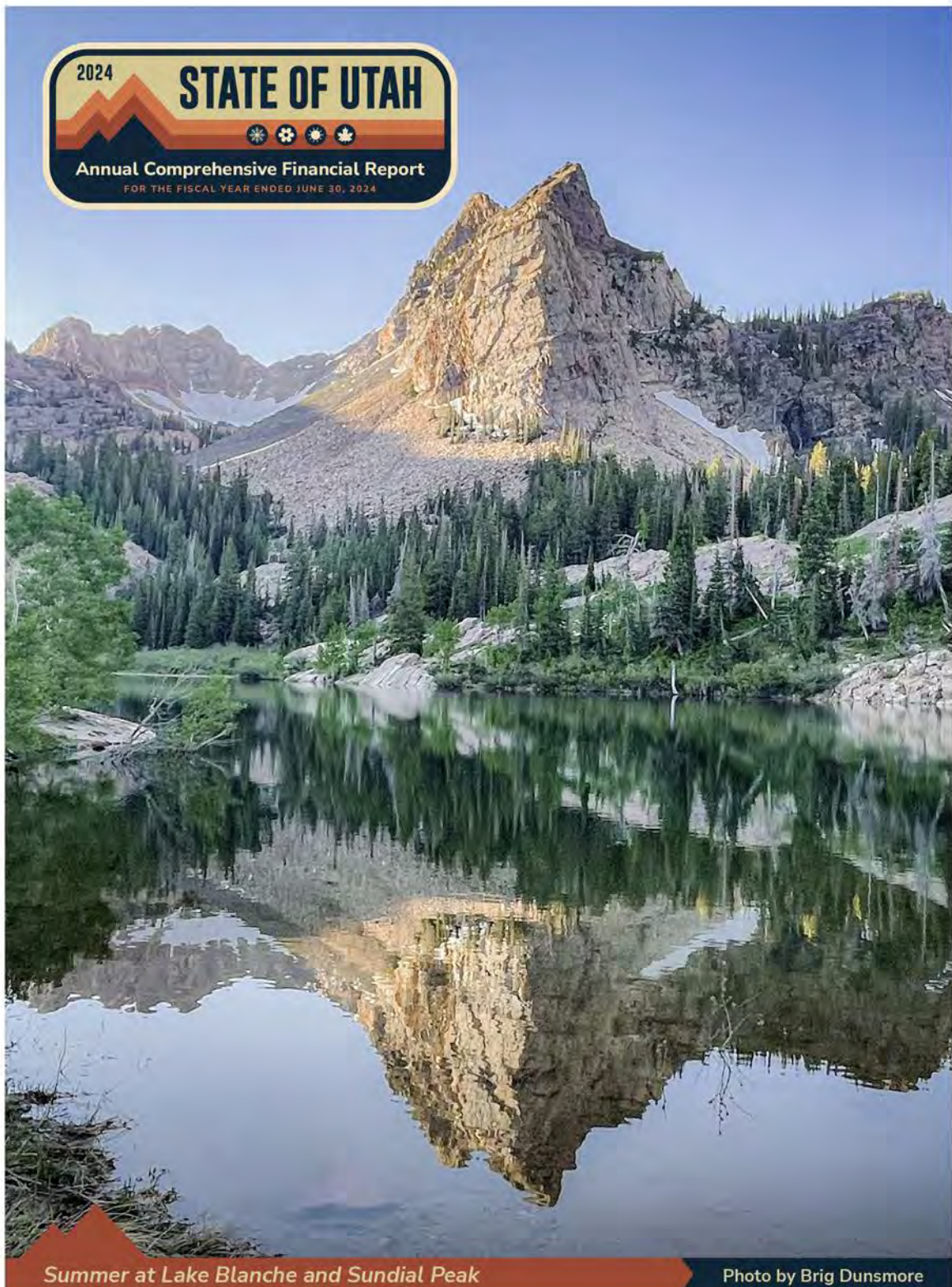


| Fiscal Year | Per Capita Expenditures | | | |
|-------------|-------------------------|---------|------------------|---------|
| | Historical Dollars | | Constant Dollars | |
| | | Change | | Change |
| 2020 | \$4,771 | 10.72 % | \$1,855 | 9.01 % |
| 2021 | \$5,400 | 13.17 % | \$2,052 | 10.62 % |
| 2022 | \$5,703 | 5.62 % | \$2,022 | (1.45)% |
| 2023 | \$6,042 | 5.94 % | \$2,016 | (0.30)% |
| 2024 | \$6,527 | 8.03 % | \$2,108 | 4.58 % |

Note: Prior year information has been updated with the most recent population data available. Historical and Constant percentage changes may not be exact due to rounding.

Source: Historical Dollars are derived by dividing total expenditures of governmental funds by population data (See Schedule D-1). Constant Dollars are derived using the Consumer Price Index for all urban consumers, base year 1982–84 = 100.

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Utah Department of
**Government
Operations**