NEW ISSUE–Book-Entry Only **Ratings: Moody's "Aa1"**
S&P "AA+"
See "BOND RATINGS" herein.

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Board, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Series 2024A Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel notes that interest on the Series 2024A Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. The interest on the Series 2024B Bonds is not excludable from gross income for federal income tax purposes. Bond Counsel is also of the opinion that the interest on the Series 2024AB Bonds is exempt from State of Utah individual income taxes. See "TAX MATTERS" in this Official Statement.

UTAH BOARD OF HIGHER EDUCATION
UNIVERSITY OF UTAH

$95,270,000
GENERAL REVENUE AND REFUNDING BONDS, SERIES 2024A-1

$10,000,000
GENERAL REVENUE BONDS, SERIES 2024A-2

$5,795,000
FEDERALLY TAXABLE GENERAL REVENUE BONDS, SERIES 2024B

Dated: Date of Delivery **Due: August 1, as shown on the inside cover**

The $95,270,000 General Revenue and Refunding Bonds, Series 2024A-1 (the "Series 2024A-1 Bonds"); the $10,000,000 General Revenue Bonds, Series 2024A-2 (the "Series 2024A-2 Bonds" and together with the Series 2024A-1 Bonds, the "Series 2024A Bonds"); and the $5,795,000 Federally Taxable General Revenue Bonds, Series 2024B (the "Series 2024B Bonds" and together with the Series 2024A Bonds, the "Series 2024AB Bonds") will be issued by the Utah Board of Higher Education (the "Board"), acting for and on behalf of the University of Utah (the "University"), as fully registered bonds and when initially issued, will be registered in the name of Cede & Co., as nominee for DTC, which will act as securities depository for the Series 2024AB Bonds. Purchases of beneficial ownership interests in the Series 2024AB Bonds will be made in book-entry form only in the principal amount of $5,000 or any integral multiple thereof. Beneficial owners of the Series 2024AB Bonds will not receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2024AB Bonds. Interest on the Series 2024AB Bonds will be payable semi-annually on February 1 and August 1 of each year commencing February 1, 2025. So long as DTC or its nominee is the registered owner of the Series 2024AB Bonds, payments of the principal or redemption price of and interest on the Series 2024AB Bonds will be made directly to DTC. Disbursements of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants.

The Series 2024AB Bonds are subject to redemption prior to maturity as described herein. See "THE SERIES 2024AB BONDS—Redemption Provisions."

Proceeds from the sale of the Series 2024A-1 Bonds will be used to (a) finance a portion of a computing and engineering building; (b) finance certain University costs of a new student housing facility; (c) refund certain of the Board's outstanding General Revenue Refunding Bonds, Series 2014A-1 issued on behalf of the University; (d) pay capitalized interest with respect to a portion of the Series 2024A-1 Bonds; and (e) pay costs of issuance of the Series 2024A-1 Bonds. Proceeds from the sale of the Series 2024A-2 Bonds will be used to (a) finance various research-related projects and (b) pay costs of issuance of the Series 2024A-2 Bonds. Proceeds from the sale of the Series 2024B Bonds will be used to (a) finance certain University costs of a new student housing facility; (b) pay capitalized interest with respect to a portion of the Series 2024B Bonds; and (c) pay costs of issuance of the Series 2024B Bonds. The Series 2024AB Bonds will be issued pursuant to and secured under the provisions of the Indenture. See "THE SERIES 2024AB PROJECTS" herein.

General Revenues pledged under the Indenture consist of the revenues of the University described herein under the caption "GENERAL REVENUE BOND SYSTEM," the majority of which consist of revenues previously pledged under certain Prior Lien Indentures (as described more fully herein). The lien of the Indenture is expressly subordinate to the liens of the Prior Lien Indentures with respect to such revenues, certain of which revenues are pledged net of operation and maintenance expenses for the related facilities. The lien of the Prior Indentures has been closed. Purchasers of the Series 2024AB Bonds should carefully consider the income and revenues included and excluded from General Revenues and the prior claims to the revenues included in General Revenues.

THE SERIES 2024AB BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE BOARD, PAYABLE FROM AND SECURED SOLELY FROM A PLEDGE OF THE GENERAL REVENUES AND CERTAIN OTHER AMOUNTS PURSUANT TO THE INDENTURE, ON A PARITY WITH THE OUTSTANDING PARITY BONDS AND ANY ADDITIONAL BONDS HEREAFTER ISSUED UNDER THE INDENTURE. THE ISSUANCE OF THE SERIES 2024AB BONDS DOES NOT DIRECTLY, INDIRECTLY, OR CONTINGENTLY OBLIGATE THE BOARD, THE UNIVERSITY OR THE STATE OF UTAH OR ANY AGENCY, INSTRUMENTALITY OR POLITICAL SUBDIVISION THEREOF TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT OF THE SERIES 2024AB BONDS. NEITHER THE BOARD NOR THE UNIVERSITY HAS ANY TAXING POWER. SEE "SECURITY FOR THE BONDS" HEREIN.

The Series 2024AB Bonds are offered when, as and if issued and received by the Underwriters subject to the approval of their legality by Gilmore & Bell, P.C., Bond Counsel to the Board. Certain legal matters will be passed upon for the Board and the University by the Office of the Attorney General of the State of Utah. Certain matters relating to disclosure will be passed upon by Gilmore & Bell, P.C., Disclosure Counsel to the Board. The Underwriters are being represented by their counsel, Chapman and Cutler LLP. Stifel, Nicolaus & Company, Incorporated is acting as municipal advisor to the University in connection with the issuance of the Series 2024AB Bonds. It is expected that the Series 2024AB Bonds, in book-entry-only form, will be available for delivery to DTC or its agent on or about June 18, 2024.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to make an informed investment decision. This Official Statement is dated May 30, 2024, and the information contained herein speaks only as of that date.

Morgan Stanley **Jefferies**

MATURITY SCHEDULE

UTAH BOARD OF HIGHER EDUCATION
UNIVERSITY OF UTAH

$95,270,000
GENERAL REVENUE AND REFUNDING BONDS, SERIES 2024A-1

Due (August 1)	Principal Amount	Interest Rate	Yield	CUSIP† (915183)
2025	$1,990,000	5.00%	3.43%	3U9
2027	4,460,000	5.00	3.26	3V7
2028	2,825,000	5.00	3.27	3W5
2029	2,970,000	5.00	3.27	3X3
2030	3,810,000	5.00	3.27	3Y1
2031	4,010,000	5.00	3.28	3Z8
2032	4,210,000	5.00	3.31	4A2
2033	4,430,000	5.00	3.32	4B0
2034	4,655,000	5.00	3.33	4C8
2035	4,895,000	5.00	3.34 c	4D6
2036	5,145,000	5.00	3.38 c	4E4
2037	5,405,000	5.00	3.47 c	4F1
2038	5,685,000	5.00	3.49 c	4G9
2039	5,975,000	5.00	3.55 c	4H7
2040	6,285,000	5.00	3.72 c	4J3
2041	6,605,000	5.00	3.83 c	4K0
2042	6,945,000	5.00	3.88 c	4L8
2043	7,295,000	5.00	3.93 c	4M6
2044	7,675,000	5.00	3.98 c	4N4

c Yield to optional call on August 1, 2034.

$10,000,000
GENERAL REVENUE BONDS, SERIES 2024A-2

Due (August 1)	Principal Amount	Interest Rate	Yield	CUSIP† (915183)
2029	$1,000,000	5.00%	3.27%	4P9
2030	1,625,000	5.00	3.27	4Q7
2031	1,710,000	5.00	3.28	4R5
2032	1,795,000	5.00	3.31	4S3
2033	1,885,000	5.00	3.32	4T1
2034	1,985,000	5.00	3.33	4U8

$5,795,000
FEDERALLY TAXABLE GENERAL REVENUE BONDS, SERIES 2024B

Due (August 1)	Principal Amount	Interest Rate	Yield	CUSIP† (915183)
2029	$5,795,000	5.00%	5.00%	4V6

† None of the Board, the University, the Underwriters, nor the Municipal Advisor is responsible for the use of CUSIP numbers, nor is any representation made as to the accuracy of the CUSIP numbers. The CUSIP numbers are contained herein solely for the convenience of readers of this Official Statement.

The information contained in this Official Statement has been furnished by the University, the Board, DTC and other sources that are believed to be reliable. No dealer, broker, salesperson or any other person has been authorized by the University, the Board, or the Underwriters to give any information or to make any representations other than those contained in this Official Statement in connection with the offering contained herein, and, if given or made, such information or representations must not be relied upon as having been authorized by the University, the Board, or the Underwriters.

This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Series 2024AB Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the University or the Board or in any other information contained herein, since the date of this Official Statement.

This Official Statement contains "forward-looking statements" within the meaning of the federal securities laws. These forward-looking statements include, among others, statements concerning expectations, beliefs, opinions, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. When used in this Official Statement, the words "project," "estimate," "intend," "expect," "scheduled," "pro forma," and similar words identify forward-looking statements. Forward-looking statements are included in the Official Statement, among other places, under the captions "GENERAL REVENUE BOND SYSTEM," "SECURITY FOR THE BONDS," "THE SERIES 2024AB PROJECTS," "THE UNIVERSITY," "FINANCIAL INFORMATION REGARDING THE UNIVERSITY," and "BONDHOLDERS' RISKS." The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

UTAH BOARD OF HIGHER EDUCATION

UNIVERSITY OF UTAH

$95,270,000
GENERAL REVENUE AND REFUNDING BONDS, SERIES 2024A-1
and
$10,000,000
GENERAL REVENUE BONDS, SERIES 2024A-2
and
$5,795,000
FEDERALLY TAXABLE GENERAL REVENUE BONDS, SERIES 2024B

Utah Board of Higher Education

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Salt Lake City, Utah 84101
(801) 321-7200

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UNIVERSITY OF UTAH

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Salt Lake City, Utah 84101
(385) 799-7231

1 Rachel Prickett Passey replaced Holly Talbot as the student Board member on March 21, 2024, and will serve the remainder of the student Board member term through June 30, 2024

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OFFICIAL STATEMENT
RELATING TO

UTAH BOARD OF HIGHER EDUCATION
UNIVERSITY OF UTAH

$95,270,000
GENERAL REVENUE AND REFUNDING BONDS, SERIES 2024A-1

and
$10,000,000
GENERAL REVENUE BONDS, SERIES 2024A-2

and
$5,795,000
FEDERALLY TAXABLE GENERAL REVENUE BONDS, SERIES 2024B

INTRODUCTION

This Official Statement, including the cover page, introduction, and appendices, provides information in connection with the issuance and sale by the Utah Board of Higher Education (the "Board"), acting for and on behalf of the University of Utah (the "University"), of its $95,270,000 General Revenue and Refunding Bonds, Series 2024A-1 (the "Series 2024A-1 Bonds"); $10,000,000 General Revenue Bonds, Series 2024A-2 (the "Series 2024A-2 Bonds" and together with the Series 2024A-1 Bonds, the "Series 2024A Bonds"); and $5,795,000 Federally Taxable General Revenue Bonds, Series 2024B (the "Series 2024B Bonds" and together with the Series 2024A Bonds, the "Series 2024AB Bonds"), initially issued in book-entry form only. This introduction is not a summary of this Official Statement. It is only a brief description of and guide to and is qualified by more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Series 2024AB Bonds to potential investors is made only by means of the entire Official Statement.

See also the following appendices attached hereto: "APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2023," "APPENDIX B—EXTRACTS OF CERTAIN PROVISIONS FROM THE GENERAL INDENTURE," "APPENDIX C—FORM OF OPINION OF BOND COUNSEL," "APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING," and "APPENDIX E—BOOK-ENTRY SYSTEM."

The Board

The Board was formed in 1969 and serves as the governing body for the Utah System of Higher Education. The Board's powers include the ability to issue bonds on behalf of public institutions of higher education within the State of Utah (the "State"). See "UTAH BOARD OF HIGHER EDUCATION" herein.

The University

The University is located in Salt Lake City, Utah and is the flagship institution of the State's higher education system. The University provides undergraduate, graduate and professional education. The University had a total head count enrollment of 35,262 students for fall semester 2023. See "THE UNIVERSITY" herein.

Authority and Purpose of the Series 2024AB Bonds

The Series 2024A-1 and Series 2024B Bonds are being issued pursuant to Title 53B, Chapter 21, Utah Code Annotated 1953, as amended ("Utah Code"), and, with respect to the Series 2024A-1 Bonds, the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code and the specific authorizations contained in Section 63B-33-101(2) Section 63B-33-101(4) Utah Code and with respect to the Series 2024B Bonds, the specific authorization contained in Section 63B-33-101(2) Utah Code, and other applicable provisions of law. The Series 2024A-2 Bonds are being issued pursuant to the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code, and other applicable provisions of law. The Series 2024AB Bonds are issued under a General Indenture of Trust dated as of July 1, 2013, among the Board, the University, and Computershare Trust Company, N.A., as trustee (the "Trustee"), as heretofore amended and supplemented (the "General Indenture"), and as further supplemented by a Nineteenth Supplemental Indenture of Trust dated as of June 1, 2024 (the "Nineteenth Supplemental Indenture" and, collectively with the General Indenture, the "Indenture") among the Board, the University, and the Trustee. Terms used herein and not otherwise defined are defined in "APPENDIX B—EXTRACTS OF CERTAIN PROVISIONS FROM THE GENERAL INDENTURE." All references herein to the Indenture are qualified in their entirety by reference to such document and all references herein to the Series 2024AB Bonds are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the Indenture. Copies of the Indenture may be obtained during the initial offering period from the Underwriters.

Proceeds from the sale of the Series 2024A-1 Bonds will be used to (a) finance a portion of a computing and engineering building (the "Computing and Engineering Building Project"); (b) finance certain University costs of a new student housing facility (the "Student Housing Project"); (c) refund the Board's outstanding General Revenue Refunding Bonds, Series 2014A-1 (the "Refunded Bonds") issued on behalf of the University; (d) pay capitalized interest with respect to a portion of the Series 2024A-1 Bonds; and (e) pay costs of issuance of the Series 2024A-1 Bonds. Proceeds from the sale of the Series 2024A-2 Bonds will be used to (a) finance various research-related projects (the "Research Projects") and (b) pay costs of issuance of the Series 2024A-2 Bonds. Proceeds from the sale of the Series 2024B Bonds will be used to (a) finance certain University costs of the Student Housing Project; (b) pay capitalized interest with respect to a portion of the Series 2024B Bonds; and (c) pay costs of issuance of the Series 2024B Bonds. The Computing and Engineering Building Project, the Student Housing Project, and the Research Projects are referred to herein collectively as the "Series 2024AB Project." The Series 2024AB Bonds will be issued pursuant to and secured under the provisions of the Indenture. See "THE SERIES 2024AB PROJECTS" herein.

Prior Lien Bonds

The Bonds (as defined below) are payable from and secured by a pledge of the General Revenues (as hereafter discussed in more detail), which include certain revenues previously pledged under: (i) the General Indenture of Trust dated as of June 1, 1997 (the "Auxiliary and Campus Facilities Indenture"); (ii) the General Indenture of Trust dated as of November 1, 1997 (the "Hospital Indenture"); and (iii) the General Indenture of Trust dated as of July 1, 2000 (the "Research Facilities Indenture" and together with the Auxiliary and Campus Facilities Indenture and the Hospital Indenture, the "Prior Lien Indentures"). Bonds issued under the Prior Lien Indentures are referred to herein as the "Prior ACFS Bonds," the "Prior Hospital Bonds," and the "Prior Research Bonds," respectively, and are sometimes collectively referred to herein as the "Prior Lien Bonds." See "OUTSTANDING DEBT OF THE UNIVERSITY" herein.

The Board has closed the liens of the Prior Indentures and has covenanted in the Indenture that it will not issue any additional obligations thereunder except for certain refundings of Prior Lien Bonds. As of May 16, 2024, the Prior Lien Bonds are outstanding in the amount of $96,590,000. See "SECURITY FOR THE BONDS" herein.

Creation of General Revenue Bond System

In 2013, the Board established a single bond system (the "General Revenue Bond System"), pledging substantially all of the income and revenues of the University authorized to be pledged under the Act, but excluding (i) legislative appropriations, (ii) tuition and fees (other than the fees identified below), (iii) income and revenues related to ARUP Laboratories ("ARUP"), (iv) revenues from gifts, grants and contracts restricted from being pledged under the Indenture, and (v) other income and revenues that may be excluded in the future within the limits described below. The General Revenue Bond System effectively combines the revenues previously pledged on a stand-alone basis under the related Prior Lien Indentures, respectively, and adds the pledge of certain previously unpledged revenues (collectively, the "General Revenues," as more fully defined herein). The pledge of General Revenues pursuant to the Indenture is expressly subordinate to the liens of the Prior Lien Indentures with respect to the revenues previously pledged thereunder. The University's strategy in creating the General Revenue Bond System is to enhance the security and sources of payment for Bonds issued under the Indenture, while simplifying the University's debt structure and increasing its financial flexibility. See "GENERAL REVENUE BOND SYSTEM" herein.

Outstanding Parity Bonds; Additional Bonds

The Board has previously issued Bonds under the Indenture which are outstanding, as of May 16, 2024, in the total aggregate principal amount of $1,803,985,000 (collectively referred to herein as the "Outstanding Parity Bonds"). See "OUTSTANDING DEBT OF THE UNIVERSITY" herein for a detailed list of the Outstanding Parity Bonds. After the refunding of the Refunded Bonds, the Outstanding Parity Bonds will be outstanding in the amount of $1,800,205,000.

The Series 2024AB Bonds are issued on a parity with the Outstanding Parity Bonds. The Board may issue additional bonds payable on a parity with the Series 2024AB Bonds and the Outstanding Parity Bonds (the "Additional Bonds"), so long as no Event of Default has occurred and is continuing under the Indenture. Such Additional Bonds together with the Series 2024AB Bonds and the Outstanding Parity Bonds are sometimes collectively referred to herein as the "Bonds." See "SECURITY FOR THE BONDS—Additional Bonds" herein.

Security and Source of Payment

Covenant with Respect to General Revenues. The University has covenanted in the Indenture to set rates, charges, and fees in each fiscal year so as to cause General Revenues (net of senior claims as described in the definition thereof) deposited in the General Revenue Account to be in an amount at least sufficient to pay principal of and interest on the Bonds and Security Interest Repayment Obligations for the then-current fiscal year.

Covenant to Request Appropriations from the State Legislature for the Bonds. The Board has covenanted in the Indenture that the Chair of the Board must certify by December 1 of each year to the Governor of the State the amount, if any, required to meet projected shortfalls of payment of principal or interest or both for the following year on any Bonds issued under the Indenture (other than Bonds specifically excepted from such covenant in the applicable Supplemental Indenture). **The Series 2024A-2 Bonds have been excepted from this covenant in the Nineteenth Supplemental Indenture and therefore this covenant does not apply to the Series 2024A-2 Bonds.** Title 53B, Chapter 21 of the Utah Code provides that the Governor of the State may, but is not required to, request from the Utah State Legislature (the "State Legislature" or the "Legislature") an appropriation of the amounts certified as described above to meet any projected principal or interest payment deficiency. The Legislature may, but is not required to, appropriate such amounts, in whole or in part, and no assurance can be given that the Legislature will appropriate any monies for the payment of the related Bonds.

It has never been necessary for the Chair of the Board to make such a request of the Governor of the State on behalf of the University.

The University may elect to issue Bonds, such as the Series 2024A-2 Bonds, the Series 2021A-2 Bonds, the Series 2017B-2 Bonds, and the Series 2014A-2 Bonds, that are not secured by the covenant to request appropriations described above, but such election will be clearly noted in the Supplemental Indenture authorizing the issuance of such Bonds.

The issuance of the Series 2024AB Bonds does not directly, indirectly, or contingently obligate the State or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for the payment of the Series 2024AB Bonds. Neither the Board nor the University has any taxing power. See "SECURITY FOR THE BONDS" herein.

Redemption

The Series 2024AB Bonds are subject to redemption prior to maturity as described under the caption "THE SERIES 2024AB BONDS—Redemption Provisions" herein.

Bondholders' Risks

The purchase of the Series 2024AB Bonds involves investment risks, certain of which are described in this Official Statement. See "BONDHOLDERS' RISKS" herein.

Registration, Denominations, Manner of Payment

The Series 2024AB Bonds are issuable only as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as initial securities depository of the Series 2024AB Bonds. Purchases of Series 2024AB Bonds will be made in book-entry form only, in denominations of $5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC Participants. Beneficial Owners of the Series 2024AB Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2024AB Bonds.

Principal of, premium, if any, and interest on the Series 2024AB Bonds (interest payable February 1 and August 1 of each year, commencing February 1, 2025) are payable through Computershare Trust Company, N.A., as Paying Agent, to DTC, which will in turn be responsible to remit such principal and interest to its Participants, for subsequent disbursements to the Beneficial Owners of the Series 2024AB Bonds, as described under the caption "APPENDIX E—BOOK-ENTRY SYSTEM" attached hereto.

Conditions of Delivery, Anticipated Date, Manner and Place of Delivery

The Series 2024AB Bonds are offered, subject to prior sale, when, as and if issued and received by the Underwriters subject to the approval of legality by Gilmore & Bell, P.C., Bond Counsel to the Board, and certain other conditions. Certain legal matters will be passed upon for the Board and the University by the Office of the Attorney General of the State of Utah. Certain matters relating to disclosure will be passed upon by Gilmore & Bell, P.C., Disclosure Counsel to the Board. The Underwriters are being represented by their counsel, Chapman and Cutler LLP. Stifel, Nicolaus & Company, Incorporated is acting as municipal advisor to the University in connection with the issuance of the Series 2024AB Bonds. It is expected that the Series 2024AB Bonds, in book-entry form, will be available for delivery to DTC or its agent on or about June 18, 2024.

Continuing Disclosure Undertaking

The University, for the benefit of the owners and Beneficial Owners of the Series 2024AB Bonds, will agree to provide certain annual information and notice of the occurrence of certain events (the "Disclosure Undertaking") in order to enable the Underwriters to make the determinations required by Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). See "CONTINUING DISCLOSURE" herein and "APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING" attached hereto.

Contact Persons

The chief contact person for the Board and the University concerning the Series 2024AB Bonds is:

Ms. Cathy Anderson
Chief Financial Officer
University of Utah
201 South Presidents Circle, Room 201
Salt Lake City, Utah 84112
(801) 581-8661

Additional requests for information may be directed to the University's Municipal Advisor as follows:

Mr. Kelly A. Murdock
Director
Stifel, Nicolaus & Company, Incorporated
15 West South Temple, Suite 1090
Salt Lake City, Utah 84101
(385) 799-7231

Other Matters

The descriptions and summaries of the Indenture, the Series 2024AB Bonds and various other documents herein set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of its terms and conditions. All statements herein are qualified in their entirety by reference to such documents. Capitalized terms used, but not otherwise defined, herein have the same meaning as ascribed to them in "APPENDIX B—EXTRACTS OF CERTAIN PROVISIONS FROM THE GENERAL INDENTURE." Descriptions of the Indenture and the Series 2024AB Bonds are qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of the police power by any entity having jurisdiction. See "APPENDIX B—EXTRACTS OF CERTAIN PROVISIONS FROM THE GENERAL INDENTURE" attached hereto.

GENERAL REVENUE BOND SYSTEM

In 2013 the Board, on behalf of the University, consolidated the University's revenue bond systems into a single bond system (the "General Revenue Bond System") under a new General Indenture. Under the General Indenture, "General Revenues" means, subject to those exclusions described below, substantially all income and revenues of the University authorized to be pledged under the Indenture pursuant to the Act. General Revenues exclude (a) appropriations by the State legislature to the University; (b) tuition and fees (other than the student fees identified below); (c) any income and revenues derived by the University from ARUP; (d) income and revenues from gifts, grants and contracts restricted from being pledged under the Indenture; and (e) any previously pledged sources of General Revenues that may be removed from the lien of the Indenture in the future as described below under "Sale or Removal of Facilities of the University; Removal of Revenues from Indenture." General Revenues include revenues of the University derived from:

(i) Net Prior System Revenues (subject, as provided in the definition below, to the uses required by the Prior Lien Indentures as to the revenues pledged thereunder);

(ii) The imposition of the student building fee for the Auxiliary and Campus Facilities System (subject to the prior lien of the Auxiliary and Campus Facilities Indenture), the student life center building fee, and the student building fee for the Carolyn and Kem Gardner Commons Building ("Gardner Commons") (but only while imposed by the University);*

(iii) Land Grant Income (subject to the prior lien of the Auxiliary and Campus Facilities Indenture); and

(iv) Investment Income and the Amount of Unrestricted Gifts (subject to the prior lien of the Hospital Indenture on the Investment Income and Amount of Unrestricted Gifts related to the University of Utah Hospital and Clinics ("UUHC") and pledged under the Hospital Indenture).

The University may from time to time add additional student building fees or other fees to the General Revenues and, to the extent permitted by law, may add tuition or other sources of revenues to the General Revenues.

Under the General Indenture, "Net Prior System Revenues" generally means the amounts available for release under each of the Prior Lien Indentures after payment of operating expenses of proprietary activities (i.e. activities relating to operation of UUHC and the Auxiliary and Campus Facilities), debt service on the Prior Lien Bonds, and any other amounts due under the Prior Lien Indentures, to the extent and at the times such amounts are available for release and for pledge and use under the Indenture. Upon the discharge of any one of the Prior Lien Indentures, the amount pledged thereunder shall continue to be subject to the lien of the Indenture (unless otherwise excluded).

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* The student life center building fee went into effect in January 2015. The student building fee for Gardner Commons went into effect beginning fall semester 2018 and is expected to continue through the summer semester of 2028.

See "APPENDIX B—EXTRACTS OF CERTAIN PROVISIONS FROM THE GENERAL INDENTURE" attached hereto.

Revenues Available for Debt Service

The Utah Code provision governing the Board's issuance of revenue bonds on behalf of the University (Section 53B-21-101) specifies permitted sources of payment on such bonds. The table below summarizes for the last five fiscal years:

- the Total Revenues of the University,
- the Total Unrestricted Revenues (generally equals Total Revenues less restricted revenues of the University), and
- the General Revenues pledged under the Indenture to the repayment of the Series 2024AB Bonds.

The University has pledged substantially all legally available net revenues under the General Revenue pledge, with the exception of the net revenues to the University from ARUP, UUHIP, and CNS (described below) and certain other adjustments.

The University of Utah Health Insurance Plans ("UUHIP"), a not-for-profit corporation, provides individual and large group health insurance. UUHIP started full operations in 2016 and has been included as a blended component unit within the annual financial statements of the University beginning in the fiscal year ended June 30, 2018. Health insurance companies are subject to certain minimum surplus requirements as specified by the National Association of Insurance Companies ("NAIC") and the Utah Insurance Department. As such, net revenues attributed to UUHIP have been excluded from the General Revenues available for debt service.

Community Nursing Services ("CNS") is accounted for as a component unit within the University's financial statements. The University completed a member substitution on April 1, 2020, to become the sole member and owner of all assets and liabilities of CNS. The fiscal year end for CNS is December 31. The University has excluded net revenues of CNS from the General Revenues available for debt service in the table below and has restated the June 30, 2020 General Revenues.

In addition, while the University's Cash Management Pool balances cannot generally be pledged to bondholders under State law, certain portions of these funds are available to the University to pay debt service. Funds that have externally imposed legal or contractual obligations restricting their use for certain purposes are not legally available to pay other costs, including debt service. See "THE UNIVERSITY–Cash Management Pool" below.

The table on the following page shows the revenues for the periods shown that constitute the sources that now comprise the General Revenues.

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Historical General Revenues
(in thousands of dollars)

	Fiscal Year Ending June 30,				
	2023	2022	2021	2020	2019
Operating revenue[(1)]	$6,752,290	$6,272,062	$5,685,372	$5,062,988	$4,825,426
Nonoperating revenue[(2)]	869,025	516,756	919,835	635,862	681,911
Total Revenue	**7,621,315**	**6,788,818**	**6,605,207**	**5,698,850**	**5,507,337**
Less:					
Tuition and fees (net of building fees) [(3)]	438,855	390,004	361,130	362,508	351,910
State appropriations	434,189	390,118	374,253	353,874	367,168
Restricted Gifts, Contracts & Grants (net of indirect costs) [(4)]	803,863	751,935	696,348	625,893	566,043
Investment income (loss) (less cash management pool earnings) [(5)]	100,222	(148,205)	292,789	27,770	55,481
Total deductions from gross revenues	1,777,130	1,383,852	1,724,520	1,370,045	1,340,602
Total Unrestricted Revenues	**5,844,186**	**5,404,966**	**4,880,687**	**4,328,805**	**4,166,735**
Adjustments:					
Less operating expenses of proprietary activities[(6)]	(4,426,972)	(4,076,399)	(3,654,212)	(3,232,420)	(3,034,227)
Plus depreciation & amortization	325,797	310,918	277,697	247,453	236,321
Less existing debt service requirements[(7)]	(10,679)	(16,390)	(24,152)	(24,448)	(24,899)
Less ARUP sales and services[(8)]	(727,812)	(690,173)	(716,371)	(583,189)	(593,902)
Less UUHIP sales and services[(9)]	(251,270)	(183,622)	(66,035)	(86,170)	(93,131)
Less CNS sales and services[(10)]	(57,385)	(62,841)	(55,280)	(50,063)	–
Total General Revenues	**$695,865**	**$686,459**	**$642,334**	**$599,968**	**$656,897**

(1) This figure is comprised of several revenue sources, shown below in "FINANCIAL INFORMATION REGARDING THE UNIVERSITY–Financial Summaries–Statement of Revenues, Expenses, and Changes in Net Assets" (the "Income Statement Summary").

(2) This figure is comprised of State Appropriations, Government Grants, Gifts, Investment Income, and Other Non-Operating Income – categorized as "Non-Operating" as shown in the Income Statement Summary.

(3) These amounts can be traced back to "Tuition and fees" shown in the Statement of Revenues, Expenses, and Changes in Net Position, by netting the amounts attributable to student building fees pledged under the Auxiliary and Campus Facilities Indenture (the "ACFI"), student building fees pledged to the debt service of the Student Life Center and student building fees pledged to Gardner Commons. Amounts pledged under the ACFI which are also pledged going forward under the Indenture are $7,550; $7,648; $7,509; $7,837; and $7,889 ($ in thousands) for fiscal years 2019 through 2023, respectively. Amounts pledged to the debt service of the Student Life Center which are also pledged going forward are $4,411; $4,456; $4,376; $4,530; $4,513 ($ in thousands) for fiscal years 2019 through 2023. Amounts pledged to the debt service of Gardner Commons which are also pledged going forward are $3,303; $3,339; $3,280; $3,396; and $3,385 ($ in thousands) for fiscal years 2019 through 2023, respectively.

(4) These amounts can be traced back to various line items in the Statement of Revenues, Expenses, and Changes in Net Position by first summing the amounts for Federal grants and contracts, State and local grants and contracts, Nongovernmental grants and contracts; and Government grants (non-operating) and netting amounts attributable to indirect costs recovery revenues pledged under the Research Indenture. These amounts, also pledged going forward under the Indenture, for fiscal year 2019 through fiscal year 2023, respectively, are $107,385; $113,723; $117,402; $131,561; and $151,668 ($ in thousands). Second, the amount listed for Gifts (non-operating) is netted against Unrestricted Gifts (pledged in part under the Hospital Indenture and also pledged going forward under the Indenture), and results in Restricted Gifts included in the above table. For fiscal year 2019 through fiscal year 2023, these Unrestricted Gifts totaled, respectively, $373; $0; $120, $418; and $0 ($ in thousands).

(5) Investment income shown on this line excludes Investment Income pledged under the Hospital Indenture and also pledged going forward under the Indenture. The pledged amount represents earnings on the University's Cash Management Pool. To trace the amounts displayed here to the Investment income shown in the Statement of Revenues, Expenses, and Changes in Net Position, add the pledged amounts for fiscal year 2019 through fiscal year 2023, which are, respectively, $69,087; $55,318; $5,164; $20,347; and $73,648 ($ in thousands).

(6) Proprietary activities consist of activities relating to UUHC, University Health Sciences, and the Auxiliary and Campus Facilities. Backing these operating expense accounts out of the Net Revenues reflects the fact that only the net revenues associated with these activities are available for debt service under State law.

Continued on next page . . .

(7) Includes debt service on Prior Lien Bonds.

(8) ARUP sales and services revenues can be traced back to reported amounts in the footnotes of the financial statements adjusted for intra-university elimination amounts for fiscal year 2019 through fiscal year 2023, respectively, $91,265; $98,232; $124,583; $123,106; and $135,668 ($ in thousands).

(9) UUHIP sales and services revenues can be traced back to reported amounts in the footnotes of the financial statement adjusted for intra-university elimination amounts for fiscal years 2019 through fiscal year 2023, respectively, $99,503; $110,226; $105,612; $129,249; and $62,192 ($ in thousands).

(10) CNS sales and services revenues can be traced back to reported amounts in the footnotes of the financial statements (adjusted for intra-university elimination amounts for fiscal year 2022 and 2023, respectively, of $629 and $977 ($ in thousands)).

Management's Discussion of Revenues

General. Under the Indenture, the University pledges the General Revenues to secure the Bonds. A majority of the pledged General Revenues are derived from the same sources the University previously relied upon when issuing debt for various projects under the three Prior Lien Indentures (the liens of all of which are closed, except that additional Prior Lien Bonds may be issued hereafter in order to effect certain refundings of outstanding Prior Lien Bonds), which include the Auxiliary and Campus Facilities Indenture, Hospital Indenture, and Research Indenture. In addition to the revenues pledged under Prior Lien Indentures, General Revenues include School of Medicine clinical revenues as well as revenues derived from other designated activities of the University including activities relating to service centers, arts and cultural organizations, and other educational activities.

Patient services revenues. The most significant revenue stream included in General Revenues is patient services revenues, which are derived from operation of UUHC, physician professional billings, as well as the clinics run by the School of Medicine. Approximately 50.1% of the total operating revenues of the University in fiscal year 2023 were derived from net patient services.

Auxiliary and Campus Facilities revenues. Along with the net revenues of the operations and facilities comprising the Auxiliary and Campus Facilities System, the University has pledged additional revenues to the Prior ACFS Bonds. These other revenues include certain student fees, land grant income, and investment income. The bulk of revenues of the Auxiliary and Campus Facilities System are generated from the sale of certain goods and services for the convenience of students, faculty, staff and the public at large (i.e., those who are living, working, or visiting on campus).

Tuition and fee revenues. For each of the last several years, tuition and fee revenue has exceeded State appropriations. The University expects this will continue to be true going forward even though State appropriations have increased four of the past five years and the University expects modest increases in State appropriations will continue. The University's ongoing aim is to competitively place itself as a lower-cost (but high quality) alternative to other peer institutions that have similar size, scope, and mission. While certain building fees are included in General Revenues, neither legislative appropriations nor tuition and other fees are pledged as General Revenues. Building fees pledged under the Auxiliary and Campus Facilities Indenture represent approximately $7.9 million in fiscal year 2023, which equals approximately 1.7% of tuition and fees. In addition, building fees from the Student Life Center building (which are pledged to pay debt service under the Indenture) began in January 2015, and such fees totaled approximately $4.5 million for the fiscal year 2023, which equals approximately 1.0% of tuition and fees. Building fees related to Gardner Commons (which are pledged to pay debt service under the Indenture) began in fall 2018 and such fees totaled approximately $3.4 million for fiscal year 2023, which equals approximately 0.7% of tuition and fees. The building fees associated with Gardner Commons are expected to remain in place through summer semester 2028.

Grants and contracts revenues. Events at the federal level have the potential to place pressure on this revenue stream. However, the University has invested heavily in both physical and human research support infrastructure along with software systems that will provide faculty and researchers with services to remain competitive in obtaining grants as well as managing them in an effective and efficient manner. The University has a successful track record in obtaining federal research dollars, and management believes this pattern will continue in the future. Indirect Cost Recovery Revenues (which are based on a negotiated percentage of federal direct costs and certain other costs) are pledged under the Research Facilities Indenture and are included in General Revenues under the Indenture. (See "GENERAL REVENUE BOND SYSTEM – Research Facilities").

Gift income. Unrestricted Gifts relating to UUHC are included in the pledge under the Hospital Indenture and are included, along with other unrestricted gifts, as General Revenues under the Indenture.

Fiscal Year 2024 Update (Unaudited). The University had strong financial results for fiscal year 2023 (see "FINANCIAL INFORMATION REGARDING THE UNIVERSITY") and believes it is currently in a strong financial position based on the following factors:

- As of March 31, 2024, the University's Cash Management Pool had a market value of approximately $2.82 billion (See "THE UNIVERSITY—Cash Management Pool").

- The University's Endowment Pool had a market value as of March 31, 2024 of $1.62 billion and the quasi-endowment had a market value of $223.7 million as of that same date (See "THE UNIVERSITY—Endowment Pool").

- Fall semester 2023 enrollment increased approximately 1.5% from the prior year. Incoming freshmen enrollment increased 0.7% for fall semester 2023 from the prior year. As of May 1, 2024, applications for fall 2024 are up 17% above fall 2023 as of the same date. Deposits are down 2% from the prior year. The University delayed its commitment deadline because of federal financial aid issues until June 3, 2024. Typically, the deadline is May 1.

- The State Legislature appropriated from its general and education funds base funding of $423.1 million, $586.7 million and $520.0 million for fiscal years 2023, 2024 and 2025, respectively. Fiscal 2024 amounts include $100 million to facilitate relocation of the Armed Forces Reserve Center from Fort Douglas, freeing up over 50 acres of land for acquisition by the University.

- For fiscal year 2024, tuition and fees were not increased from fiscal year 2023. In March 2024, the Board approved tuition and student fees increases for fiscal year 2025 of 3.3%. See the table under "THE UNIVERSITY—Average Academic Year Tuition and Fees" for a summary of prior increases.

- Student housing was approximately 90% full for fall semester 2023. In fall of 2024, the University expects to add an additional 775 beds with the completion of the construction of the Impact & Prosperity Epicenter undergraduate housing facility.

- Research award totals increased to $767.8 million for fiscal year 2023, an 11.8% increase compared to fiscal year 2022. The increases occurred across several University departments. Awards for the nine months ended March 31, 2024, however, are $503.2 million compared to $575.2 million for the nine months ended March 31, 2023, a 12.5% decrease. While awards are tracking lower than the previous fiscal year, they remain higher than the prior five-year average. The reduction in fiscal year 2024 is due in part to the extended federal budgeting process and correlated reductions or flat budgets for non-defense research and development agencies.

- Auxiliary services revenues have returned to normal levels following decreases in fiscal year 2021 due to the COVID-19 pandemic. Auxiliary services revenues for fiscal years 2023, 2022, 2021 and 2020 were $205.4 million, $196.4 million, $125.3 million and $181.2 million, respectively. For the nine months ended March 31, 2024, the auxiliary revenue for housing, bookstore and commuter services was $107.1 million compared to $95.8 million for the same period ended March 31, 2023 an increase of 11.7%.

- Committed gifts were over $442 million in fiscal year 2023, an increase from approximately $427 million in fiscal year 2022. Committed gifts for the nine months ended March 2024 were approximately $240 million. The University closed its most recent campaign in April 2023 and raised approximately $3.0 billion, surpassing the goal of over $2 billion by 2022. The University is expected to announce its newest campaign and goal after a quiet period.

- UUHC's operations for fiscal year 2023 reflect an operating income of approximately $116.7 million compared to $187.2 million in fiscal year 2022. Operating income for the nine months ended March 31, 2024 was $153.8 million compared to $93.3 million for the same time period ended March 31, 2023. Operating revenues increased by approximately $314 million but were offset by increased costs of labor of $134 million, drug and medicine of $70 million, depreciation of $10 million and various other costs of $40 million.

UUHC

The University of Utah Hospital and Clinics (UUHC) is a department of the University and, with the exception of the off-site clinic locations, is located on the campus of the University. UUHC is a major and integral part of the University's medical and health science programs (collectively, "University of Utah Health") and operates as the primary teaching hospital for the University's School of Medicine. As used in this Official Statement, the term "UUHC" refers to the department of the University and includes its hospitals and clinics. The facilities that comprise UUHC are: the University Hospital, a 519-staffed-bed tertiary care facility; the Huntsman Cancer Hospital, a 100 staffed-bed specialty cancer wing; the University Orthopaedic Center, an orthopaedic specialty care center providing both inpatient and outpatient services; the Moran Eye Center, an outpatient vision care center; the Community Clinics, 11 clinics located throughout the Wasatch Front; the Huntsman Mental Health Institute, a 138-staffed bed psychiatric teaching hospital; and the Neilsen Rehabilitation Hospital, a 50-bed specialty rehabilitation hospital. (All statistics in this paragraph are as of September 30, 2023.)

In 2023, UUHC opened a 250,000-square-foot addition to the Huntsman Cancer Hospital, which added 48 inpatient rooms, four operating rooms, oncology faculty workspace, clinical trial space and outpatient services.

UUHC is still in the process of refining a health and community center project to be located in West Valley City, Utah (the "WVC Health Project"). The WVC Health Project is expected to include new inpatient, ambulatory care, and community-use facilities. It will be anchored by health care services that directly address many of the area's outsized and underserved health care needs, including cardiovascular medicine, women's health with labor and delivery, musculoskeletal care, and emergency medicine. The facility will also focus on complete programs, such as complete ancillary services, procedural and surgical care, inpatient units, and unscheduled care options that will allow patients to remain in their home communities and minimize travel.

UUHC has received several honors in recent years, most notably:

- For the tenth consecutive year, ranked number one in Utah and the Salt Lake City metropolitan area by *U.S. News & World Report* in 2023;

- For fourteen consecutive years (2010 to 2023), recognized as one of only ten academic and medical centers with the "Quality Leadership Award" from Vizient Inc. (formerly known as the University Health System Consortium) and in 2010, 2016, and 2020 ranked as #1 among the top ten;

- Recognized in 2023 as one of America's Best Employers for diversity by Forbes for four of the past five years. The Hospital was the only Utah health care system listed in the rankings, and one of only two Utah organizations to be recognized by Forbes;

- Ranked number five in the 15 Top Major Teaching Hospitals by *Fortune* in 2023, UUHC was also a Fortune Everest Award winner in 2023 and UUHC has been ranked in *Fortune*'s Top 100 Hospitals list for the last six years;

- In its annual quality rankings of hospitals, CMS awarded UUHC five out of five stars. CMS's Hospital Compare rankings shows UUHC performing above the national average in safety of care and readmission rates;

- Recognized by Vizient in the top five academic medical centers for providing quality ambulatory care for nine years running between 2015-2023; and

- The Hospital was named a CHIME Healthcare's Most Wired recipient for using healthcare IT to improve the delivery of care and maximize the benefits of foundational technologies, while embracing new technologies that support population management and value-based care. This is the tenth time in as many years that UUHC has received this award.

UUHC is the only academic medical center and major teaching hospital in Utah and serves as a referral center for highly specialized and tertiary care services for approximately 3.4 million residents of Utah and approximately 4 to 5 million residents in the surrounding states of Idaho, Wyoming, eastern Nevada, western Colorado and Montana, the region commonly known as the "Mountain West." Between January 2014 and December 2023, approximately 29% of UUHC's unique admitted patients have come from areas within the State but outside of Salt Lake County, and approximately 22% of the admitted patients have come from other states, primarily from those states in the Mountain West.

UUHC owns and operates an insurance plan, University of Utah Health Plans ("UUHP"), with several product lines. The products include a Medicaid "Managed Care/ACO" plan with approximately 90,000 members, and a Third-Party Administrator ("TPA") services product for a number of other University groups. The UUHP is included in the annual financial report of the University which also includes the consolidated finances of UUHC. The fiscal year 2023 operating revenues (prior to consolidation) for UUHP were approximately $412.6 million. Operating revenues and expenses from UUHP are expected to break even for the foreseeable future.

UUHP has chosen to own and control the pharmacy benefit management ("PBM") services provided to its health plan members by creating a public-private partnership to develop a new PBM, RealRx. RealRx was created as a joint venture with local industry experts to reduce prescription costs, eliminate mechanisms that inflate drug costs, and enhance member experience with UUHP.

UUHC interacts with several post-acute care providers for the benefit of patients when they transition from hospital care. To improve the continuity of care for patients and innovate on the delivery of care, the University completed a member substitution on April 1, 2020, to become the sole member and owner of all assets and liabilities of Community Nursing Services ("CNS"). CNS provides post-acute home health and hospice services with operating revenues of approximately $58.4 million in calendar year 2022. Operating revenues and expenses from CNS are expected to break even or be slightly positive for the foreseeable future.

See "BONDHOLDERS' RISKS—Risks Related to UUHC and Health Care Industry Generally" herein.

Auxiliary & Campus Facilities

The University's Auxiliary and Campus Facilities primarily consist of Sunnyside Apartments (formerly referred to as University Student Apartments), Housing & Residential Education, Conference Services, University Guest House, University Campus Store, Jon M. Huntsman Center, University Union, Commuter Services, University Food Services & Vending, and Rice-Eccles Stadium and together comprise one of the components of the total pledged General Revenues. A brief description of these facilities is given below.

Sunnyside Apartments. Sunnyside Apartments (formerly known as the "University Student Apartments") operates 1,077 one-, two- and three-bedroom apartments for students, faculty, staff and their families. The University is in the construction phase of the second of two approximately 500-unit apartment projects that will replace a portion of the older housing units that are scheduled to be demolished over the next decade. Such construction is expected to be completed in the spring of 2026.

Housing & Residential Education. Housing & Residential Education ("HRE") provides a campus-living college experience for over 5,000 students. Students are housed on upper campus near the University Hospital and on lower campus, near academic buildings. HRE anticipates significant growth in the next five years to keep pace with the growing first-year class.

The University began two new construction projects during the summer of 2022. The fourth wing of Kahlert Village was completed in fall 2023 and created an additional 425 beds for fall semester 2023. The Impact and Prosperity Epicenter will house 775 students and is expected to open for fall semester 2024.

During fiscal year 2024, the University will complete a housing master planning process to plan for rapid residential growth.

University Campus Store (Bookstore). The University Campus Store serves the campus through the Main Bookstore, a University of Utah Health Bookstore, one satellite location, and two e-commerce sites. The Main Bookstore serves the educational needs of the main campus, while the University of Utah Health store services the educational needs near and around the medical and health science programs.

Jon M. Huntsman Center. The Jon M. Huntsman Center (the "JMHC") was built in 1969 and underwent an infrastructure renovation in 2014. The 15,000-seat arena was designed primarily for basketball. The JMHC hosts the University's men's and women's basketball and volleyball programs and women's gymnastics team. The University Commencement and Convocation Exercises are held each May in the arena. Both men's and women's basketball coaches host summer camps in the JMHC. The facility also hosts concerts and community events.

University Union. The University Union (the "Union") serves as a community center for students, faculty, staff and guests providing dining facilities, a game room, a ballroom, and additional rooms. The Union facility consists of 24 office suites and 15 meeting rooms. In addition to maintaining and supporting office spaces and public spaces, the Union also provides programming for the campus community by hosting large-scale events through the Union Programming Council. The Union facility has a strong service and informational component and commitment to provide diverse educational, recreational, student information, problem solving and leadership development programs.

Commuter Services. Commuter Services administers the University's transportation system, including parking permit management and enforcement, parking lot/structure maintenance, on-campus shuttle bus system, alternative transit programs (bicycles and carpools), and the Education (Transit) Pass program with the Utah Transit Authority.

University Food Services and Vending. University Food Services is outsourced to Chartwells (food services), a division of Compass Group-U.S.A. Vending services are outsourced to Premier Vending (food) and PepsiCo (beverages). Each vendor pays the University a percentage of its revenues.

Rice-Eccles Stadium. Rice-Eccles Stadium is a multi-purpose stadium with a capacity of 51,444 seats. A recently completed expansion project included the creation of additional revenue generating opportunities (including a membership-driven dining club and activities similar to those described below for the Tower facility), improved fan experience areas, upgraded crowd flow, and operational efficiency throughout the stadium. In addition to hosting the football games of the University, the stadium also hosts world class events in conjunction with the State and the local business community. The facility also includes the Stadium Tower and Olympic and Paralympic Cauldron Plaza, which are open to the campus community as well as visitors to the University. The Tower facility hosts conferences, banquets and receptions and has a state-of-the-art catering kitchen.

Conference and Event Management. Conference Services manages Fort Douglas meeting spaces consisting of The Officers' Club, Commander's House, Theatre, and Post Chapel. Conference Services also manages the Residence Halls Summer Conferencing operation.

University Guest House. The University Guest House is a 206-room hotel, with 10,000 square feet of conference space, serving University guests, visitors, and UUHC patients and families. For fiscal years 2023 and 2024, 176 rooms of the Guest House are being used for student housing through HRE. The University Guest House will continue to operate 30 guest rooms as well as meeting spaces. It is not expected that the University Guest House will be used for student housing in fiscal year 2025.

Research Facilities

Research Facilities revenues include all reimbursed overhead revenues within the meaning of Section 53B-7-104 of Utah Code, received or to be received by the University with respect to all current research and training contracts and grants, and all future research and training contracts and grants to be received by the University. Research and training contracts and grants awarded to universities generally take into account the overhead costs incurred with respect thereto. Direct costs are those charges which occur on a specific grant or contract such as staff salaries, laboratory equipment and supplies or direct computer charges. Indirect costs are those costs that are incurred for the joint benefit of more than one project. Such indirect costs include, for example: building and equipment depreciation, operations and maintenance, general administration, departmental administration, sponsored projects administration and library usage.

Upon completion, the Huntsman Mental Health Institute Translational Research Project (the "HMHI Project") will provide a mental health translational research facility consisting of a 185,000-square-foot building that will include both "wet lab" laboratory space as well as other laboratory facilities. It will also house a unique seven-Tesla magnetic resonance imaging system, with a field strength two to three times greater than a standard hospital MRI.

The majority of University contracts and grants are awarded by the United States Department of Health and Human Services ("DHHS"). During fiscal year 2016, the University negotiated an overhead rate modification with its cognizant agency, DHHS's Division of Cost Allocation Services, in San Francisco, California. In addition to the direct amounts funded by the government to conduct research, such awards also provide funds to the University for Facilities and Administrative Cost Recovery (previously known as "reimbursed overhead") and is determined through preparation of a "cost study." The negotiated "indirect cost rate" is derived from the cost study and is then applied to the direct costs of contract and grant expenditures; both of these components are paid to the University by research sponsors to recover some (but not all) of the full costs of conducting research on campus. The negotiated research rate that was effective for fiscal year 2022 and fiscal year 2023 is 53.5% and will increase to 54.0% for fiscal year 2024. The University received such reimbursements of $151.5 million in fiscal year 2023 compared to $131.4 million for fiscal year 2022. The next cost study is based on fiscal year 2023 costs and was submitted to the federal government in March 2024.

Reimbursed overhead is the principal revenue source pledged under the Research Facilities Indenture and the amounts from such source that are available for release after payments with respect to the Prior Research Bonds and other amounts due under the Research Facilities Indenture are included in General Revenues.

The Office of Sponsored Research reports that award totals increased to $767.8 million for fiscal year 2023, an 11.8% increase compared to fiscal year 2022. Fiscal year 2022 increased approximately 7.1% as compared to fiscal year 2021. Awards for the nine months ended March 31, 2024, however, total $503.2 million compared to $575.2 million for the nine months ended March 31, 2023, a 12.5% decrease. While awards are tracking lower than the previous fiscal year, they remain higher than the prior five-year average. The reduction in fiscal year 2024 is due in part to the extended federal budgeting process and correlated reductions or flat budgets for non-defense research and development agencies.

Given the ongoing debates with respect to the federal budget, it is difficult for the University to predict where funding levels for research will be in the future. See "BONDHOLDERS' RISKS—Risks Related to Research Facilities" herein.

SECURITY FOR THE BONDS

The Indenture

The Bonds are special, limited obligations of the Board, payable from and secured solely by the General Revenues, and certain funds and accounts established by the Indenture. Most of the General Revenues represent amounts available under the Prior Lien Indentures after the prior payments on the Prior Lien Bonds. See "GENERAL REVENUE BOND SYSTEM" herein.

The issuance of the Series 2024AB Bonds does not directly, indirectly, or contingently obligate the Board, the University or the State or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. Neither the Board nor the University has any taxing power. No mortgage or other security interest has been granted in the physical properties of the University or the Board with respect to the issuance of the Bonds.

Covenants

Title 53B, Chapter 21 of Utah Code authorizes the Board to set rates and charges which are fully sufficient to assure the prompt payment of the principal of and interest on the Bonds. The determination of such rates and charges by the Board does not require approval of the State Legislature. Under those provisions of the Act, the Board and the University covenant in the General Indenture to set rates, charges, and fees in each fiscal year so as to cause General Revenues deposited in the General Revenue Account to be in an amount sufficient to pay principal of and interest on the Bonds and Security Interest Repayment Obligations for the then-current fiscal year. See "APPENDIX B—EXTRACTS OF CERTAIN PROVISIONS FROM THE GENERAL INDENTURE" herein.

Use of General Revenue Account

All General Revenues (except earnings from the investment of amounts on deposit in the funds and accounts established under the Indenture, which shall be allocated as provided in the Indenture) shall be deposited by the University to the credit of the General Revenue Account. The General Revenue Account may consist of a number of accounts which are maintained on the University's accounting system and need not be held as a single account or fund.

Amounts in the General Revenue Account may be withdrawn and used by the University at any time for any lawful purpose, except as restricted in the Indenture. In the event of the occurrence of an Event of Default of which the Trustee has actual knowledge or has received written notice, the Trustee shall notify the University of such Event of Default, and the University shall transfer the General Revenue Account to the name and credit of the Trustee. All General Revenues shall continue to be deposited by the University in the General Revenue Account as provided by the Indenture until all Events of Default known to the Trustee shall have been resolved or provision deemed by the Trustee to be adequate shall have been made therefor, whereupon the General Revenue Account shall be returned to the name and credit of the University. During any period that the General Revenue Account is held in the name and to the credit of the Trustee, the Trustee shall use and withdraw amounts in said account first to pay fees, expenses and disbursements of the Trustee and its agents in the event such fees, disbursements or expenses have not otherwise been paid by the University, and second to make the transfers and deposits required by the Indenture. The Board and the University agree to execute and deliver all instruments as may be required to implement this provision. The Board and the University further agree that a failure to comply with the terms of this provision shall cause irreparable harm to the owners from time to time of the Bonds and shall entitle the Trustee, with or without notice, to take immediate action to compel the specific performance of the obligations of the Board and the University as provided in this section.

On or before any Interest Payment Date or other date when amounts are due with respect to the Bonds or Security Instrument Repayment Obligations, and as long as any of the Bonds or Security Instrument Repayment Obligations remain Outstanding, the University shall transfer from the General Revenue Account to the Trustee for deposit in the Bond Fund, such amount as is required by the Indenture to make the transfers and deposits required on such date.

For more information, see "APPENDIX B—EXTRACTS OF CERTAIN PROVISIONS FROM THE GENERAL INDENTURE—Use of Funds" and "—Events of Default" attached hereto.

No Debt Service Reserve Fund

The Indenture does not establish a Debt Service Reserve Fund.

Covenant to Request Appropriations from the State Legislature

The Board has covenanted in the Indenture that the Chair of the Board must certify by December 1 of each year to the Governor of the State the amount, if any, required to meet projected shortfalls of payment of principal or interest or both for the following year on any Bonds (including the Series 2024AB Bonds) issued under the Indenture (other than Bonds specifically excepted from such covenant in the applicable Supplemental Indenture). **This covenant does not apply to the Series 2024A-2 Bonds.** Title 53B, Chapter 21 of the Utah Code provides that the Governor of the State may, but is not required to, request from the State Legislature an appropriation of the amounts certified as described above to meet any projected principal or interest payment deficiency. The Legislature may, but is not required to, appropriate such amounts, in whole or in part, and no assurance can be given that the Legislature will appropriate any monies for the payment of the related Bonds. It has never been necessary for the Chair of the Board to make such a request of the Governor of the State on behalf of the University.

The Board requests that each institution of higher education of the State with bonds outstanding report to the Board, prior to December 1 of each year, whether any appropriation will be needed to replenish reserve account draws or meet projected revenue shortfalls for the payment of the institution's bonds.

The University may elect to issue Bonds, such as the Series 2024A-2 Bonds, Series 2021A-2 Bonds, the Series 2017B-2 Bonds, and the Series 2014A-2 Bonds, which are not secured by the covenant to request appropriations described above, but such election will be clearly noted in the Supplemental Indenture authorizing the issuance of such Bonds.

Prior Lien Bonds

The Board, acting for and on behalf of the University, has previously issued the Prior Lien Bonds under the Prior Lien Indentures. The Board and the University covenant in the Indenture that they will not issue or incur any additional bonds or notes or other obligations of the Board or the University pursuant to the provisions of the Prior Lien Indentures or otherwise on a basis senior to the lien of the Indenture, with the exception that additional bonds may be issued under each of the Prior Lien Indentures for the purposes of refunding bonds previously issued thereunder, so long as the debt service on such refunding bonds for each payment date does not exceed by more than 5% the debt service on the bonds to be refunded on such date. See "OUTSTANDING DEBT OF THE UNIVERSITY" herein for a detailed list of the Prior Lien Bonds.

Outstanding Parity Bonds and Additional Bonds

The Board has previously issued the Outstanding Parity Bonds under the Indenture which are outstanding as of May 16, 2024, in the total aggregate principal amount of $1,803,985,000. See "OUTSTANDING DEBT OF THE UNIVERSITY" herein for a detailed list of the Outstanding Parity Bonds.

So long as an Event of Default has not occurred under the Indenture, the Board or the University may issue Additional Bonds under the Indenture and any additional indebtedness, bonds or notes of the Board or the University payable on parity with the Bonds or the Security Instrument Repayment Obligations authorized by the Indenture. The amount of Bonds that may be issued under the Indenture is not limited and the Indenture does not require the Board to meet any debt service coverage test or other similar test for the issuance of Additional Bonds.

The Series 2024AB Bonds, the Outstanding Parity Bonds, and any Additional Bonds hereafter issued by the Board pursuant to the Indenture are referred to collectively herein as the "Bonds." The Bonds are equally and ratably secured by the Indenture.

Nothing in the Indenture limits the rights and power of the Board and the University to issue or incur any obligations or indebtedness secured by a lien on the General Revenues subordinate to that created under the Indenture. The University currently has no plans to do so.

Sale or Removal of Facilities of the University; Removal of Revenues from Indenture

Subject to the provisions of the Prior Lien Indentures, the Board and the University expressly retain the right to (a) remove, sell, mortgage, pledge, or raze any operations, enterprises, structures, or facilities of the University so long as an Authorized Representative of the University shall certify to the Trustee that following such action the University can be operated in a manner such that the University and the Board can comply with all of the provisions of the Indenture and (b) remove any sources of General Revenues from the pledge and lien of the Indenture, so long as the General Revenues generated by such source in the University's most recently completed fiscal year did not represent more than 10% of the General Revenues for such year and the aggregate of all such removals since the date of execution of the Indenture (as a percentage of General Revenues for the fiscal year preceding the time of removal) when added with the proposed removal (as a similar percentage) would not exceed 10%.

Perfection of Security Interest

The Indenture creates a valid and binding pledge and assignment of security interest in all of the General Revenues pledged under the Indenture in favor of the Trustee as security for payment of the Bonds and Security Interest Repayment Obligations, enforceable by the Trustee in accordance with the terms thereof.

Under the laws of the State, such pledge and assignment of security interest is automatically perfected by Section 11-14-501, Utah Code Annotated 1953, as amended, and is and shall have priority as against all parties having claims of any kind in tort, contract, or otherwise hereafter imposed on the General Revenues.

THE SERIES 2024AB BONDS

General Description

The Series 2024AB Bonds will be dated the date of delivery and will mature on August 1 of the years and in the amounts as set forth on the inside cover page of this Official Statement.

The Series 2024AB Bonds shall bear interest from their date at the rates set forth on the inside cover page of this Official Statement. Interest on the Series 2024AB Bonds will be payable semi-annually on February 1 and August 1 of each year commencing February 1, 2025. Interest on the Series 2024AB Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Computershare Trust Company, N.A., St. Paul, Minnesota, is the Trustee, Bond Registrar and Paying Agent for the Series 2024AB Bonds under the Indenture (in such respective capacities, the "Trustee," "Bond Registrar," and "Paying Agent").

The Series 2024AB Bonds will be issued as fully registered bonds, initially in book-entry-only form, in the denomination of $5,000 or any integral multiple thereof, not exceeding the amount of each maturity. See "APPENDIX E— BOOK-ENTRY SYSTEM AND GLOBAL CLEARANCE PROCEDURE" attached hereto.

Redemption Provisions

Optional Redemption. The Series 2024A-1 Bonds maturing on or prior to August 1, 2034, are not subject to optional redemption prior to maturity. The Series 2024A-1 Bonds maturing on or after August 1, 2035, are subject to redemption prior to maturity in whole or in part at the option of the University on August 1, 2034, or on any date thereafter in such order of maturity as may be directed by the University at the redemption price of 100% of the principal amount of the Series 2024A-1 Bond to be redeemed, plus accrued interest to the redemption date.

The Series 2024A-2 Bonds are not subject to redemption prior to maturity.

The Series 2024B Bonds are subject to redemption at the option of the University at any time, in whole or in part, upon notice as provided in the Indenture, at a redemption price equal to the greater of: (i) 100% of the principal amount of the Series 2024B Bonds to be redeemed; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the stated maturity date of such Series 2024B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2024B Bonds are to be redeemed, discounted to the date on which such Series 2024B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (described below) plus 10 basis points; plus, in each case, accrued interest on such Series 2024B Bonds to be redeemed to but not including the redemption date.

"Treasury Rate" means, with respect to any redemption date, the yield to maturity as of such redemption date of U.S. Treasury securities with a constant maturity most nearly equal to the period from the redemption date to the maturity date of such Series 2024B Bond; however, if the period from the redemption date to such maturity date is less than one year, the yield to maturity of the U.S. Treasury securities with a constant maturity of one year, in each case as compiled and published in the most recent Federal Reserve Release H.15 which has become publicly available at least two business days, but not more than 45 calendar days, prior to the redemption date (excluding inflation indexed securities) or, if such Release is no longer published, any publicly available source of similar market data reasonably selected by the Trustee.

Selection for Redemption

Pursuant to the Indenture, if less than all of the Series 2024AB Bonds are to be redeemed, the University shall specify the maturity or maturities and the principal amounts of such maturities to be redeemed. If less than all of the Series 2024AB Bonds of a maturity shall be called for redemption, the particular Series 2024AB Bonds or portion of Series 2024AB Bonds of such maturity to be redeemed shall be selected randomly by the Trustee is such manner as the Trustee deems fair and appropriate. The Trustee will make the selection from Series 2024AB Bonds not previously called for redemption.

Notice and Effect of Redemption

Notice of redemption shall be given by the Trustee by first class mail, not less than thirty nor more than sixty days prior to the redemption date, to the registered owner of the Series 2024AB Bonds at the address of such Bondowner as it appears in the registration books of the University kept by the Trustee. Each notice of redemption may further state that such redemption shall be conditional upon the Trustee's receiving for deposit into the Bond Fund, on or prior to the date fixed for redemption, moneys authorized by the Board or the University to be deposited therein that are sufficient to pay the redemption price of and interest on the Series 2024AB Bonds to be redeemed and that if such moneys have not been so received the notice shall be of no force or effect and the Board and the University shall not be required to redeem such Series 2024AB Bonds.

If DTC or its nominee is the registered owner of any Series 2024AB Bonds to be redeemed, notice of redemption will be given to DTC or its nominee as the registered owner of such Series 2024AB Bond. Any failure on the part of DTC or failure on the part of a nominee of a Beneficial Owner (having received notice from a DTC participant or otherwise) to notify the Beneficial Owner of any Series 2024AB Bond to be redeemed shall not affect the validity of the redemption of such Series 2024AB Bond.

Any notice mailed as described above shall be conclusively presumed to have been duly given, whether or not the Bondowner receives such notice. Failure to give such notice or any defect therein with respect to any Series 2024AB Bond shall not affect the validity of the proceedings for redemption of the Series 2024AB Bonds.

Transfer and Exchange of Series 2024AB Bonds

So long as the book-entry system is in effect with respect to the Series 2024AB Bonds, Beneficial Owners may transfer and exchange their interests in the Series 2024AB Bonds as described in "APPENDIX E—BOOK-ENTRY SYSTEM."

The Board and the Trustee are not required to transfer or exchange any Series 2024AB Bond (i) during the period from and including any Regular Record Date, to and including the next succeeding Interest Payment Date, (ii) during the period from and including the day fifteen days prior to any Special Record Date, to and including the date of the proposed payment pertaining thereto, or (iii) during the period of fifteen days prior to the mailing of notice calling any Series 2024AB Bonds for redemption nor at any time following the mailing of notice calling such Series 2024AB Bonds for redemption. Pursuant to the Indenture, the "Regular Record Date" is the fifteenth day immediately preceding an Interest Payment Date.

THE SERIES 2024AB PROJECTS

The Computing and Engineering Building Project and the Student Housing Project. A portion of the proceeds of the Series 2024A-1 Bonds will be used to finance a portion of the costs of the Computing and Engineering Building Project. The Computing and Engineering Building Project is planned to be a building of approximately 253,000 square feet which will be known as "The John and Marcia Price Computing and Engineering Building." The Computing and Engineering Building Project is expected to provide additional classrooms, research space, collaboration space, conference rooms, event space and parking stalls under the building. The cost of construction is expected to be approximately $189.0 million. The University received $112.8 million of State funding and authorization for $76.2 million of bond proceeds for the remaining costs of construction. Authorization for the bonding was received in the 2023 legislative session. Construction of the Computing and Engineering Building Project is expected to commence in the summer of 2024 and is expected to be completed in the latter half of 2026. Proceeds from the Series 2024B Bonds and also a portion of the Series 2024A-1 Bonds will be used to finance certain University costs of the Student Housing Project, a new, on-campus, student housing facility being developed by a third party.

The Research Projects. The University is involved in various research projects across campus and will use proceeds from the Series 2024A-2 Bonds to finance the acquisition, construction, improvement, equipping and furnishing of buildings and projects related to research at the University. These various projects are in different stages of completion and are expected to be completed over the next two years.

Sustainability and the Computing and Engineering Building Project and the Student Housing Project. Sustainability is one of the University's seven core values, and specific goals related to sustainability and climate are included in its strategic plan, "Strategy 2025." (See "THE UNIVERSITY—Sustainability" herein.) All University projects comply with the high-performance building standards of the State of Utah Division of Facilities Construction and Management which hold the State's capital projects to strict energy efficiency standards and also comply with University sustainability standards.

Refunding of the Refunded Bonds. A portion of the Series 2024A-1 Bonds will be used to refund on August 1, 2024, the University's General Revenue Refunding Bonds, Series 2014A-1 maturing on August 1, 2025 in the amount of $2,000,000 and maturing on August 1, 2027 in the amount of $1,780,000.

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ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds in connection with the Series 2024AB Bonds are estimated to be as follows:

	Series 2024A-1 Bonds	Series 2024A-2 Bonds	Series 2024B Bonds	Total
Sources:				
Par Amount	$95,270,000.00	$10,000,000.00	$5,795,000.00	$111,065,000.00
Reoffering Premium	10,047,059.25	1,165,343.10	0.00	11,212,402.35
Total	$105,317,059.25	$11,165,343.10	$5,795,000.00	$122,277,402.35
Uses:				
Deposit to Series 2024AB Project Account[1]	$100,895,518.06	$11,106,942.91	$5,758,984.03	$117,761,445.00
Deposit to Series 2024A-1 Redemption Account	3,874,500.00	0.00	0.00	3,874,500.00
Costs of Issuance [2]	547,041.19	58,400.19	36,015.97	641,457.35
Total	$105,317,059.25	$11,165,343.10	$5,795,000.00	$122,277,402.35

(1) Includes capitalized interest for a portion of the Series 2024A-1 Bonds through August 1, 2026, in the amount of $9,697,518.06 and for a portion of the Series 2024B Bonds through February 1, 2027, in the amount of $758,984.03.

(2) Includes Underwriters' discount, legal fees, rating agency fees, Municipal Advisor fees, and other miscellaneous costs of issuance.

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ESTIMATED DEBT SERVICE SCHEDULE FOR THE PRIOR LIEN BONDS AND THE BONDS

Year Ending June 30,	Prior Lien Bonds[1]	Outstanding Parity Bonds[2]	Series 2024A Bonds Principal	Series 2024A Bonds Interest[3]	Series 2024B Bonds Principal	Series 2024B Bonds Interest[3]	Total Debt Service
2024	$10,609,003	$151,858,439	–	–	–	–	$162,467,442
2025	13,312,680	157,184,815	–	$3,260,446	–	$179,484	173,937,426
2026	20,145,524	139,273,689	$1,990,000	5,213,750	–	289,750	166,912,713
2027	19,968,169	163,504,030	–	5,164,000	–	289,750	188,925,949
2028	19,789,352	159,903,019	4,460,000	5,052,500	–	289,750	189,494,620
2029	19,591,880	153,842,121	2,825,000	4,870,375	–	289,750	181,419,126
2030	7,324,308	149,056,006	3,970,000	4,700,500	$5,795,000	144,875	170,990,689
2031	7,194,499	146,220,121	5,435,000	4,465,375		–	163,314,995
2032	3,215,411	143,148,682	5,720,000	4,186,500	–	–	156,270,593
2033	3,164,382	136,550,196	6,005,000	3,893,375	–	–	149,612,953
2034	3,112,047	136,261,123	6,315,000	3,585,375	–	–	149,273,545
2035	3,053,091	126,634,292	6,640,000	3,261,500	–	–	139,588,883
2036	2,992,514	124,658,166	4,895,000	2,973,125	–	–	135,518,805
2037	–	120,272,389	5,145,000	2,722,125	–	–	128,139,514
2038	–	172,729,752	5,405,000	2,458,375	–	–	180,593,127
2039	–	110,392,365	5,685,000	2,181,125	–	–	118,258,490
2040	–	104,051,453	5,975,000	1,889,625	–	–	111,916,078
2041	–	92,447,438	6,285,000	1,583,125	–	–	100,315,563
2042	–	83,610,138	6,605,000	1,260,875	–	–	91,476,013
2043	–	75,837,563	6,945,000	922,125	–	–	83,704,688
2044	–	31,135,488	7,295,000	566,125	–	–	38,996,613
2045	–	31,130,563	7,675,000	191,875	–	–	38,997,438
2046	–	25,650,431	–	–	–	–	25,650,431
2047	–	25,651,244	–	–	–	–	25,651,244
2048	–	25,658,075	–	–	–	–	25,658,075
2049	–	24,225,225	–	–	–	–	24,225,225
2050	–	24,226,088	–	–	–	–	24,226,088
2051	–	24,228,700	–	–	–	–	24,228,700
2052	–	24,230,981	–	–	–	–	24,230,981
2053	–	11,064,488	–	–	–	–	11,064,488
2054	–	11,062,975	–	–	–	–	11,062,975
TOTAL	$133,472,860	$2,905,700,055	$105,270,000	$64,402,196	$5,795,000	$1,483,359	$3,216,123,466

Note: Amounts have been rounded.

(1) Includes principal and interest. Certain of the Prior Lien Bonds were issued as Build America Bonds for which the University receives a cash subsidy from the United States Treasury; amounts shown are not net of such cash subsidy. While the federal sequester has reduced the amount of such cash subsidies, the University anticipates that such reductions will not have a material adverse impact on its financial position.

(2) Includes principal and interest. Amounts do not exclude any capitalized interest applicable to the Outstanding Parity Bonds. Assumes the refunding of the Refunded Bonds.

(3) Interest on a portion of the Series 2024A-1 Bonds will be paid from capitalized interest through August 1, 2026, and interest on a portion of the Series 2024B Bonds will be paid from capitalized interest through February 1, 2027.

(Source: The University.)

UTAH BOARD OF HIGHER EDUCATION

The Board is organized and operates under the laws of the State of Utah and is vested with the power to govern the State's system of higher education, which consists of the Board and various public post-secondary educational institutions in the State.

The Board was formed in 1969 as the governing body of the Utah System of Higher Education (the "System") pursuant to Chapter 1, Title 53B, Utah Code Annotated, 1953, as amended (the "State Act") and operates under the laws of the State of Utah (the "State"). The Board was previously known as the "State Board of Regents of the State of Utah." The 2020 State Legislature passed S.B. 111 which amended and enacted changes to the governance of the State system of higher education and changed the name of the Board to its current name, the "Utah Board of Higher Education," effective July 1, 2020. Under S.B. 111, the Governor of the State ("Governor") appointed, with the advice and consent of the Senate, individuals to the Board who had previously served as members of the former State Board of Regents and the Utah System of Technical Colleges Board of Trustees. Individuals on the inaugural Board were appointed to two-year, four-year, and six-year terms to ensure that one-third of the members complete the members' term on June 30 of each even-numbered year. Board members appointed thereafter will serve six-year terms with the exception of two student Board members who serve one-year terms. In its 2023 general session, the State Legislature reduced Board membership from 18 to 10, with a requirement for the appointment of at least one student member. This change took effect July 1, 2023, at which time service terms began for newly appointed Board members.

The Board oversees the establishment of policies and procedures, executive appointments, master planning, budget and finance, proposals for legislation, develops governmental relationships, and performs administrative unit and program approval for higher education for the State. The Utah System of Higher Education consists of sixteen public colleges, technical colleges, and universities governed by the Board and assisted by local boards of trustees. The system includes two major research universities, four regional universities, two comprehensive community colleges, and eight technical colleges.

THE UNIVERSITY

General

The University was established in 1850 and is one of the State's largest employers. The University campus, which covers approximately 1,500 acres, is located on the northeastern edge of Salt Lake City and reaches to the foothills of the Wasatch Mountains. The University has one of the region's foremost research libraries and the University's 320-acre research park ("Research Park"), located adjacent to the campus, has approximately 48 non-University tenants and 81 University tenants employing approximately 13,350 people engaged in research in various technical fields.

The following table indicates a five-year historical summary of the University's total head count enrollment, total faculty numbers and total employment at the University, including student employees.

	Fall Semester				
	2023	2022	2021	2020	2019
Student Enrollment	35,262	34,734	34,464	33,081	32,818
Number of Faculty(1)	5,245	5,022	4,897	4,798	4,795
Faculty Tenure Rate	41%	42%	44%	45%	44%
Approximate Total Employment(2)	31,161	29,163	28,100	27,490	26,800

(1) Faculty employment includes regular faculty, librarians, visiting faculty, research faculty, clinical faculty, adjunct faculty, teaching fellows, and teaching assistants.

(2) Total employment includes all faculty and student employees and employees of UUHC.

The University offers undergraduate majors in approximately 100 programs and more than 50 teaching majors, minors, and combined programs. Graduate degrees are available in approximately 100 disciplines. The University currently offers online programs for undergraduate and graduate degrees in 9 majors and 13 majors, respectively. Major areas and fields of study are organized into the following specific schools and colleges: Architecture + Planning, Business, Cultural and Social Transformation, Dentistry, Education, Engineering, Fine Arts, Health, Honors, Humanities, Law, Medicine, Nursing, Pharmacy, Science, Social and Behavioral Science, and Social Work.

The following table presents a five-year historical summary of the awarded degrees by the University including baccalaureate degrees, master's degrees, "first professional" degrees (medical, pharmaceutical, and law degrees), and doctoral degrees.

	Academic Year ended, June 30,				
	2023	2022	2021	2020	2019
Baccalaureate Degrees	5,556	5,498	5,437	5,310	5,236
Master's Degrees	2,453	2,265	2,283	2,296	2,197
First Professional Degrees	472	468	460	496	459
Doctoral Degrees	391	469	355	371	376
Total Degrees Awarded	8,872	8,700	8,535	8,473	8,268

Accreditation and Memberships

The University is fully accredited by the Northwest Commission on Colleges and Universities ("NWCCU") and is a member of the Utah System of Higher Education. NWCCU performed a comprehensive accreditation evaluation visit to the University of Utah campus in October 2022. The University received its final report from NWCCU in February 2023 reaffirming its full accreditation. Individual colleges and programs are also accredited by specific national accreditation bodies.

In November 2019, the University was invited and accepted the invitation to join the Association of American Universities ("AAU"). AAU's membership is limited to institutions at the forefront of scientific inquiry and educational excellence. The AAU formed in 1900 to promote and raise standards for university research and education. Today its mission is to "provide a forum for the development and implementation of institutional and national policies promoting strong programs of academic research and scholarship and undergraduate, graduate and professional education."

In November 2020, the Association of Public and Land-grant Universities ("APLU") awarded the University its "Innovation and Economic Prosperity" designation, which recognizes universities that promote growth, innovation, and economic development in their regions. Innovation and Economic Prosperity designees work with public and private sector partners in their states and regions to support economic development through a variety of activities, including innovation and entrepreneurship, technology transfer, talent and workforce development, and community development, according to APLU. The APLU is a prestigious research, policy and advocacy organization dedicated to strengthening and advancing the work of public universities in the United States, Canada, and Mexico.

Board of Trustees

The Board of Trustees of the University (the "Board of Trustees") has been established to act on behalf of the University in, among other things, performing responsibilities and functions specifically delegated by the Utah Board of Higher Education, facilitating communication between the University and the community and assisting in fund-raising and development projects. The Board of Trustees has ten members, including eight persons appointed by the Governor with the consent of the State Senate for staggered four-year terms, and two ex officio members, the president of the University's alumni association and the president of the Associated Students of the University, who serve for the terms of their respective offices. The current members of the Board of Trustees are as follows:

Christian Gardner	Chair
Katie Eccles	Vice Chair
Joe Boyden[(1)]	Trustee
Maria J. Garciaz	Trustee
David Parkin	Trustee
J. Steven Price	Trustee
Bassam T. Salem	Trustee
Glenn Seninger [(2)]	Trustee
Randy Shumway	Trustee
James L. Sorenson	Trustee

(1) President of the Associated Students of the University.
(2) President of the University Alumni Board of Governors.

Certain Officers of the University

Set forth below are brief resumes of certain executive officers of the University and key financial officers involved in the Series 2024AB Bond offering.

Taylor Randall, Ph.D., President. Dr. Randall became the president of the University of Utah on August 9, 2021. Prior to that appointment, Dr. Randall was the dean of the David Eccles School of Business at the University for twelve years. Significant milestones during his time as dean include serving as Utah's economic lead on the Unified Command for the COVID-19 recovery; increasing scholarship funding for students from $800,000 to over $15 million; forming the Ascent Program for first-generation students from underrepresented populations; achieving a top-three ranking among state schools nationally for the percentage of tenured and tenure-track women faculty; and creating five outstanding centers that serve students and the broader community locally, nationally, and globally. These centers, among others, include the Lassonde Entrepreneurship Institute, Kem C. Gardner Policy Institute, Sorenson Impact Center, and Marriner S. Eccles Institute for Economics and Quantitative Analysis. Before assuming the role of dean, Dr. Randall served as a professor of accounting for 11 years, earning accolades throughout his teaching career for his relentless focus on students. He graduated from the University of Utah with honors in accounting and then earned an MBA and Ph.D. in operations and information management from the Wharton School of Business at the University of Pennsylvania.

Michael L. Good, M.D., Senior Vice President for Health Sciences. Dr. Good is the chief executive officer of University of Utah Health, the executive dean of the University of Utah School of Medicine, and the Senior Vice President for Health Sciences. He also served as the interim president of the University of Utah from April 7, 2021 until August 9, 2021. Dr. Good came to the University from the University of Florida, where he served as the dean of the school's College of Medicine from 2008 to 2018. Prior to that appointment, Dr. Good held leadership positions at the school as senior associate dean for clinical affairs and chief of staff for what is now known as UF Health Shands Hospital. His leadership experience also extends to the Malcom Randall VA Medical Center and the North Florida/South Georgia Veterans Health System, where he served as chief of staff and system medical director, respectively. Dr. Good earned both his bachelor's degree in computer and communication sciences and his medical degree from the University of Michigan. He completed his residency training in anesthesiology as well as a research fellowship at the University of Florida. Dr. Good is known in the anesthesiology community for his innovative, interdisciplinary work with University of Florida physicians and engineers to develop the Human Patient Simulator, a sophisticated teaching technology used in health care education programs throughout the world. Dr. Good was elected to the board of the Association of Academic Health Centers in September 2020 for a three-year term.

In April 2024, Dr. Good announced that he will be transitioning from his administrative roles in 2024 following a national search for his successor. Dr. Good plans to return to the School of Medicine faculty following a sabbatical. A search committee has been formed to name his successor as Senior Vice President for Health Sciences.

Dr. Mitzi M. Montoya, Ph.D., Senior Vice President for Academic Affairs. Dr. Montoya was appointed as the Senior Vice President of Academic Affairs on November 7, 2022 and began her tenure at the University on January 3, 2023. Prior to being named as the Senior Vice President of Academic Affairs, Dr. Montoya had served as the dean of the Anderson School of Management at The University of New Mexico since 2020. Dr. Montoya has also held positions as the provost at Washington State University, dean at the College of Business at Oregon State University, and Vice President and University Dean of Entrepreneurship + Innovation, as well as dean of the College of Technology & Innovation at Arizona State University. Dr. Montoya is a professor of marketing and received her PhD from Michigan State University. Dr. Montoya's research has focused on innovation processes and strategies and the role of technology as an enabler of virtual team decision-making. She is widely published and a recipient of numerous grants. She has taught courses in innovation and marketing strategy in the United States, England, Brazil, Italy, Egypt, Kuwait, Russia, Japan, Hong Kong, Switzerland, Panama and Argentina. Dr. Montoya replaces Dr. Martell Teasley who was appointed as the Interim Senior Vice President beginning January 3, 2023.

Cathy Anderson, CPA, Chief Financial Officer. Ms. Anderson was appointed Associate Vice President for Budget and Planning in 2011, appointed Chief Financial Officer–Main Campus in 2016, and assumed the role of Chief Financial Officer for the University in August 2019. Prior to these positions, she served as Associate Dean for Finance and Administration in the School of Medicine at the University from 2003 to 2011. Before joining the University, she was CFO for Cimarron Software. From 1985 to 1996, she held several positions with the Utah State Auditor's Office. Ms. Anderson received her B.A. and M.B.A. from the University of Utah and became a certified public accountant in 1986.

Jeff Labrum, Chief Operating Officer. Mr. Labrum was named as the Chief Operating Officer on November 2023 after serving as a special advisor to the University president since April 2023. Mr. Labrum started his career at the accounting firm, KPMG. After working several years at Magnesium Corporation of America and Chipper Snax, Mr. Labrum founded Lingotek, Inc., a translation software platform, in 2006. Mr. Labrum sold the company in January 2021 before joining the acquirer, Straker Group, as its U.S. general manager. Mr. Labrum received a B.A. in accounting and an M.B.A. from the University of Utah.

Dan Lundergan, Chief Executive Officer, UUHC. Mr. Lundergan was named as the Chief Executive Officer in September 2021 after serving as the Interim Chief Executive Officer since February 2021. He has been with UUHC for over four decades, most recently serving as the Chief Operating Officer since December 2016 until his appointment as the Chief Executive Officer. Mr. Lundergan's past experience includes, but is not limited to, the management of the Surgical Services and Ambulatory Clinics, as well as working with Dr. John Dixon for six years in the Laser Institute, where he coordinated the administrative functions, established a post-graduate educational program for physicians around the nation and participated in various research projects published in academic books and journals. Mr. Lundergan received his B.S. degree in accounting from University of Utah and a master's degree in healthcare administration from the University of Minnesota.

Robert C. Muir, CPA, Associate Vice President, Debt and Asset Management. Mr. Muir was appointed as the Associate Vice President of Debt and Asset Management in July 2022. Prior to that appointment Mr. Muir had been serving as the Executive Director of Debt and Asset Management since January of 2020 and prior to that as the Director of Treasury Services from 2013-2019 and as the Director of International Operations and Financial Analytics from 2011-2013. Prior to joining the University, Mr. Muir served as the Chief Financial Officer and General Manager of Consonus Technologies, Inc. from 2005-2010. He also held Vice President of Finance and Controller positions with American Skiing Company and Huntsman Packaging Corporation, respectively. Mr. Muir began his career with two national accounting firms and became a Certified Public Accountant in 1991. Mr. Muir received his B.S. and M.B.A. degrees from the University of Utah.

Charlton Park, Chief Financial Officer & Chief Analytics Officer, UUHC. Mr. Park was named the Chief Financial Officer permanently in February 2019. He had been serving as the interim since May 2016. He was named the Chief Analytics Officer of UUHC in 2015 and has been with the Hospital since 2009. Mr. Park received his B.S. degree in Information Systems from the University of Utah and an MBA and Master of Health Sector Management from Arizona State University.

The University administration includes the President, Senior Vice Presidents for Health Sciences and for Academic Affairs and Vice Presidents in the following areas: Chief Financial Officer, Government Relations, Chief

Marketing and Communications Officer, Director of Athletics, Research, Chief Human Resources Officer, General Counsel, Institutional Advancement, Student Affairs, Chief Safety Officer, and Equity, Diversity & Inclusion.

Facilities

The physical campus of the University consists of approximately 1,500 acres (including the 320-acre Research Park adjacent to the campus), 301 buildings and related utility distribution systems and other campus infrastructure. The buildings contain about 18.1 million square feet of floor space. The University has developed strategies based on best practices within the industry to manage its physical assets. The University has a sustained commitment to addressing capital needs of its facilities in conjunction with selective growth to meet its educational, research, and clinical missions. Coupled with a proactive maintenance program, over the last five years the University has invested approximately $100 million annually for renovation and replacement of buildings and related infrastructure.

The University operates three major research libraries, all located on campus: the J. Willard Marriott Library, the Spencer S. Eccles Health Sciences Library, and the James E. Faust Law Library. Library holdings include over 8 million volumes, periodicals and other documents and microforms which are available for use by students, faculty, staff, the community and other educational institutions.

The University owns and operates one public television station, PBS Utah, which offers regular public television programming, as well as in-school programs for Utah's public education students each school day. In addition, the University operates the KUEN-TV station, which broadcasts credited college courses, public education programs, and miscellaneous instructional series to audiences statewide each week. The University also operates KUER-FM 90, a non-commercial public radio station licensed to the University. KUER-FM 90 is affiliated with National Public Radio, American Public Media, and Public Radio International, and broadcasts 24 hours a day with a mix of news, talk, and entertainment programming.

Sustainability

The University defines sustainability as the integrated pursuit of social equity, environmental integrity, and economic security for current and future generations. In 2007, the Sustainability Office was created within Facilities Management. Today, the Sustainability Office sits within Academic Affairs and is led by a chief sustainability officer. It includes a research center – the Global Change & Sustainability Center – and has a team of twelve staff and faculty, as well as many student interns. Sustainability professionals are also embedded in Facilities Management, Commuter Services, and U Health. Sixty-five percent of academic departments have at least one sustainability course and 62% of academic departments have at least one sustainability researcher. Sustainability is one of the institution's seven core values, and specific goals related to sustainability and climate are included in the strategic plan: Strategy 2025. In 2023, The University received a "Gold" rating from the Association for the Advancement of Sustainability in Higher Education's Sustainability Tracking Assessment and Rating System ("STARS").

The University signed onto Second Nature's Climate Leadership Commitment (formerly the American College and University Presidents' Climate Commitment) in 2008, and as a result, began tracking and reporting annual greenhouse gas emissions, established a 2050 target date for reaching carbon neutrality, and produced the Energy and Environmental Stewardship Initiative: 2010 Climate Action Plan. The climate commitment is overseen by the presidentially appointed Climate Commitment Task Force, which is co-chaired by the chief sustainability officer and the Global Change & Sustainability Center director. The University has since revised its target date for achieving carbon neutrality to 2040.

In 2018, Facilities Management began creating new systems and processes to filter through a large backlog of specific operational improvement opportunities that contribute toward the University's goal of carbon neutrality. This effort also led to a phased roadmap and financing plan for new carbon investments. This process focused on efficiency measures and technology changes that were identified as being the most cost-effective and highest-impact at campus-scale. With this new plan in place, University leadership has been willing to commit high levels of investment toward carbon neutrality each year. Cost savings are being reinvested back into additional projects each year through a Facilities Revolving Sustainability Fund which aims to achieve even more environmental impact and cost savings and which is expected to eventually become financially self-sufficient.

The University has made significant progress toward its carbon neutrality goal, reducing emissions more than 25% since the 2008 baseline in spite of the significant growth in buildings and campus population. This has been achieved primarily through increases in building energy efficiency and sourcing greater than 50% of electricity from renewable sources. Thanks to a recent solar agreement, that percentage is projected to increase to 71% by 2023. A subcommittee of the Climate Commitment Task Force has just completed the University's first climate resilience assessment. This process has solidified equity's role as a foundational part of the University's approach to climate mitigation and adaptation.

Facilities Management recently initiated a new SEED-to-SOIL committee structure which brought together experts and stakeholders along all operational sustainability topics to expand, prioritize, and refine known opportunities for carbon reduction. This process will help ensure each year of Facilities Revolving Sustainability Fund investment continues to be spent where most effective and help better inform funding commitments and necessary timing to achieve carbon neutrality.

The University is ranked #12 for higher education renewable energy purchasing in the United States by the Environmental Protection Agency ("EPA") in its Top 30 Green Power Partner program.

The University received the Wattsmart Business Partner of the Year award from local partner, Rocky Mountain Power. The award recognizes the University's continuing commitment to create and improve energy-efficiencies across campus to reach its goal of carbon neutrality by 2050, which target date has since been revised to 2040.

In 2020, the University saved over 13 million kilowatts of energy, an amount equivalent to the power used by approximately 1,500 homes annually. The savings were attained through the completion of 58 campus-wide projects using just over $1.5 million in incentives from Rocky Mountain Power's Wattsmart energy efficiency program. The University has also reduced its outdoor water use by 20% since 2020.

All University projects comply with the high-performance building standards of State of Utah Division of Facilities Construction and Management which hold the State's capital projects to strict energy efficiency standards and also comply with University sustainability standards.

Faculty and Staff

Neither the faculty nor the staff of the University is generally unionized, although a small number of current employees have a deduction from their paychecks for payment of dues to the Utah Public Employees Association, and a small number are members of the Actors' Equity Association.

Formal communications between the faculty and the University for the Board of Trustees are conducted through the Academic Senate, members of which are elected by their faculty peers. The University of Utah Staff Council ("UUSC") represents staff views in formal communications with the Administration and Board of Trustees. UUSC consists of 30 staff members (both exempt and non-exempt) from across campus that are appointed by the University President for a term of three years, with one-third of the membership rotating off each year.

Student Enrollment

The University attracts students from a variety of backgrounds and geographical locations, with representation from 28 of the 29 Utah counties, all 50 states and 113 foreign countries. International students number approximately 9% of fall 2023 enrollment. Of total enrollment for the 2023 fall semester, approximately 51% are men and 49% are women.

The following table indicates a five-year historical total fall headcount enrollment of undergraduate students and graduate students, including professional programs.

Fall Semester	Undergraduates[1]	Graduates	Total	Fall Semester FTE
2023	26,827	8,435	35,262	31,573
2022	26,355	8,379	34,734	30,619
2021	25,826	8,638	34,464	30,089
2020	24,643	8,438	33,081	28,736
2019	24,485	8,333	32,818	28,629

(1) Excludes non-credit students.

Future University Enrollments

Possible changes in student aid programs, the general economy, homeland security measures (for international students), the State Legislature's ability to provide enrollment funding, as well as other factors lend considerable uncertainly to enrollment forecasts. In the short term, the University's enrollment is moderately sensitive to developments in the State's economy, with weaker economic conditions correlating to enrollment growth and stronger economic conditions correlating to declines in enrollment. In the long term, the University anticipates modest growth in student enrollment from 2024 to 2030 (approximately 5,000 to 6,000 additional enrollments over that time period).

The University is proactively working to increase enrollment for resident, non-resident, and international students while also increasing the quality of students. Prior to the coronavirus public health crisis, the University had invested in on-line education and was seeing increased usage by students located both on and off campus. Prior to the crisis, approximately 52% of undergraduates were taking at least one online course annually which is a contributing factor in the University's increasing graduation rate.

Student Admissions

In recent academic years, the average entering freshman composite score on the ACT has consistently been at or above 24.0 (25.5 for fall 2023) compared to the national average of 20.3. Admission is based on successful completion in high school of 15 units of English, mathematics, science, social studies, and foreign language and a holistic review of applications.

The table below sets forth the number of freshmen and transfers who applied for admission, were admitted, and subsequently enrolled at the University for the fall period indicated. As of May 1, 2024, applications for fall 2024 are up 17% above fall 2023 as of the same date. Deposits are down 2% from the prior year. The University delayed its commitment deadline because of federal financial aid issues until June 3, 2024. Typically, the deadline is May 1.

	FALL SEMESTER				
	2023	2022	2021	2020	2019
Applicants	26,380	24,521	21,927[1]	22,971[2]	28,963
Applicants Admitted	22,859	21,819	20,747	17,853	17,879
Percent Admitted	87%	89%	95%	78%	62%
Applicants Enrolled	6,928	6,992	6,976	5,899	5,541
Percent Enrolled	30%	32%	33%	33%	31%

(1) Previously, when reporting the number of applicants, the University based this figure on the total number of applications received (incomplete and complete). Beginning in 2021, the number of applicants is based on the number of completed applications receiving an admissions decision.

(2) In 2020, the University, like many campuses nationally, experienced changes in student applicant behavior. The University believes that students in Utah and other states applied generally to campuses closer to home, likely because these campuses were more familiar to them. The University believes that this trend was related to the COVID-19 pandemic. Many of the applications the University received were from very academically prepared and

focused students that allowed the University to admit a higher percentage than in previous years. Additionally, these students actually enrolled at a higher rate than those admitted in the prior year.

Average Academic Year Tuition and Fees

Payment in full of all tuition and fees is required by the third Friday after the beginning of each semester. Students who fail to pay are dropped from the University. Undergraduate students enroll for an average of fifteen credit hours per semester and graduate students enroll for approximately ten credit hours per semester. Students in twenty-nine graduate programs and three undergraduate programs pay differential rates. The following table sets forth the average academic year tuition and fees for University students for two semesters for the five most recent academic years ending June 30, 2023.

	2023-24	2022-23	2021-22	2020-21	2019-20
Undergraduate, resident (15 credits per semester)	$10,287	$10,287	$9,817	$9,500	$9,500
Undergraduate, nonresident (15 credits per semester)	$33,045	$33,045	$31,389	$30,134	$30,134
Graduate, resident (10 credits per semester)	$9,075	$9,075	$8,665	$8,396	$8,396
Graduate, nonresident (10 credits per semester)	$29,198	$29,198	$27,739	$26,640	$26,640

Following a freeze in tuition and fee increases from fiscal year 2023 to fiscal year 2024, in March 2024, the Board approved to increase tuition and student fees by 3.3% for fiscal year 2025.

Additional Cost of Attendance

The following student budget represents estimated average resident and nonresident undergraduate student cost of attendance (exclusive of tuition and fees as shown above and certain miscellaneous costs) at the University for the academic year (nine months) for students living on campus:

Category	2023-24	2022-23	2021-22	2020-21	2019-20
Room and Board	$12,395	$12,456	$13,914	$11,844	$11,250
Books and Supplies	1,100	960	1,036	1,322	996
Transportation	1,600	1,332	972	1,458	1,332
Total	$15,098	$14,728	$15,922	$12,981	$13,578

Student Financial Aid

Approximately 65% of the matriculated students of the University received financial aid during fall semester 2023 through various programs administered by the University. The primary responsibility for this function is placed with the University Office of Scholarships and Financial Aid. A substantial portion of funds provided are derived from sources outside the University. Historically, federal loans, grants, and other programs have provided a large portion of student financial assistance. All programs furnished by the federal and State government are subject to appropriation and funding by the respective legislatures. There can be no assurance that the current amounts of federal and State financial aid to students will be available in the future at the same levels and under the same terms and conditions as presently apply.

The following table summarizes the financial aid provided at the University for the past five fiscal years ended June 30:

	2023	2022	2021	2020	2019
University Scholarships & Grants[1]	$156,937,455	$149,245,676	$133,053,786	$121,934,954	$113,188,879
Federal & State Grants	37,023,042	54,956,311	47,979,339	30,647,551	32,664,561
Loans	156,316,868	151,417,508	154,171,952	160,507,429	163,415,625
Student Employment	1,350,368	1,224,033	869,511	1,456,555	1,620,739
Total	$351,627,733	$356,843,528	$336,074,588	$314,546,489	$310,889,804

(1) Figures represent all awards granted by the University and private funds disbursed by the University.

Scope of Education Programs

The programs offered at the University are organized into the following academic colleges and schools:

College of Architecture + Planning
School of Business
School for Cultural and Social Transformation
School of Dentistry
College of Education
College of Engineering
College of Fine Arts
College of Health
Honors College
College of Humanities
College of Law
School of Medicine
College of Nursing
College of Pharmacy
College of Science
College of Social and Behavioral Science
College of Social Work

Research

The University places special emphasis on research, particularly in medicine, the sciences, and engineering. The University's Research Park and Medical Center, which are described herein, are important and integral parts of the research program. The objective of the University in the development of Research Park and the University's Research Foundation is to make the University a center for basic research and University and industry cooperation.

Research Park was created in the late 1960's and located adjacent to the University campus. It contains approximately 320 acres on which are located 38 buildings with approximately 48 non-University tenants and 81 University tenants. The companies and University departments located in Research Park currently employ approximately 13,350 people. Typically, companies located in Research Park must be conducting on-site research and development work. In selecting such companies, the University considers the kind of relationships likely to develop between the University and the company, such as consulting opportunities for faculty or research opportunities for graduate students. Building sites are generally leased to developers for a term not to exceed 40 years with an option to renew for 10 years.

Faculty members at the University are free to form or participate in private companies so long as their activities do not conflict with University interests or academic commitments.

Many of the companies located in Research Park are the result of research and development activities originally begun at the University or by University faculty and students or are companies attracted to the area because of the University.

The University's significant research portfolio includes studies in opioid addiction and chronic pain; cancer research and infectious diseases; environmental studies and sustainability; human genetics and precision medicine; engineering and technology; military health and suicide prevention; and more. The University is involved with numerous innovative projects including the "Utah Arm," an artificial limb that moves in response to electronically processed muscle signals and therapeutic gaming development to improve spinal cord injuries and spatial skills for patients with autism.

The University's notable work also includes the first recipient of the National Institutes of Health grant (1945), laboratory to one of the ARPANET nodes during the creation of the world-wide internet (1969); the first performed artificial heart surgery (1982); and the Nobel Prize-winning research in gene knockout mice (2007).

Budget Process

State Appropriations. That portion of the University's operating budget supporting the general academic, research and public service programs that includes State General Fund appropriations is approved annually by the Board and transmitted to the Governor for consideration and inclusion in the Executive Budget. The Governor is required to present a State operating budget to each annual Legislative Assembly. After consideration, the annual budget is established by legislative appropriation.

Tuition and fee revenue increased by $87.5 million or approximately 24% from 2019 to 2023, as shown below. State appropriations have increased $67.0 million or 18% from 2019 to 2023.

The following table reflects appropriations from the State to the University for the last five fiscal years. The amounts below do not include State appropriations for capital projects. The State Legislature, in its fiscal year 2023, 2024, and 2025 budgets, appropriated base funding of $423.1 million, $586.7 million, and 520.0 million to the University, respectively, from its general and education funds. The amount for fiscal year 2024 includes $100 million to facilitate relocation of the Armed Forces Reserve Center from Fort Douglas, freeing up over 50 acres of land for acquisition by the University. These appropriated base funding amounts do not include other appropriations that the University receives from other State agencies or for other groups beyond the educational mission which are included in the amounts in the table below.

STATE APPROPRIATIONS[(1)]
Fiscal Year Ended June 30
(in thousands of dollars)

	2023	2022	2021	2020[(2)]	2019
State Appropriations Total	$434,189	$390,118	$374,253	$353,874	$367,168

(1) State appropriations are not pledged as security for the Bonds. However, such appropriations represent a substantial part of the University's annual revenues, and reductions in the amount appropriated to the University could adversely affect the University's financial and operating position.

(2) The decrease in State appropriations in fiscal year 2020 from fiscal year 2019 is due to $32.3 million of funding that comes from another State entity being classified as contract revenue in fiscal year 2020 where similar revenue had been classified as State appropriations in prior years.

(Source: University financial statements for the years indicated.)

Other Funds. The University has adopted the practice of "all-funds budgeting" and all entity budgets are reviewed as part of the budget process. The Board sets tuition rates and the Legislature adopts the appropriated budget for all of the State's institutions of higher education, including the University.

TUITION AND FEE REVENUES[1]
Fiscal Year Ended June 30,
(in thousands of dollars)

2023	2022	2021	2020	2019
$454,642	$405,766	$376,295	$377,951	$367,174

(1) Tuition and fees (other than certain student building fees) are not pledged as security for the Bonds.
(Source: University financial statements for the years indicated.)

As noted previously, in March of 2024 the Board approved an increase in tuition and student fees of 3.3% for fiscal year 2025.

Donations

The University is in a period of sustained growth in private support. Annual dollars raised from all private sources has increased from approximately $141 million in fiscal year 2006 to approximately $427 million in fiscal year 2022 and over $442 million in fiscal year 2023. During that same time, the number of annual distinct donors of all types has grown from 34,000 to 72,000 and the number of gifts, pledges and pledge payments from 66,000 to over 334,000. Annual received dollars (not including pledges, but counting pledge payments) have also experienced sustained growth and have increased from $149 million in fiscal year 2006 to $346 million in fiscal year 2022 and $389 million in fiscal year 2023. Receipted gifts (not including pledges) for the nine months ended March 31, 2024, were approximately $235.7 million.

The University closed its most recent capital campaign in April 2023 having raised approximately $3.0 billion, surpassing the goal of $2 billion by 2022 with over 141,000 distinct donors. A culture of philanthropy exists throughout campus and the University expects this fundraising momentum to continue into the future. The University received $1.65 billion in its last campaign which ended in May of 2014. The University is expected to announce its newest campaign and goal after a quiet period.

Endowment Pool

The University's Endowment Pool (the "Endowment") has increased $453 million or 45% since June 30, 2018. As of June 30, 2023, the Endowment's average annual investment return was:

	Investment Return
1-year	6.1%
3-year	8.5
5-year	6.0
10-year	6.1

(Source: alterDomus.)

In fiscal year 2015, the University established an initial $200 million quasi-endowment which was funded from unrestricted and legally available monies of the University. The quasi-endowment was to be utilized at the discretion of the University, and income of the quasi-endowment was intended to help fund future capital projects and general operations of the University. As of December 31, 2016, the quasi-endowment is part of the Endowment.

During fiscal year 2022, the University established a second $200 million quasi-endowment which is being funded from unrestricted and legally available monies of the University. The quasi-endowment is to be utilized at the discretion of the University and income of the quasi-endowment is intended to help fund future capital projects and general operations of the University. During fiscal year 2022, the University transferred $200 million from the Cash Management Pool into this quasi-endowment. As of June 30, 2022 and June 30, 2023, this quasi-endowment has a market value of $189.1 million and $204.9 million, respectively. As of March 31, 2024, the market value was $223.7 million and the asset allocation was 30% global fixed income, 56% global equities and 14% Federal Home Loan discount notes.

The University's Investment Office seeks to manage both the volatility and investment return of the portfolio. The University continues to implement a new asset allocation recommended by its investment consultant to manage the Endowment portfolio. As of June 30, 2022 and June 30, 2023, the Endowment's market value was approximately $1.31 billion and $1.47 billion, respectively. As of March 31, 2024, the market value of the Endowment Pool was $1.62 billion.

Asset allocation for the Endowment as of March 31, 2024, was:

Investment Holdings	Asset Allocation
Cash, Cash Equivalents and Short-Term Investments	10%
Diversifying Strategies	11
Global Fixed Income	27
Global Equities	31
Private Equity and Venture Capital	12
Other	9

(Source: University of Utah Investment Management Office.)

Cash Management Pool

The Cash Management Pool (the "Pool") was established by the University as a pooled fund for the investment of State and other public funds. These funds are derived from the operating revenue of the University such as tuition and fees and patient services. These funds are intended to meet the short-term operating and capital needs of the University. Over the past five years, the Pool has grown approximately 44% from approximately $1.84 billion as of the fiscal year ended June 30, 2018 to $2.66 billion as of June 30, 2023. As of March 31, 2024, the Pool has a market value of approximately $2.82 billion. Funds invested in the Pool are made as permitted under the rules of the Utah Money Management Act and have a maturity date no longer than ten years.

Asset allocation for the Pool as of March 31, 2024, was:

Investment Holdings	Asset Allocation
Wells Fargo Bank-Stagecoach Sweep Account	5%
Allspring Global Government Investment Select Money Market Fund – Overnight (1)	4
Allspring Global Cash Investment Select Money Market Fund	10
Utah Public Treasurers' Investment Fund	1
Federal Home Loan Discount Notes	15
U.S. Treasury Bills	4
U. S. Treasury Notes	9
Federal Agency Bullets	26
Federal Agency Callable Bonds	26

(1) Wells Fargo Asset Management rebranded its name to Allspring Global Investments in November 2021.

(Source: University of Utah Investment Management Office.)

Pension Plans and Retirement Benefits

As required by State law, eligible nonexempt employees (as defined by the U.S. Fair Labor Standards Act) of the University are covered by one of the following defined benefit plans under the Utah Retirement Systems: Public Employees Noncontributory Retirement System, Public Employees Contributory Retirement System, Public Safety Retirement System, Tier 2 Public Employees Contributory Retirement System, or Tier 2 Public Safety and Firefighter Contributory Retirement System (collectively referred to herein as the "State Systems"). Eligible exempt employees (as defined by the U.S. Fair Labor Standards Act) are covered by defined contribution plans such as the Teachers Insurance and Annuity Association ("TIAA"), the UUHC 401(a) Plan, the UUHC Hospital Plan Plus ("HPP") Benefit

Program, or Fidelity Investments ("Fidelity"). Eligible employees of ARUP are covered by a separate defined contribution pension plan and a profit-sharing plan.

Plan members in the Higher Education Division of the Public Employees Contributory Retirement System are required to contribute 6.00% of their annual covered salaries, all of which is paid by the University, and the University is required to contribute 17.70% of their annual salaries. In the State and School Division of the Public Employees Noncontributory Retirement System and the Public Safety Retirement System, the University is required to contribute 22.19% (with an additional 1.50% to a 401(k) salary deferral program) and 32.54%, respectively, of plan members' annual salaries. The contribution requirements of the State Systems are authorized by statute and specified by the Utah State Retirement Board and the contribution rates are actuarially determined.

See "APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2023–Notes to Financial Statements–Note 8, Pension Plans and Retirement Benefits." For more information regarding funding levels of the State Systems, see the most recent Annual Financial Report of the Utah Retirement Systems dated December 31, 2022, at www.urs.org. No representation is made herein as to the accuracy of this report. See also "State Systems Valuation, Funded Ratios, and Total Contributions" below.

TIAA and Fidelity provide individual retirement fund contracts with each participating employee. Employees may allocate contributions by the University to any or all of the providers and the contributions to the employee's contract(s) become vested at the time the contribution is made. Employees are eligible to participate from the date of employment and are not required to contribute to the fund. Benefits provided to retired employees are based on the value of the individual contracts and the estimated life expectancy of the employee at retirement. For the year ended June 30, 2023, the University's contribution to these defined contribution pension plans was 14.20% of the employees' annual salaries. Additional contributions are made by the University based on employee contracts. The University has no further liability once contributions are made. The University's contribution for these health clinic employees was 6.00% of the employees' annual salaries.

For the year ended June 30, 2023, the University's contributions to the State Systems were equal to the required amounts, which are shown in "APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2023–Notes to Financial Statements–Note 8, Pension Plans and Retirement Benefits." The University currently has no further liability with respect to any of the retirement systems or plans described above once the required contribution for the applicable year is made.

Effective July 1, 2014, the University implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions. In 2019, the State Systems created a separate division for higher education which significantly changed the University's reported proportionate share of net pension liability and asset. At June 30, 2023, the University had a net pension asset of $1.6 million and a net pension liability of $3.2 million. For further information, see "APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2023–Notes to Financial Statements–Note 8, Pension Plans and Retirement Benefits."

<u>State Systems Valuation, Funded Ratios, and Total Contributions</u>. The following provides certain information regarding the State Systems in general, which in 2022 had 482 employers participating in its Noncontributory program, 159 employers in its Contributory program, 135 employers in its Public Safety program, and 722 employers in its five other retirement programs (note that some employers, like the University, participate in more than one program).

An actuarial valuation of the State Systems is performed annually. Every three years in conjunction with the actuarial valuation, the actuary also performs an experience study. The most recent experience study was conducted for the five-year period ending December 31, 2020. The actuarial value of assets, which is based on a five-year smoothed expected rate of return, wherein the excess or shortfall of investment income over or under the actuarial assumed income rate (currently 6.85%), is recognized over a five-year period. This is the value of assets used by the actuary in determining contribution rates for the Systems.

As of December 31, 2022, the date of the most recent actuarial valuation available, the funded ratios for the Systems' funds range from 89.6% to 111.83%. The average funded ratio of the Systems was 95.6%. This was a percentage point increase of 2.4% from the State Systems' January 1, 2022 valuation of an average funded ratio of 93.2%. As of December 31, 2022, the State Systems' unfunded actuarial accrued liability was $2.7 billion.

For calendar year 2022, the required contribution for all participating employers was $1.489 billion. The State of Utah and all other participating employers in the Systems, including the University, have paid 100% of the Annual Required Contribution. Of this amount, $44.5 million was paid by members and $1.444 billion was contributed by employers. Covered payroll totaled $6.201 billion. For additional information, see the most recent Annual Financial Report of the Utah Retirement Systems dated December 31, 2022, at www.urs.org.

For additional information, see the most recent Annual Financial Report of the Utah Retirement Systems dated December 31, 2022, at www.urs.org.

No OPEB Liability. GASB 45, *Accounting by Employers for Other Post-Employment Benefits* ("OPEB"), requires reporting the actuarially accrued cost of post-employment benefits, other than pensions, such as health and life insurance for current and future retirees. GASB 45 requires that such benefits be recognized as current costs over the working lifetime of employees and, to the extent such costs are not pre-funded, the reporting of such costs as a financial statement liability. The University does not currently offer any OPEB.

FINANCIAL INFORMATION REGARDING THE UNIVERSITY

Financial Summaries

The tables on the following pages summarize the Net Position of the University for the fiscal years 2019 through 2023, followed by a summary of the Revenues, Expenses, and Other Changes in Net Position for the fiscal years 2019 through 2023, prepared from the audited financial statements for those years.

These summaries reflect the University's financial position and changes in its financial position for the fiscal years indicated and should be read in conjunction with the Financial Statements and accompanying Notes to Financial Statements in "APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2023" attached hereto.

While the summaries that follow themselves have not been audited, the information has been extracted from the University's audited financial statement for the fiscal years 2019 through 2023.

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Statement of Net Position

UNIVERSITY OF UTAH
Statement of Net Position
(in thousands of dollars)

	Fiscal Year Ended June 30,				
	2023	2022	2021	2020	2019
Assets:					
Current Assets					
Cash & cash equivalents	$672,808	$437,332	$1,839,468	$1,455,616	$607,196
Short-term investments	1,023,992	1,422,222	378,542	374,581	958,358
Receivables, net	732,553	726,285	731,395	638,778	597,568
Inventory	143,570	131,945	121,917	121,774	97,149
Other assets	163,368	112,887	60,797	58,167	33,031
Total Current Assets	2,736,291	2,830,671	3,132,119	2,648,916	2,293,302
Noncurrent Assets					
Restricted cash & cash equivalents	1,004,272	377,926	272,335	265,051	150,614
Restricted short-term investments	66,878	45,776	4,358	562	2,639
Investments	2,270,458	1,869,151	1,435,623	1,350,696	1,378,320
Restricted investments	749,014	723,389	789,949	619,886	609,201
Receivables	142,021	143,620	–	–	–
Restricted receivables, net	70,894	85,271	127,470	205,809	198,766
Donated property	2,067	1,231	1,231	1,231	1,275
Net pension assets	1,582	147,439	65,352	4,173	4
Right-of-use lease asset, net	92,649	–	–	–	–
Right-of-use IT software asset, net	44,422	–	–	–	–
Other assets	4,647	4664	10,852	16,126	19,560
Capital assets, net	4,480,505	4,315,081	3,988,313	3,796,778	3,468,781
Total Noncurrent Assets	8,929,409	7,713,548	6,695,483	6,260,312	5,829,160
Total Assets	11,665,700	10,544,219	9,827,602	8,909,228	8,122,462
Deferred Outflow of Resources:					
Deferred loss on bond refunding	4,924	6,368	6,514	11,225	7,964
Deferred outflows - pensions	42,494	21,734	33,380	72,607	64,811
Deferred outflows - excess considerations	23,797	26,772	29,746	–	–
Total deferred outflow of resources	71,215	54,874	69,640	83,832	72,775

UNIVERSITY OF UTAH
Statement of Net Position
(in thousands of dollars)
(*Continued*)

	Fiscal Year Ended June 30,				
	2023	2022	2021	2020	2019
Liabilities:					
Current Liabilities					
Accounts payable	$246,540	$269,335	$239,437	$205,426	$237,579
Accrued payroll	252,055	223,121	236,500	178,428	172,646
Compensated absences & early retirement benefits	109,309	86,167	77,132	81,747	73,927
Unearned/Deferred revenue	155,826	103,805	147,686	145,258	125,088
Lease liability – current	18,179	–	–	–	–
IT software liability	14,307	–	–	–	–
Deposits & other liabilities	385,729	289,491	340,827	327,509	166,599
Bonds, notes & contracts payable	124,899	89,842	74,642	93,859	84,452
Total Current Liabilities	1,306,844	1,061,761	1,116,224	1,032,227	860,291
Noncurrent Liabilities					
Compensated absences & early retirement benefits	48,892	51,608	55,180	37,711	24,579
Deposits & other liabilities	32,998	35,640	96,316	66,937	44,318
Bonds, notes & contracts payable	2,105,134	1,606,524	1,349,933	1,309,247	1,094,885
Net pension liability	3,213	–	1,755	64,977	174,785
Lease liability	78,815	–	–	–	–
IT software liability	16,183	–	–	–	–
Total Noncurrent Liabilities	2,285,235	1,693,772	1,503,184	1,478,872	1,338,567
Total Liabilities	3,592,079	2,755,533	2,619,408	2,511,099	2,198,858
Deferred inflow of Resources:					
Deferred inflows related to bonds	5,171	5,950	6,108	1,490	1,441
Deferred inflows related to pensions	1,673	178,037	79,209	48,634	14,917
Deferred inflows related to leases	131,583	146,937	–	–	–
Total deferred inflow of resources	138,427	330,924	85,317	50,124	16,358
Net Position:					
Invested in capital assets, net of related debt	3,166,018	2,945,760	2,802,229	2,648,561	2,411,866
Restricted for:					
Nonexpendable	862,239	794,882	820,051	629,359	633,722
Expendable	852,764	835,610	820,913	757,882	750,207
Unrestricted	3,125,387	2,936,383	2,749,324	2,396,035	2,184,226
Total Net Position	$8,006,408	$7,512,635	$7,192,517	$6,431,837	$5,980,021

(Source: Audited Financial Statements for the fiscal years 2019-2023.) This summary has not been audited.

Statement of Revenues, Expenses, and Changes in Net Position

UNIVERSITY OF UTAH
Statement of Revenues, Expenses and Changes in Net Position
(in thousands of dollars)

	Fiscal Year Ended June 30,				
	2023	2022	2021	2020	2019
Operating Revenues & Expenses:					
Revenues:					
Tuition & fees	$454,642	$405,767	$376,295	$377,951	$367,174
Patient services	3,384,723	3,184,221	3,000,434	2,547,953	2,460,034
Federal grants & contracts	441,682	397,855	359,157	333,992	319,223
State & local grants & contracts	55,068	62,071	58,843	48,195	19,626
Nongovernmental grants & contracts	197,815	169,492	148,240	158,529	144,777
Sales & services, net	1,711,618	1,552,658	1,375,910	1,205,810	1,146,289
Auxiliary enterprises	205,410	196,411	125,256	181,181	181,787
Other operating revenues	301,332	303,587	241,237	209,377	186,516
Total Operating Revenues	6,752,290	6,272,062	5,685,372	5,062,988	4,825,426
Expenses:					
Compensation and benefits	3,650,516	3,337,857	3,009,018	2,802,999	2,691,906
Component units	1,044,639	948,301	835,649	690,450	619,092
Supplies	1,023,966	914,755	814,695	695,855	672,615
Purchased services	277,104	237,223	235,843	197,866	200,444
Medical claims	295,142	311,448	252,635	185,774	177,957
Depreciation & amortization	325,797	310,918	277,697	247,453	236,321
Utilities	118,217	103,886	99,377	92,329	87,158
Cost of goods sold	43,089	39,092	30,920	35,270	36,601
Repairs & maintenance	79,804	74,189	64,579	58,038	59,357
Scholarships & fellowships	38,696	57,206	49,596	38,081	32,912
Other operating expenses	332,013	257,118	327,153	267,629	290,954
Total Operating Expenses	7,228,983	6,591,993	5,997,162	5,311,744	5,105,317
Operating Loss	(476,693)	(319,931)	(311,790)	(248,756)	(279,891)
Non-operating Revenues (Expenses):					
State appropriations	434,189	390,118	374,253	353,874	367,168
Government Grants	60,023	78,070	191,314	33,164	34,822
Gifts	200,943	176,426	56,315	165,736	155,353
Investment income (loss)	173,870	(127,858)	297,953	83,088	124,568
Interest	(61,978)	(54,884)	(50,011)	(41,987)	(38,712)
Other non-operating inc. (exp.)	(8,030)	13,378	81,084	40,481	(26,840)
Total Non-operating Revenues	799,017	475,250	950,908	634,356	616,359
Income before Capital & Permanent Endowment Additions	322,324	155,319	639,118	385,600	336,468
Capital appropriations	45,363	26,401	33,904	25,105	28,680
Capital grants and gifts	57,800	19,304	82,024	12,190	82,415
Additions to permanent endowments	45,064	42,362	51,758	18,006	30,637
Gain on disposal of govt. operations	–	79,791	–	–	–
Total Capital & Permanent Endowment Additions	148,227	167,858	167,686	55,301	141,732
Increase in net position	470,551	323,177	806,804	440,901	478,200
Net Position:					
Net Position—Beginning of Year, Restated [1]	7,535,857	7,189,458	6,385,713	5,990,936	5,501,821
Net Position—End of Year	$8,006,408	$7,512,635	$7,192,517	$6,431,837	$5,980,021

[1] The restatement in 2019 reflects certain adjustments that were determined to be non-capital and removed from construction in progress and a pledge that was reversed due to contingencies identified in the pledge agreement; the restatement in 2020 reflects the addition of Community Nursing Services as a blended component unit which increased beginning net position by $10.9 million; the restatement in 2021 was due to the implementation of GASB 84 relating to fiduciary activities which increased the beginning net position by $0.4 million and a reevaluation of how prior year gifts are recognized which resulted in a decrease to beginning net position of $46.5 million; and the restatement in 2022 is due to the University's implementation of GASB Statement No. 87 regarding leases, which decreased beginning net position by $2.5 million. Additionally, a reevaluation of recognition of prior year gifts resulted in a decrease to beginning net position of $0.5 million. The restatement in 2023 is primarily related to certain previously expensed contracts totaling $27.1 million that were determined to be prepayments which increased beginning net position.

(Source: Audited Financial Statements for the fiscal years 2019-2023.) This summary has not been audited.

OUTSTANDING DEBT OF THE UNIVERSITY

The following schedule lists the outstanding bonded indebtedness of the University as of May 16, 2024.[1]

Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Outstanding Balance
General Revenue Bonds					
General Revenue Refunding Bonds, Series 2014A-1 & A-2[1]	4/1/2014	2024	5.00%	$32,785,000	$5,435,000
General Revenue and Refunding Bonds, Series 2015A-1	1/7/2015	2024	1.50% – 5.00%	45,330,000	960,000
General Revenue and Refunding Bonds, Series 2015B	5/13/2015	2035	3.00% – 5.00%	91,570,000	31,045,000
General Revenue and Refunding Bonds, Series 2016A	3/8/2016	2036	3.00% – 5.00%	68,210,000	40,005,000
General Revenue and Refunding Bonds, Series 2016B-1	11/29/2016	2036	2.00% –5.00%	131,720,000	102,345,000
General Revenue and Refunding Bonds, Series 2017A	9/13/2017	2039	4.00% – 5.00%	155,930,000	118,965,000
General Revenue Refunding Bonds, Series 2017B-1 & B-2	12/21/2017	2038	3.00% – 5.00%	96,550,000	80,970,000
General Revenue Bonds, Series 2018A	7/17/2018	2044	4.00% – 5.00%	80,040,000	72,770,000
General Revenue Bonds, Series 2019A	12/11/2019	2039	4.00% – 5.00%	74,050,000	65,340,000
General Revenue Bonds, Series 2019B	12/11/2019	2039	3.073% – 3.351%	30,165,000	30,165,000
General Revenue Bonds, Series 2020A	6/24/2020	2040	4.00% – 5.00%	84,635,000	84,635,000
General Revenue Bonds, Series 2020B	6/24/2020	2031	0.577% – 1.866%	20,115,000	14,815,000
General Revenue Bonds, Series 2021A-1	2/2/2021	2041	4.00% – 5.00%	86,920,000	86,920,000
General Revenue Bonds, Series 2021A-2	2/2/2021	2041	4.00% – 5.00%	7,700,000	7,700,000
General Revenue Bonds, Series 2021B	2/2/2021	2038	0.177% – 2.256%	76,870,000	75,250,000
General Revenue Bonds, Series 2022A	1/11/2022	2051	4.00% – 5.00%	186,285,000	186,285,000
General Revenue Bonds, Series 2022B	7/6/2022	2047	5.00%	478,430,000	478,430,000
General Revenue Bonds, Series 2023A	2/2/2023	2042	5.00%	154,380,000	154,380,000
General Revenue Bonds, Series 2023B	7/11/2023	2053	5.00% – 5.25%	163,790,000	163,790,000
General Revenue and Refunding Bonds, Series 2024A-1[1]	6/18/2024	2044	5.00%	95,270,000	95,270,000
General Revenue Bonds, Series 2024A-2[1]	6/18/2024	2034	5.00%	10,000,000	10,000,000
General Revenue Bonds, Series 2024B[1]	6/18/2024	2029	5.00%	5,795,000	5,795,000
Total					$1,911,270,000
Prior Lien Bonds					
Auxiliary and Campus Facilities System Revenue Bonds					
Auxiliary and Campus Facilities System Revenue and Refunding Bonds, Series 1998A	8/5/98	2029	5.50%	120,240,000	$30,365,000
Auxiliary and Campus Facilities System Revenue Bonds, Series 2010C (Federally Taxable–Issuer Subsidy–Build America Bonds)	12/28/10	2036	1.75%-5.89%	42,525,000	27,380,000
Total					57,745,000
Hospital Revenue Bonds					
Taxable Hospital Revenue Bonds, Series 2009B (Issuer Subsidy–Build America Bonds)	12/17/09	2030	4.697%-6.247%	41,785,000	23,675,000
Research Facilities Revenue Bonds					
Taxable Research Facilities Revenue Bonds, Series 2009B (Issuer Subsidy–Build America Bonds)	8/26/09	2029	6.279%	27,730,000	15,170,000
Total Prior Lien Bonds					$96,590,000
Total Outstanding Obligations					$2,007,860,000

(1) Assumes the Series 2024AB Bonds are issued and outstanding and the Refunded Bonds have been refunded.

Additional Borrowing Plans of the University

The Board may issue Additional Bonds as its capital needs require or for refunding purposes. In particular, the Board may issue Additional Bonds for projects that have received legislative approval and/or for certain projects for which it anticipates seeking additional legislative approval as described below.

The Board and the University received legislative approval in the State 2023 and 2022 legislative sessions for the following projects:

- *Campus Parking Garage* – $116.3 million of bonding was approved to construct a parking garage on the University's main campus. Initial plans anticipate 1,486 stalls along with secure bicycle storage and a parking tracker system, recreational fields on the roof and additional shelled retail and support space to enhance the student and community experience. Debt service is expected to be paid through parking and retail revenues.

- *Undergraduate Student Housing* – $382.4 million of bonding was approved to construct additional on-campus housing for first-year students, $20 million of which is being used by the Series 2024A-1 and Series 2024B Bonds. The University is still determining the best sites on campus for such housing. Such housing may be completed in separate phases. Debt service is expected to be paid through housing revenues. The University is also exploring options for a public private partnership for such housing.

- *Football Practice Project* – $62.0 million of bonding was approved for an indoor football practice facility. The facility is planned to be a 101,000-square foot building with 90-foot-tall ceilings, a full-length, 120-yard field, two 20-foot by 40-foot LED video boards and a climate control range from 30 to 110 degrees. The project is expected to cost approximately $62.0 million, which will include the demolition of existing buildings on the site. It will be financed by bonds to be repaid by donations and non-State, University funds.

- *Construction of additional in-patient beds at the WVC Health Project* – $400.0 million of bonding was approved during the 2024 legislative session to expand UUHC's in-patient bed footprint at its West Valley City health and community center project site that is nearing the start of construction. UUHC desires to have flexibility on its timing to bond and to begin construction as soon as philanthropic and other funds are secured. The University issued the Series 2022B Bonds in part as initial financing for the WVC Health Project in July 2022.

The specific timing of the actual bonding and construction of these additional projects is yet to be determined. The Board may also choose at that time to increase the size of such issuances for refunding or other restructuring purposes.

Capital Leases and Other Financial Considerations

The State, through the State Building Ownership Authority, issued $101,595,000 of lease revenue bonds in 2009 to finance the expansion of the Huntsman Cancer Hospital. This expansion has been leased by the State Building Ownership Authority to the State and the State has subleased the expansion to the University. Under this sublease, the University is obligated to pay amounts sufficient to pay debt service on the lease revenue bonds. The State Building Ownership Authority cross-over refunded a portion of the 2009 lease revenue bonds and amended the sublease agreement to reflect such refunding. Under the revised sublease agreement, the University is scheduled to make lease payments in support of principal payments on the bonds through May 1, 2030. As of May 16, 2024, the outstanding principal balance of the sublease, as amended, is $57,690,000.

The University has entered into significant other agreements to finance its capital needs including capital leases for equipment, systems, and buildings, and, in certain cases, capital leases for the benefit of UUHC. For a summary of these outstanding obligations, see "APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2023—Notes to Financial Statements—Note 14. Leases" and "—Note 15. Bonds Payable and other Long-Term Liabilities" attached hereto.

Additional Information

See "APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2023" for additional financial information regarding the University.

BONDHOLDERS' RISKS

The Series 2024AB Bonds offered hereby involve a degree of risk. Potential purchasers of the Series 2024AB Bonds should carefully consider the risks involved in making a decision to purchase Series 2024AB Bonds. These risks include, without limitation, those described herein. Those described are not all-inclusive.

Subordinate to Prior Lien Bonds

The Bonds, including the Series 2024AB Bonds, are subordinate to the Prior Lien Bonds. Should any shortfall in revenues occur, the Prior Lien Bonds are payable before the Bonds issued under the Indenture. As of May 16, 2024, the Prior Lien Bonds are outstanding in the amount of $96,590,000.

Ability to Remove Sources of General Revenues

As noted above, subject to the provisions of the Prior Lien Indentures, the Board and the University expressly retain the right to (a) remove, sell, mortgage, pledge or raze any operations, enterprises, structures or facilities of the University so long as the University certifies to the Trustee that following such action the University can be operated in a manner such that the University and the Board can comply with all of the provisions of the Indenture and (b) remove any sources of General Revenues from the pledge and lien of the Indenture, so long as the General Revenues generated by such source in the University's most recently completed fiscal year did not represent more than 10% of the General Revenues for such year and the aggregate of all such removals since the date of execution of the Indenture (as a percentage of General Revenues for the fiscal year preceding the time of removal) when added with the proposed removal (as a similar percentage) would not exceed 10%.

Limited Obligations

The Series 2024AB Bonds are special, limited obligations of the Board payable solely from the General Revenues and money on deposit in such funds and accounts established by the Indenture as described in this Official Statement. Neither the credit nor the taxing power of the State or any agency, instrumentality or political subdivision thereof is pledged for the payment of the principal of, premium, if any, or interest on the Series 2024AB Bonds, and the Series 2024AB Bonds are not general obligations of the Board, the University or the State or any agency, instrumentality or political subdivision thereof. The issuance of the Series 2024AB Bonds does not directly, indirectly, or contingently obligate the State or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The Indenture does not pledge any University properties other than the General Revenues as herein described. Neither the Board nor the University has any taxing power.

General Revenues and Student Enrollment

The portion of the General Revenues that comes from Auxiliary and Campus Facilities fees and other student building fees depends on the University's enrollment. A significant decrease in enrollment could reduce the amount of General Revenues available for the payment of debt service. Based on historical performance, the Board and the University believe that the Auxiliary and Campus Facilities will continue to positively contribute to the General Revenue system and help provide for the timely payment of the Bonds; however, no assurance can be given that economic and social factors beyond the control of the University will not negatively impact student enrollment and revenues dependent thereon.

Fundraising

On an ongoing basis, the University solicits gifts and bequests for both current operating purposes and other needs. In addition, the University receives various grants from private foundations and from agencies of the federal government. See the caption "Management's Discussion of Revenues–Grants and contracts revenues" under "GENERAL REVENUE BOND SYSTEM" and "Donations" under "THE UNIVERSITY" herein. There can be no assurance that the amounts of gifts, grants and bequests received by the University will remain stable or increase in the future. Future fundraising, however, may be adversely affected by a number of factors, including adverse economic conditions, possible changes in income tax rates, and possible tax law changes affecting the deductibility of charitable contributions.

Risks Related to Research Facilities

The portion of the General Revenues that comes from the Research Facilities depends on research and training contracts and grants entered into by the University which have an average life of approximately 2.5 years. Furthermore, many contracts and grants entered into by the University and the United States Government or other governmental sponsors are subject to annual appropriation. This is especially significant as the federal government undergoes changes in budget constraints and spending levels. It is difficult for the University to predict where funding levels for research will be in the future. Whether or not that portion of the General Revenues produced by the Research Facilities will continue to be available in future years to pay debt service on the Series 2024AB Bonds depends upon the overall availability of, and the University's ability to attract and obtain, additional contracts and grants in future years.

The Office of Sponsored Research reports that award totals increased to $767.8 million for fiscal year 2023, an 11.8% increase compared to fiscal year 2022. Awards increased 7.1% for fiscal year 2022 compared to fiscal year 2021. Over the past five years, annual awards have increased approximately 49% in fiscal year 2023 from annual awards in fiscal year 2018. The increases occurred across campus. Awards for the nine months ended March 31, 2024 are $503.2 million compared to $575.2 million for the nine months ended March 31, 2023, a 12.5% decrease. While awards are tracking lower than the previous fiscal year, they remain higher than the prior five-year average. The reduction in fiscal year 2024 is due in part to the extended federal budgeting process and correlated reductions or flat budgets for non-defense research and development agencies.

While the University expects revenues generated by the Research Facilities will continue to positively contribute to the General Revenue system and help provide for the timely payment of the Bonds, no assurance can be given that such revenues will continue to do so in future years to enable the University to meet its payment obligations on the Bonds.

Risks Related to the Hospital and Health Care Industry Generally

As described in this Official Statement, a significant portion of the General Revenues comes from the operations of UUHC (approximately 50.1% of the total operating revenues of the University in fiscal year 2023 were derived from net patient services).

The health care industry is highly dependent on a number of factors that may in future years adversely affect the General Revenues and the ability of the University to make timely payments on the Bonds. The operations and future revenues, expenses, and overall financial condition of UUHC are affected by a number of factors beyond the control of the Board, the University, or UUHC. Such factors include, but are not limited to, legislation and governmental regulation of the health care industry and various governmental and third-party reimbursement and discount programs, economic conditions, changes in the demand for health care services, the ability of UUHC to provide services required by patients, physicians' relationships with and confidence in UUHC, competition from other health care providers, UUHC's relationship with private insurers and managed care organizations ("MCOs"), future federal and state funding of health care reimbursement programs, demographic changes, requirements of independent professional organizations and accrediting bodies, technological and scientific advances and changes in treatment modes, and other conditions that are unpredictable. These factors will affect the ability of the University to meet its future obligations. Neither the Board nor the University believes it is possible to make any internal or independent investigation of the extent to which any such factors may have an adverse impact on the financial condition of UUHC.

While the University expects revenues generated by UUHC will continue to positively contribute to the General Revenues and help provide for the timely payment of the Bonds, no assurances can be given that such revenues will continue to do so in future years to enable the University to meet its payment obligations on the Bonds.

The Affordable Care Act. The Patient Protection and Affordable Care Act ("ACA") was signed into law on March 23, 2010 and has impacted nearly every aspect of the U.S. health care system. Since its enactment, the ACA has been subject to numerous legislative, administrative, and legal efforts to repeal some or all of the law, and its future remains uncertain. In 2012, the Supreme Court upheld a key provision in the law–the mandate for individuals to purchase health insurance coverage–while simultaneously eliminating another key provision requiring states to expand Medicaid (retaining it as a state option). Congress has enacted legislation revising and/or eliminating portions of the ACA. Most notably, in 2017, Congress eliminated the penalty for violating the individual mandate as part of the Tax Cuts and Jobs Act. Legislative efforts and litigation also have targeted provisions including, but not limited to, the employer mandate, the insurance exchanges, cost sharing subsidies, premium tax credits, and insurance industry regulations. Recent administrative actions have been taken to unwind certain consumer protections and encourage the availability of less comprehensive insurance products, introducing instability in the individual market and ACA exchanges. In 2017, Congress seriously considered several bills seeking to repeal and replace the law in its entirety. While these more comprehensive efforts at repeal were unsuccessful, Congress could make any number of significant modifications in the future.

In December 2018, a district court judge in Texas struck down the ACA, ruling in *Texas v. Azar* that Congress' repeal of the individual mandate penalty eliminated the basis for the Supreme Court's 2012 decision upholding the constitutionality of the mandate itself. Because, in the court's view, the individual mandate cannot be severed from the remainder of the law, it invalidated the ACA in its entirety but stayed the ruling pending appeal. In December 2019, the Fifth Circuit Court of Appeals affirmed the lower court's ruling that the individual mandate is unconstitutional, but it remanded the question of whether the mandate is severable from the rest of the ACA back to the trial court, requiring a more thorough analysis of the severability issue. The Fifth Circuit's decision has since been appealed to the U.S. Supreme Court. In June 2021, the U.S. Supreme Court vacated the lower court's ruling–ending this most recent threat to the ACA.

Availability of Federal and State Funding for Governmental Health Care Programs. Future revenues from governmental health care programs, including reimbursement from the Medicare and Medicaid programs discussed below, are subject to the federal and state governments' willingness and ability to continue funding those programs. In seeking to balance federal and state budgets and sustain the financial viability of governmental health care programs, legislators often look to constrain overall spending on the Medicare and Medicaid programs, though the particular strategies for doing so may vary from time to time. The University anticipates that the trend toward cost control and reduced federal spending will continue. Any reductions or slower growth in the levels of spending on governmental health care programs could substantially adversely affect UUHC's revenues and financial condition.

Federal Funding for Medicare. The federal government has acted aggressively in recent years to limit federal spending in general and the cost of Medicare program in particular. The Federal Budget Control Act of 2011 required automatic, across-the-board reductions (often referred to as "sequestration") in federal spending for nine years beginning in 2013, including up to a two percent reduction in Medicare payments annually. Originally slated to expire in 2021, the reductions were extended through 2027 in the Bipartisan Budget Act of 2018 and through 2029 in the Balanced Budget Act of 2019, although the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and the Consolidated Appropriations Act of 2021 temporarily suspended the cuts from May 1 through December 31, 2020 and then through March 31, 2021, respectively, due to the COVID-19 pandemic. In recent years, Congress and the Centers for Medicare & Medicaid Services ("CMS"), which administers Medicare, have adopted numerous additional Medicare cuts, several examples of which are described below in the section "The Medicare Program." It is likely the federal government will continue to attempt to contain the costs of the Medicare program through measures such as the reduction of funding levels and the transition of Medicare enrollees into Medicare managed care plans.

More drastic changes to the Medicare program have been proposed, though none have yet come close to enactment. On one end of the political spectrum, some Republican legislators have in the past proposed legislation to raise the age of eligibility for Medicare or convert Medicare into a voucher program that pays for private insurance. On the other end of the political spectrum, many Democrats in Congress have endorsed the idea of "Medicare for All," where virtually everyone would be enrolled in Medicare, and the coverage would replace private insurance, Medicaid and other coverage sources. These changes to the fundamental structure of the Medicare program, if enacted, would have profound implications for the health care system as a whole.

Federal Funding for Medicaid. There also has been a trend toward constraining federal Medicaid spending. Reductions in the availability of federal funding for Medicaid could have a material adverse impact on the revenues of UUHC.

Under current law, there is no cap on the overall amount of federal funding for the Medicaid program. The federal government matches state spending on Medicaid at a state-specific rate, called the "Federal Medical Assistance Percentage" ("FMAP"), which is established pursuant to a federal statutory formula each year and tied to states' per capita income. In recent years, there have been several legislative and executive proposals to cap federal Medicaid spending by shifting Medicaid from an entitlement to a block grant program or by imposing per capita caps. There is no way to predict whether similar block grant or per capita cap proposals will be considered or passed by Congress in the future. In addition, CMS has invited states to seek approval of aggregate and per capita caps on Medicaid spending, including in guidance released in January 2020 announcing a new Healthy Adult Opportunity demonstration initiative that offers certain regulatory flexibilities if states agree to spending caps. Some states, including Utah, have submitted block grant or per capita cap proposals to CMS for approval, though none have been approved to date. The enactment of federal spending caps on Medicaid could substantially adversely affect UUHC's revenues and financial condition.

State Funding for Medicaid. State budget pressures and considerations influence the amount of Medicaid reimbursement available to Utah hospitals from year to year. The Medicaid program represents a significant and increasing portion of Utah's state budget. When faced with revenue shortfalls in the past, the State of Utah has cut Medicaid spending in order to balance the budget, whether by reducing provider reimbursement levels, eliminating benefits, and/or narrowing eligibility. Similar reductions could occur in the future and could have a material adverse impact on the revenues of UUHC.

Governmental Health Care Programs and Reimbursement. A significant portion of UUHC's patient care revenues derive from governmental health care programs, including Medicare, Medicaid, and the State Children's Health Insurance Program. The laws, regulations, and federal policies that govern reimbursement under these programs change frequently, often in ways that have a material adverse impact on hospitals' finances. These funding streams are uncertain and unpredictable, and there can be no assurance that governmental health care program revenues will continue at current levels or be sufficient to cover all of UUHC Facilities' costs.

Hospitals participating in Medicare and Medicaid may be subject to audits and retroactive audit adjustments with respect to reimbursement claimed under those programs. UUHC anticipates maintaining adequate reserves to address any such adjustments. While it is not anticipated that Medicare and Medicaid audits will materially adversely affect the future financial condition or operations of UUHC, and UUHC likely would contest any substantial adjustment, audit adjustments could nonetheless be substantial, particularly in light of the complexity and evolving nature of the laws and regulations governing the Medicare and Medicaid programs.

The Medicare Program. Medicare is a federal health insurance program administered by CMS that reimburses health care providers for care furnished to eligible elderly and disabled individuals. Health care providers that participate in the Medicare program must agree to be bound by the terms and conditions of the program such as meeting specified staffing, facility, governance and operational standards that change from time to time and can impose substantial costs. Most hospital services are paid at a fixed rate per case according to prospective payment methodologies, placing hospitals at risk for the cost of services above the fixed rate. There can be no assurances that Medicare payments will be sufficient to cover all actual costs of providing hospital services to Medicare patients. The discussion herein describes certain risks associated with Medicare reimbursement.

Hospital Inpatient Reimbursement. Medicare payments for operating expenses incurred in the delivery of inpatient hospital services are based on an inpatient prospective payment system ("IPPS"), through which hospitals receive a fixed amount for each Medicare inpatient discharge. With limited exceptions, IPPS payments are not adjusted for actual costs, variations in intensity of illness, or length of stay. Inpatient rates are adjusted annually by the use of an "update factor," which has historically not kept pace with inflation and fluctuates regularly due to legislative and administrative actions. Hospitals are eligible to receive additional "outlier" payments under the inpatient IPPS for individual cases incurring extraordinarily high costs. Because of the high acuity of UUHC's patient population, a significant portion of its Medicare cases qualify for outlier adjustments. Changes in the calculation of outlier payments in the future could materially impact UUHC's Medicare revenues.

Medicare DSH. In 2014, pursuant to the ACA, the Medicare DSH ("Disproportionate Share Hospital") program was restructured so that hospitals serving a disproportionate number of low-income patients now receive both an adjustment to their IPPS payment (25% of the amount hospitals previously would have received the DSH program) and an additional payment for uncompensated care (75% of prior levels, reduced by a factor to account for the reduction in the uninsured rate). The new uncompensated care portion is distributed on a pro rata basis to DSH hospitals based on each hospital's share of nationwide uncompensated care. Changes in the DSH formula and the calculation of uncompensated care have positively impacted UUHC's share of the uncompensated care pool. In the future, as Utah expands Medicaid coverage, a resultant reduction in UUHC's uncompensated care could result in lower Medicare DSH uncompensated care payments.

Graduate Medical Education. Teaching hospitals, including UUHC, receive additional payments from Medicare for certain direct and indirect costs related to their graduate medical education ("GME") programs. The calculation for both direct and indirect GME payments include certain limitations on the number of full-time equivalent ("FTE") residents reimbursed by Medicare (the FTE cap), leaving many hospitals with significant unreimbursed GME costs. Congress has from time to time considered significant cuts to Medicare GME payments and may do so again in the future.

UUHC recently submitted an application to CMS to reclassify from an urban hospital to a rural hospital for purposes of certain regulatory provisions that offer unique benefits to rural hospitals. CMS approved this application effective May 1, 2020. Among other things, the reclassification is expected to improve UUHC's Medicare GME reimbursement over the long-term, although future regulatory changes could be made that influence the costs and benefits associated with reclassification.

Hospital Outpatient Reimbursement and Site Neutral Policy. Most hospital outpatient services are reimbursed under the Medicare Outpatient Prospective Payment System ("OPPS"). The 2015 Bipartisan Budget Act ("BBA") significantly cut reimbursement rates for services provided in certain off-campus, outpatient hospital provider-based departments ("PBDs"). Under the "site neutral" BBA policy, new off-campus PBDs are no longer eligible for reimbursement under the OPPS and are instead paid under the Medicare physician fee schedule, resulting in substantially lower payments. Although Congress grandfathered existing off-campus PBDs (those that began billing Medicare prior to November 2, 2015), in its Calendar Year ("CY") 2019 OPPS final rule, CMS administratively expanded the BBA's payment cuts by effectively eliminating grandfathering protection for certain services furnished by excepted clinics. Over a two-year period, CMS adopted a policy to phase in a 60% reduction in OPPS payments for clinic visits (the most common service furnished by PBDs). CMS's site neutral policy was initially challenged in two consolidated D.C. District Court cases seeking to strike down the CY 2019 rule. In September 2019, the district court sided with hospital association and individual hospital plaintiffs and vacated the site neutral policy portion of the CY 2019 rule. CMS appealed the case to the D.C. Circuit and in July 2020 the D.C. Circuit reversed the district court's decision and reinstated the CY 2019 rule. While the CY 2019 lawsuit was pending, CMS re incorporated the site neutral payment cuts in its final OPPS rule for CY 2020, noting that it was the second phase of its site neutral policy transition. Plaintiffs sought to fold a challenge to the CY 2020 rule into the CY 2019 litigation but were denied from doing so by the district court. In January 2020, plaintiff hospital associations and hospitals filed a new complaint in D.C. District Court challenging the CY 2020 rulemaking. In July 2020, the U.S. Court of Appeals for the District of Columbia ruled that CMS has the authority to make these cuts. In June 2021, the U.S. Supreme Court declined to hear the case, allowing the cuts to stand. UUHC has a number of off-campus PBDs that are impacted by the "site neutral" policies.

A CMS final rule also imposed substantial reductions in OPPS reimbursement for certain separately payable drugs purchased through the 340B Program established under Section 340B of the Public Health Service Act. As a 340B-eligible provider, UUHC receives substantial discounts on the outpatient drugs that it purchases. Rather than reimbursement at the Average Sales Price ("ASP") plus 6%, 340B hospitals now receive ASP minus 22% for these drugs. A group of hospitals and hospital associations has challenged the rule, and in December 2018, received a favorable decision from the D.C. District Court. That decision was reversed by the U.S. Court of Appeals. In June 2022, the U.S. Supreme Court ruled against the CMS payment reductions to 340B-eligible providers. CMS has agreed to fix the payments from September 28, 2022 prospectively. In January 2024, CMS provided approximately $9 billion in payments, of which UUHC received $55.9 million, to remedy the payment cuts from January 1, 2018 through September 2022. UUHC believes similar remedies are due from the Medicare Advantage plans, which reduced reimbursement unlawfully under this payment methodology from January 1, 2018 through September 2022. UUHC is currently pursuing these payment remedies.

The Medicaid Program. Medicaid is a jointly funded federal and state health insurance program for certain low-income and medically needy people. Under federal guidelines, each state establishes eligibility standards, scope of services, payment rates for services, and an administrative framework for management of the program. The Utah Medicaid program is administered federally by CMS and at the state level by the Utah Department of Health and Human Services. In Utah, the federal government pays for approximately 66% of Medicaid program expenditures on medical services, and the state or local governments pay approximately 34%. Beginning July 1, 2023, Medicaid re-based its inpatient hospital payments. The policy intent was to reduce the amount of payment in the outlier payment category and to increase the amount of payment in the base rate. The latest modeling from Medicaid indicated UUHC would maintain or modestly increase its Medicaid inpatient hospital payments under the re-basing of payments. There can be no assurances that Medicaid payments will be sufficient to cover all actual costs of providing hospital services to Medicaid patients. The discussion herein describes certain risks associated with Medicaid reimbursement.

Utah's Section 1115 Waiver and Expansion. The federal Medicaid statute permits states to obtain waivers of certain federal Medicaid requirements through what are known as "Section 1115" demonstration waivers. On December 23, 2019, CMS approved the State's request to amend its Section 1115 demonstration waiver to fully expand Medicaid coverage up to 138% of the federal poverty level ("FPL") beginning January 1, 2020. Medicaid expansion has been controversial and the subject of significant debate in the State. While State voters approved full expansion up to 138% of FPL in a November 2018 ballot initiative, Proposition 3, the State Legislature enacted S.B. 96 in February 2019, requiring the Utah Department of Health and Human Services to first seek a more restrictive, partial expansion up to only 100% of FPL. In a Section 1115 waiver approved March 2019, CMS authorized partial expansion, but in a letter dated August 16, 2019, CMS rejected the State's request to provide ACA's enhanced matching rate (90%) for less than full expansion. Thus, the Utah Department of Health and Human Services obtained approval of an amended Section 1115 waiver implementing full expansion at the 90% federal matching rate (not subject to any COVID-19 related increase). S.B. 96 requires State hospitals to provide non-federal share funding up to $15 million a year to support the Medicaid expansion. Of that $15 million "hospital share," 30% is funded by the University as the State teaching hospital through an intergovernmental transfer, though the amount will be adjusted to a lower percentage in future years to align with the actual percentage of Medicaid adult expansion patients served by the University.

Under the State's current Section 1115 waiver, which incorporates some features previously approved under partial expansion, the State is authorized to maintain program elements that may limit the scope of coverage through the expansion. Specifically, the waiver authorizes community engagement requirements beginning January 1, 2020, requiring certain expansion beneficiaries to complete an online job assessment, training programs, and job searches within a specified period of time. Effective April 3, 2020, the Utah Department of Health and Human Services suspended the community engagement requirements in response to the COVID-19 pandemic. In August 2021, CMS revoked its approval for the State to implement the community engagement requirements.

Notably, CMS did not approve the State's request to impose an enrollment cap on its expansion population, which had previously been authorized under the State's partial expansion waiver. CMS still is considering the State's requests for other program components, including premiums and surcharges for individuals above 100% of FPL and penalties for intentional program violations.

Full expansion is projected to benefit many State providers by increasing the number of patients with insurance coverage, decreasing providers' uncollectible accounts or "bad debt," and reducing the need for providers to offer discounts and charity care to patients who cannot afford to pay for their care. However, it is possible that the terms of the State's expansion could change in the future as a result of actions by the State Legislature or CMS. Thus, it is not possible to predict the impact the State's expansion will have on UUHC's operations or financial condition.

Shift to Accountable Care Organizations ("ACOs"). In recent years, the Medicaid program in Utah has shifted from a fee-for-service model to a predominantly managed care model. The Utah Department of Health and

Human Services contracts with health plans, referred to in Utah as accountable care organizations or "ACOs," which are at full financial risk and must negotiate payment rates with providers. As described below in the section titled "Relationships with Managed Care Organizations," there are numerous financial risks to UUHC associated with managed care.

Availability of State and Local Funding for the Non-Federal Share. Medicaid reimbursement is dependent on the availability of state funding, which as described above is uncertain and subject to reduction due to budget shortfalls. To some extent, the University as a governmental entity can fill in gaps in state funding by providing intergovernmental transfers of its public funds to cover the non-federal share of Medicaid payments, which are permitted under federal laws and regulations. Federal policies on non-federal share financing change from time to time, however, and are not always transparent or announced in advance. The University cannot be certain that its historical levels of intergovernmental transfers will continue to be permissible, as there is risk that the federal rules governing this area could change in the future, especially in light of CMS's proposed and rescinded Medicaid Fiscal Accountability Rule described below.

Reliance on Supplemental Payments. Medicaid typically reimburses providers less than the cost of furnishing services. In addition to base payments for services, or base rates negotiated with ACOs in Medicaid managed care, UUHC and its affiliated physicians receive significant levels of Medicaid funding through supplemental payment mechanisms, including certain payments described below. The federal rules governing supplemental payments have changed numerous times in recent years, often in a manner that limits or reduces the availability of supplemental funding for providers. The non-federal share of the supplemental payments received by UUHC are primarily financed with intergovernmental transfers, and thus are subject to the risks associated with non-federal share financing described above. Supplemental payment streams that are critical to UUHC's finances may require restructuring or be subject to reduction in future years.

The Proposed and Rescinded Medicaid Fiscal Accountability Rule. In November 2019, CMS released a proposed Medicaid Fiscal Accountability Rule ("MFAR"), which proposed significant new restrictions on certain supplemental payments and the local funding sources that states can use to finance their Medicaid programs. If CMS had finalized the MFAR, or if it implements its policies more informally through individual state negotiations and approvals, there would likely be a significant negative impact on the State's Medicaid program as a whole and the Medicaid reimbursement available to State providers, including UUHC. Given the ongoing COVID-19 pandemic, which has limited providers' and states' ability to absorb financial losses, the effects of a final MFAR rule could be particularly devastating. UUHC and many other providers and trade associations submitted comments requesting that CMS rescind the MFAR in its entirety, even before the scale of the COVID-19 pandemic was known. The hospital industry also has advocated for a legislative moratorium to prevent CMS from finalizing the MFAR. In September 2020, the CMS administrator announced that CMS would withdraw the proposed MFAR rule, citing unintended consequences that require further study. The MFAR rule was formally withdrawn in January 2021. It is impossible to predict whether CMS will seek to finalize regulatory provisions included in the MFAR at some point in the future.

Medicaid DSH Payments. UUHC receives Medicaid DSH payments to help offset its significant uncompensated costs of serving high volumes of Medicaid and uninsured patients. Federal law requires states to conduct annual DSH audits, which may identify Medicaid DSH overpayments to hospitals that must be returned to the federal government. Thus, there is risk each year that the State may recoup prior DSH funding paid to UUHC in amounts that may be material. A 2020 federal appeals court ruling allowing CMS to include Medicare and commercial payments in DSH payment limit calculations will likely result in overpayment findings in future years.

The ACA mandated substantial cuts to the Medicaid DSH program. Originally set to take effect in 2014, Congress has passed legislation numerous times to delay the Medicaid DSH cuts. Prior to the COVID-19 pandemic, the Medicaid DSH cuts were set to take effect on May 22, 2020, resulting in a $4 billion nationwide cut in federal fiscal year 2020 and $8 billion in cuts in each of the subsequent five years. However, the CARES Act eliminated the $4 billion in DSH cuts scheduled for FY 2020 and delayed the FY 2021 cut to December 1, 2020, reducing it from $8 billion to $4 billion. In December 2020, Congress passed the Consolidated Appropriations Act, 2021 ("CAA"), which further delayed the DSH reductions. The CAA eliminated DSH reductions previously scheduled in federal fiscal years 2021, 2022 and 2023. The remainder of the DSH cuts will proceed in the amounts as scheduled, reducing payments by $8 billion each fiscal year between 2024 through 2027. If no additional delays–or permanent legislative fixes–are implemented and the cuts take effect, they likely will impact UUHC more than other hospitals in the State, as UUHC receives substantially higher levels of DSH funding than other hospitals in the State.

Supplemental Payments in Medicaid Fee-For-Service. Medicaid fee-for-service payments to hospitals are capped at an upper-payment limit established by federal regulations. Because states' Medicaid base rates typically are substantially lower than the regulatory upper-payment limit, states may make substantial supplemental payments to hospitals up to the upper-payment limit. In Utah, the Medicaid State Plan provides for both inpatient and outpatient supplemental payments up to the upper-payment limit to UUHC as the State Teaching Hospital, as well as supplemental payments up to the average commercial rate for UUHC's affiliated physicians employed by the University of Utah Medical Group ("UUMG"). Although UUHC's reliance on these fee-for-service supplemental payments has declined over time as Medicaid enrollees have shifted from fee-for-service to managed care in the State, the payments still are an important source of revenue. CMS has issued complex guidance regarding proper methodologies for calculating the upper-payment limit and average commercial rate and requires states to demonstrate annually that their calculations comply with federal requirements. If CMS determines that a state's calculations do not satisfy federal rules, CMS may disallow supplemental payments to providers, resulting in recoupments that may be material. Future CMS regulations, designed similarly to recently repealed MFAR, could reduce the level of permissible supplemental payments to UUHC and/or UUMG professionals.

Enhanced Payments in Managed Care. UUHC has historically received additional supplemental Medicaid payments for services provided to Medicaid managed care enrollees. These supplemental payments have been made through ACOs, the State's Medicaid managed care plans. In 2016, CMS substantially overhauled the federal rules governing Medicaid managed care, including by adopting a regulation that has required the State to restructure the supplemental managed care payments. The new regulation prescribes the circumstances under which states can implement enhanced payments to providers by directing the expenditures of Medicaid managed care plans. These "directed payments" must be approved in advance by CMS, typically annually, and are subject to a number of regulatory requirements. In September 2018, Utah obtained CMS approval of directed payments to UUHC as the State Teaching Hospital for the period from January 1, 2018 through December 31, 2019. UUHC has continued to receive annual approval of these directed payments to the present time. UUHC receives substantial amounts of Medicaid funding through this program. There is no guarantee that CMS will continue to approve directed payments to UUHC at current levels or on the same terms in future years.

Children's Health Insurance Program. The Children's Health Insurance Program ("CHIP") is a jointly funded federal and state health insurance program for children whose families earn too much money to be eligible for Medicaid, but cannot afford commercial health insurance. Like Medicaid, CHIP is administered by CMS at the federal level and the Utah Department of Health and Human Services at the State level. Each state creates its own CHIP program based on minimum federal guidelines. The terms of each state's program are set forth in a CHIP State Plan that must be approved by CMS. If a state's CHIP program does not meet federal requirements, it may lose its federal funding for the program. Unlike the Medicaid program, which is permanent, federal funding for CHIP must be reauthorized periodically. In the recent past, on several occasions Congress failed to act timely in extending CHIP, resulting in temporary lapses in federal funding. In 2018, however, Congress enacted legislation extending CHIP through federal fiscal year 2027. From time to time, Congress and/or the President seek to expand or contract CHIP. The loss of federal approval for Utah's program or a reduction in the amounts available under CHIP could have an adverse impact on the financial condition of UUHC.

Relationships with Managed Care Organizations. Commercial insurance is another important source of patient care revenues for UUHC Facilities. In the University's market, MCOs with a financial incentive to limit utilization and costs (including health maintenance organizations and preferred provider organizations) dominate the commercial insurance market. To participate in MCOs' provider networks, UUHC Facilities must negotiate competitive rates. MCOs may leverage their ability to exclude providers from their network to negotiate lower reimbursement rates. UUHC's costs may rise faster than its contracted MCO rates, resulting in reduced operating margins. From time to time, health care providers and MCOs have disputes concerning contract interpretation and reimbursement, which can lead to non-payment, mediation, arbitration, or litigation that has a material adverse impact on UUHC's finances.

There also has been a trend in managed care to implement narrow provider networks, such that only a select group of providers participate as in-network providers. In Utah, a number of MCOs offer large insurance products that either do not allow access to University of Utah or severely restrict it. These products have been disproportionately successful in the marketplace. Exclusion from a network may result in a material loss of volume for UUHC. UUHC's future ability to participate in MCO networks, for commercial payers as well as Medicare Advantage and Medicaid, is an area of uncertainty and significant potential risk.

University of Utah Insurance Plans. The University has sought to address risks associated with managed care contracting in part through the operation of University of Utah Health Plans (UUHP) and University of Utah Health Insurance Plans (UUHIP), which offer insurance plans in Medicaid, Medicare Advantage, the ACA's exchange, and the group commercial market, including both fully-insured and third-party administration business. All University health care providers, including UUHC, are included in the UUHP and UUHIP provider networks. Future changes to UUHP's or UUHIP's lines of business could alter UUHC's patient and payer mix and materially impact UUHC's finances.

Participation in Utah Medicaid. UUHP currently contracts with the Utah Department of Health and Human Services to serve as a Medicaid ACO. There is no guarantee that the State will select UUHP to participate as a Medicaid ACO in the future. The loss of UUHP's Medicaid contract would likely lead to a substantial loss of Medicaid volumes for UUHC, which could result in a material reduction in UUHC revenues or the potential loss of 340B eligibility as described below in the section titled "340B Drug Pricing Program."

Participation in Non-Medicaid Lines of Business. During the 2019 Utah General Session, legislation (S.B. 244) was introduced in the Utah Senate that would have limited the University's health insurance business to only Medicaid. The accompanying fiscal note indicated that the legislation if enacted could decrease University revenues by at least $150 million on an ongoing basis. The legislation ultimately did not pass, but it is possible that competitors or legislators may seek to impose similar limitations in future legislative sessions. Enactment of legislation of this type likely would significantly reduce the volume of commercial patients with access to in-network care at UUHC. Significant changes to UUHC's commercial payer mix could have a material adverse impact on UUHC's finances.

340B Drug Pricing Program. The 340B Drug Pricing Program is a federal program administered by the Health Resources & Services Administration ("HRSA"), through which pharmaceutical manufacturers agree as a condition of receiving Medicaid and Medicare Part B coverage to provide outpatient drugs to eligible or "covered entities" at deeply discounted rates. Eligibility for 340B discounts is determined based in part on a hospital's share of inpatient Medicaid patients and low-income Medicare patients, calculated in accordance with a statutory formula and translated into a percentage threshold. The University health system currently is eligible for substantial pharmaceutical discounts through the 340B Drug Pricing Program because the proportion of care it provides to populations in need is significant. Factors outside UUHC's control, including but not limited to its patient and payer mix, the local market and economy, competitors' service mix and market share, and Medicaid expansion, may influence UUHC's eligibility for the 340B program in either positive or negative ways. In addition, the operations of the University's health plan, UUHP, have a significant influence on UUHC's Medicaid volumes. As described above in the section titled "University of Utah Insurance Plans," there are risks that UUHP's ability to participate in the Medicaid program could be curtailed or even eliminated, which could substantially reduce the Medicaid volumes of UUHC and result in the loss of 340B eligibility. 340B discounts substantially reduce the University's operating expenses, thus the loss of 340B eligibility would have a significant adverse impact on the finances of the University. The laws, regulations, and federal policies that govern discounts under the 340B programs could change in other ways that adversely impact UUHC's financial condition, including by limiting the clinical locations or patients for which discounts are available, or otherwise reducing or narrowing the scope of the discounts.

Over time, the number and type of entities eligible for 340B discounts has expanded, prompting recent criticism, including from certain members of Congress, federal oversight agencies, and outside stakeholders, that the program should be restricted. In recent years, federal lawmakers have proposed legislation to narrow 340B eligibility and discounts, including in ways that would exclude UUHC from participating or reduce the financial benefit to UUHC. Though no such legislation has yet passed, there continues to be widespread scrutiny of the 340B program at the federal level, and changes with a detrimental impact on UUHC could be enacted in the future.

HRSA currently administers the 340B program largely based on policy notices, frequently asked questions, and similar informal documents. HRSA's ability to promulgate regulations to clarify the scope of program requirements has been limited due to a series of federal court rulings in 2014 and 2015. HRSA issued notice of proposed omnibus guidance in 2015, often referred to as the 340B "mega-guidance," but subsequently withdrew the guidance in January 2017. Despite the lack of clear program rules, HRSA has authority to audit covered entities' 340B programs for compliance with federal requirements and has substantially increased the volume of, and scrutiny applied during, audits in recent years. If HRSA identifies non-compliance with program requirements during an audit, the covered entity must submit a Corrective Action Plan ("CAP") to HRSA, which may require repayment of discounts to pharmaceutical manufacturers. Failure to submit a CAP may result in disqualification from the 340B program.

Drug manufacturers have recently challenged the requirement to provide 340B discounts through contract pharmacies. In January 2023, the U.S. Court of Appeals for the 3rd Circuit ruled that drug makers do not have to provide discounts to an unlimited number of contract pharmacies. There is other litigation occurring nationally surrounding discounts to contract pharmacies as well. The outcome of the litigation and any related changes to the federal statute that may occur, could significantly impact the 340B program at UUHC.

Federal and State Compliance Risks. Certain risks associated with UUHC relate to federal laws, regulations, rules, and administrative policies and determinations governing compliance, which are intended to prevent health care industry participants from engaging in practices that could harm patients or abuse governmental health care programs. These laws include, but are not limited to, the Federal Medicare/Medicaid Anti-Fraud and Abuse Amendments to the Social Security Act (Anti-Kickback Law), the Ethics in Patient Referrals Act (the "Stark Law"), the federal Civil Monetary Penalties Law, and the Health Insurance Portability and Accountability Act of 1966 ("HIPAA") as amended by the Health Information Technology for Economic and Clinical Health ("HITECH") Act. These compliance and fraud and abuse laws have been interpreted broadly by federal enforcement agencies and the courts to potentially prohibit a wide variety of common economic arrangements involving hospitals, health care professionals, suppliers, vendors and other entities, including business arrangements that are legitimate in other industries and arrangements that may be viewed as beneficial to patients. While in some cases there are certain statutory and regulatory "safe harbors" or "exceptions" that identify arrangements that will not be deemed violations of the law, the safe harbors and exceptions typically are prescriptive and difficult to satisfy.

Providers that fail to comply with applicable federal requirements may have to make significant repayments of funds received for prior patient services, may be subject to substantial financial penalties and, in some circumstances, may be subject to imprisonment or exclusion from the Medicare and Medicaid programs. Enforcement activity related to health care fraud and abuse has increased in recent years and is a top priority for federal agencies, including but not limited to the Department of Justice and the Department of Health and Human Services Office of Inspector General. Increasingly, federal enforcement agencies (or private "whistleblowers" acting on behalf of the federal government) are using the federal False Claims Act, which allows for treble damages, to prosecute a wide variety of compliance-related violations, including but not limited to violations of the Anti-Kickback Law, the Stark Law, and other technical and complex coding and billing requirements of the Medicare and Medicaid programs. The ACA enacted numerous changes to the fraud and abuse laws to enable increased enforcement, including relaxing the intent standard under the Anti-Kickback Law and extending the reach of the False Claims Act to impose liability for the knowing retention of an overpayment. Given the substantial penalties, alleged violations of the False Claims Act often end in substantial monetary settlements and the adoption of long-term corporate integrity agreements. If a provider becomes the subject of compliance-related enforcement activity, regardless of merit, there may be a material adverse impact on the provider's operations, financial conditions, financial performance, credit, business, and/or reputation, even if the provider ultimately settles or is absolved of liability.

Federal laws governing compliance, and equivalent state laws, are both highly technical and ambiguous, thus well-meaning providers can unknowingly and unintentionally fall out of compliance. Although UUHC is actively engaged in ongoing compliance efforts, no guarantee can be made that UUHC is or will remain in compliance with all applicable federal requirements. At the present time UUHC is reviewing incidents of possible violations related to various services provided to Medicare patients in prior years. UUHC cannot estimate the final outcomes of the reviews but believe that any penalties or settlements will not have a material financial impact on UUHC.

Transparency Initiatives. In recent years, hospital pricing and billing practices have been widely criticized by federal executives, legislators, and regulators, oversight agencies, news outlets, consumer groups, and other interested parties, who have called for greater transparency and regulation to ensure that patients can make informed decisions about the costs of their care and afford to pay their health care bills. The current Congress has considered numerous legislative proposals on these issues, including several versions of "surprise billing" legislation that would improve patients' access to information on pricing and out-of-pocket costs and protect against unexpected balance billing from out-of-network providers, which occurs when patients unintentionally receive out-of-network care and are held responsible for the costs not paid by insurance. In December 2020, Congress passed the "No Surprises Act" as part of the Consolidated Appropriations Act, 2021. While this legislation did not, some legislative proposals would dictate or set benchmarks for the amounts paid to out-of-network providers. Effective January 1, 2022, CMS substantially increased the civil monetary penalty amount for non-compliance with its pricing transparency regulations. Legislative and regulatory activity on transparency, pricing, and surprise billing is expected to continue. It is possible that either Congress or CMS will continue to adopt new transparency and pricing requirements for hospitals in the near-term, which may have a negative impact on UUHC.

Additional Bonds

As long as no Event of Default has occurred and is continuing, the Board may issue Additional Bonds at its discretion without limitation as to amount.

No Debt Service Reserve Fund

The Indenture does not establish a debt service reserve fund.

Cybersecurity

The risk of cyberattacks against commercial enterprises, including those operated for a governmental purpose, has become more prevalent in recent years. At least one of the rating agencies factors the risk of such an attack into its ratings analysis, recognizing that a cyberattack could affect liquidity, public policy and constituent confidence, and ultimately credit quality. A cyberattack could cause the informational systems of the University to be compromised and could limit operational capacity, for short or extended lengths of time and could bring about the release of sensitive and private information. Additionally, other potential negative consequences include data loss or compromise, diversion of resources to prevent future incidences and reputational damage.

In the past few years, the University has been subject to several cybersecurity attacks, including an incident that required the payment of a ransom. The University maintains insurance for such attacks and the financial impact of such attacks have not been material to the financial position of the University. In response to these attacks, the University has implemented additional security measures to further protect the information of the University. In a phased approach, email and Microsoft application security upgrades were implemented at the University, including two-factor authentication to log into such applications. The University believes it continues to make reasonable efforts to ensure that any future such attacks are not successful and that the University's information systems are secure. However, there can be no assurance that a cyberattack will not occur in a manner resulting in damage to the University's information systems or other challenges. The University has insurance coverage for cyber-liability.

Bond Ratings May Be Lowered or Withdrawn

There can be no assurance that the ratings assigned to the Series 2024AB Bonds at the time of issuance will not be lowered or withdrawn at any time, the effect of which could adversely affect the market price for and marketability of the Series 2024AB Bonds. See "BOND RATINGS."

Covenant to Seek Appropriation Does Not Apply to Series 2024A-2 Bonds

The covenant of the Board to request an appropriation from the State Legislature under certain circumstances, as described herein (see "SECURITY FOR THE BONDS–Covenant to Request Appropriations from the State Legislature," herein) does not apply to the Series 2024A-2 Bonds.

COVID-19 and Future Pandemics

The global outbreak and spread of COVID-19 and actions taken by federal, State and local governments in response thereto, materially adversely affected certain operations of the University. The outbreak of any future pandemics or epidemics and the actions taken in response thereto could have material impacts on global, regional, and local economic conditions as well as on the higher education landscape in general and could adversely affect the financial conditions and operations of the University and/or UUHC.

Changing Nature of Collegiate Athletics

In recent years, developments have occurred that may impact revenues and expenses for collegiate athletics. Such developments include, but are not limited to, conferences realignments, changes to multimedia rights and market place arrangement, federal and state legislation regarding name, image and likeness for collegiate athletes, and litigation, judicial action and legislation related to compensation of collegiate athletes. The Board and the University cannot predict what impact, if any, these developments may have on University operations or financial results.

NO LITIGATION

There is no litigation pending or threatened against the Board or the University questioning or in any matter relating to or affecting the validity of the Series 2024AB Bonds.

On the date of the execution and delivery of the Series 2024AB Bonds, certificates will be delivered by the Board and the University to the effect that, to the best knowledge of the Board and the University, respectively, there is no litigation pending or threatened, which in any way materially questions or affects the validity or enforceability of the Series 2024AB Bonds or any proceedings or transactions relating to their authorization, execution, authentication, sale or delivery or which materially adversely affects the existence or powers of the Board or the University, respectively.

A non-litigation opinion of the Attorney General of the State, counsel to the Board and the University, and dated the date of closing, will be provided stating, among other things, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency public board or body, which is pending or, to the best of such counsel's knowledge, threatened against the Board or the University affecting or questioning the legal existence of the Board or the University, or the titles of their officers to their respective offices, or the authority for the Series 2024AB Bonds, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2024AB Bonds or the collection of the General Revenues pledged to pay the principal of and interest on the Series 2024AB Bonds or the pledge of the General Revenues, funds and accounts pursuant to the Indenture.

APPROVAL OF LEGAL PROCEEDINGS

The Series 2024AB Bonds are offered when, as and if issued and received by the Underwriters subject to the approval of their legality by Gilmore & Bell, P.C., Salt Lake City, Utah, Bond Counsel to the Board. The Underwriters are being represented by their counsel, Chapman and Cutler LLP. Certain legal matters will be passed upon for the Board and the University by the Office of the Attorney General of the State. A copy of the opinion of Bond Counsel in substantially the form set forth in "APPENDIX C—FORM OF OPINION OF BOND COUNSEL" of this Official Statement will be available from the University upon request.

TAX MATTERS

The following is a summary of the material United States federal and State of Utah income tax consequences of holding and disposing of the Series 2024AB Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2024AB Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Utah, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2024AB Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2024AB Bonds.

Opinion of Bond Counsel. In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Board, under the law currently existing as of the issue date of the Series 2024AB Bonds:

Series 2024A Bonds – Federal Tax Exemption. The interest on the Series 2024A Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Series 2024A Bonds – Alternative Minimum Tax. Interest on the Series 2024A Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bond counsel's opinions are provided as of the date of the original issue of the Series 2024A Bonds, subject to the condition that the Board and the University comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Series 2024A Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Board and the University have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2024A Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2024A Bonds.

Series 2024B Bonds – Federal Tax Exemption. Interest on the Series 2024B Bonds is not excludable from gross income for federal income tax purposes.

State of Utah Tax Exemption. The interest on the Series 2024AB Bonds is exempt from State of Utah individual income taxes.

No Other Opinion. Bond Counsel is expressing no other opinion regarding federal, state or local tax consequences arising with respect to the Series 2024AB Bonds.

Other Tax Consequences Relating to the Series 2024A Bonds

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Series 2024A Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Series 2024A Bond is the sum of all payments on the Series 2024A Bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2024A Bond is generally the first price at which a substantial amount of the Series 2024A Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Series 2024A Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2024A Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2024A Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange, or Retirement of Series 2024A Bonds. Upon the sale, exchange, or retirement (including redemption) of a Series 2024A Bond, an owner of the Series 2024A Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange, or retirement of the Series 2024A Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Series 2024A Bond. To the extent a Series 2024A Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2024A Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Series 2024A Bonds, and to the proceeds paid on the sale of the Series

2024A Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Series 2024A Bonds should be aware that ownership of the Series 2024A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2024A Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2024A Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2024A Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that the interest on the Series 2024A Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

CONTINUING DISCLOSURE

The University has undertaken for the benefit of the Owners and the beneficial owners of the Series 2024AB Bonds to provide to the Municipal Securities Rulemaking Board (the "MSRB"), by means of its Electronic Municipal Market Access system ("EMMA") certain annual financial information and operating data and notice of certain material events, all in order to enable the Underwriters to make the determinations required by Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule"). The annual financial information and operating data to be provided include primarily information and data with respect to the operations and financial position of the University. See "APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING" attached hereto, for the form of the Continuing Disclosure Undertaking that will be executed and delivered by the University.

The University notes that certain other higher education system institutions on behalf of which the Board has issued bonds have missed filing deadlines and failed in some instances to provide all of the information as imposed by the undertakings related to such bonds. A failure by the University to comply with the Disclosure Undertaking will not constitute a default under the Indenture and beneficial owners of the Series 2024AB Bonds are limited to the remedies described in the Disclosure Undertaking. A failure by the University to comply with the Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2024AB Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2024AB Bonds and their market price.

The University has determined that its annual disclosure did not fully comply with its continuing disclosure undertaking obligations relating to the fiscal year 2020 and fiscal year 2023 reports for the State Board of Regents of the State of Utah University of Utah Taxable Research Facilities Revenue Bonds, Series 2009B (the "2009B Research Bonds"), which inadvertently omitted an annual update to a historical debt service coverage table relating to the 2009B Research Bonds (although the information for this table was disclosed indirectly in information filed on EMMA with respect to such bonds). The University subsequently filed the omitted information along with a notice of failure to file for each instance.

The University has engaged Digital Assurance Certification, LLC ("DAC") as its Dissemination Agent for the purpose of complying with Rule 15c2-12.

BOND RATINGS

Moody's Investors Service ("Moody's") has assigned the Series 2024AB Bonds a rating of "Aa1" with a stable outlook and S&P Global Ratings ("S&P") has assigned the Series 2024AB Bonds a rating of "AA+" with a stable outlook.

Any explanation of the significance of such ratings may only be obtained from the rating agency furnishing the same. The above ratings are not recommendations to buy, sell or hold the Series 2024AB Bonds.

There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2024AB Bonds.

UNDERWRITING

Morgan Stanley & Co. LLC and Jefferies LLC, as the underwriters of the Series 2024AB Bonds (together, the "Underwriters"), have agreed, subject to certain conditions, to purchase all of the Series 2024AB Bonds from the Board. The Underwriters will be obligated to accept delivery and pay for (i) all of the Series 2024A Bonds, if any are delivered, at an aggregate price of $116,251,844.09 (being an amount equal to the par amount of the Series 2024A Bonds, plus a reoffering premium of $11,212,402.35 and less an underwriting discount of $230,558.26) and (ii) all of the Series 2024B Bonds, if any are delivered, at an aggregate price of $5,782,307.98 (being an amount equal to the par amount of the Series 2024B Bonds and less an underwriting discount of $12,692.02), and to make a public offering of the Series 2024AB Bonds.

The Underwriters will offer the Series 2024AB Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Series 2024AB Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices and such initial offering prices may be changed from time to time.

Morgan Stanley & Co. LLC, one of the Underwriters of the Series 2024AB Bonds, has entered into a retail distribution arrangement with Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may distribute certain securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC, in addition to other retail distribution channels. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to their respective allocations of the Series 2024AB Bonds.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, advisory, investment management, principal investment, hedging, financing, brokerage and other financial and non-financial activities and services. The Underwriters and their respective affiliates may have, from time to time, provided, and may in the future provide, a variety of these services to the Board and/or the University, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Board and/or the University. The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

FINANCIAL STATEMENTS

The financial statements of the University as of June 30, 2023, and for the year then ended, included in this Official Statement, have been audited by the Utah State Auditor, as stated in its report in "APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2023" of this Official Statement.

MUNICIPAL ADVISOR

Stifel Nicolaus & Company, Incorporated is engaged as Municipal Advisor to the University in connection with the issuance of the Series 2024AB Bonds. The Municipal Advisor's fee for services rendered with respect to the sale of the Series 2024AB Bonds is contingent upon the issuance and delivery of the Series 2024AB Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

MISCELLANEOUS

The Appendices are integral parts of this Official Statement and must be read together with all other parts of this Official Statement. The references herein to the Indenture and the Act are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference is made to such documents and the Act for full and complete statements of their provisions. Copies of these documents and the Act are available for inspection at the designated corporate trust office of the Trustee in St. Paul, Minnesota, and during the offering period for the Series 2024AB Bonds, from the Underwriters.

Any statements in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any estimates will be realized.

This Official Statement and its distribution and use by the Underwriters has been duly authorized by the Board and the University.

UTAH BOARD OF HIGHER EDUCATION

UNIVERSITY OF UTAH

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APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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Office of the
State Auditor

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees, Audit Committee
and
Dr. Taylor R. Randall, President
University of Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the fiduciary activities of the University of Utah (the University), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, 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 University's business-type activities and the University's fiduciary activities as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the University of Utah Health (Hospitals and Clinics) (UUHC), a department of the University, and the University's blended component units ARUP Laboratories, Inc. (ARUP), University of Utah Research Foundation (UURF), University of Utah Health Insurance Plans (UUHIP), Community Nursing Service (CNS), and George S. and Dolores Doré Eccles Endowment for Medical School Excellence (EMSE), as of June 30, 2023. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for UUHC, ARUP, UURF, UUHIP, CNS, and EMSE, is based solely on the report of the other auditors. These reports represent 38 percent, 37 percent, and 60 percent, respectively, of the total assets, net position, and total revenues of the University's business-type activities.

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 University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of ARUP and EMSE were not audited in accordance with *Government Auditing Standards*.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the University's Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Defined Pension Contributions, included in 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Message from the President and the listing of Governing Boards and Officers 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 November 7, 2023 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Office of the State Auditor

Office of the State Auditor
Salt Lake City, Utah
November 7, 2023

MANAGEMENT'S DISCUSSION & ANALYSIS

The following discussion and analysis have been prepared by management and provides an overview of the financial position and activities of the University of Utah and its component units for the year ended June 30, 2023, with comparative information from the prior fiscal year. This discussion and analysis are intended to be read alongside the *Financial Statements* and *Notes to Financial Statements* which follow this section.

ABOUT THE UNIVERSITY

Founded in 1850, the University of Utah is the state's oldest and most comprehensive institution of higher education and is the flagship institution of the Utah System of Higher Education. The university offers over 100 major subjects at the undergraduate and graduate levels, including law and medicine, to more than 35,000 students from across the United States and around the world, preparing students to live and compete in the global workplace. The university is a member of the prestigious grouping of research-intensive universities known as the American Association of Universities (AAU).

The university is home to the only academic medical center in the state, providing patient care for residents of Utah and the surrounding Intermountain West. University of Utah Health has been nationally ranked in the top 10 for quality for 14 years in a row by Vizient, and as the No. 1 hospital in the state for the past ten years by U.S. News & World Report.

The three strategic goals of the university are key to understanding the financials of the university, and vice versa. Each initiative will be discussed separately in this section of the financial report including highlights from the year; financial results pertaining to the initiative; capital projects and debt, if applicable; and an outlook for the future. Where appropriate, graphs and charts will convey information that highlights progress toward the goal. More information on the progress toward each goal can be found on the president's dashboards here. The goals, and their corresponding initiatives, are:

GOAL	INITIATIVE	MAJOR TARGET
Promote Student Success to Transform Lives	Inspire Student Success	Grow student body to 40,000
Develop and Transfer New Knowledge	Innovate and Generate Discoveries	Grow sponsored research awards to $1 billion annually
Engage Communities to Improve Health and Quality of Life	Serve Our State	Have an impact on the lives of all 3.4 million Utahns across all 29 counties in Utah

INSPIRE STUDENT SUCCESS

The U believes that inspiring student success means providing access and opportunities to support students in their learning process before they arrive, while they're here, and long after they leave. To that end, we're creating a campus community that integrates living, learning, and belonging. We're aligning our resources to strategically bolster graduation rates and gathering data to address challenges in the learning experience. We're also updating and streamlining our admissions processes, increasing our students' earning potential, and recruiting more diverse and first-generation students from throughout Utah.

INSPIRE

STUDENT SUCCESS

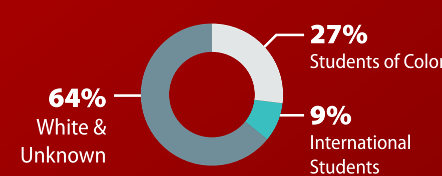
GOAL

Grow student body to 40K within 10 years

69% Of students are Utah residents

31% Increase in freshman enrollment from 2019

Student Demographics



Source: University Analytics & Institutional Reporting

COMMENTARY AND DISCUSSION OF FINANCIALS

Revenue from tuition and fees, net, represents tuition assessed to students as well as mandatory fees required of all students. Tuition is based on rates outlined in the university's tuition schedules, undergraduate vs. graduate status, in-state vs. out-of-state residency, number of credit hours taken, and differential tuition for certain degree programs. This revenue is reported net of student financial aid in the university's financial statements. Also relevant is the functional classification of expenses (see Note 19 in *Notes to Financial Statements*).

For the fiscal year ended June 30, 2023 (FY23), tuition and fees, net, was $454.6 million. This represents an increase of 12.0% over FY22's revenues of $405.7 million. Tuition and fee rates for FY23 were not increased from FY22; thus, the increase in tuition and fees, net, was primarily attributable to increases in enrollment.

Auxiliary operations included self-sustaining operations that support visitors, students, parents, faculty, and staff. Auxiliary revenues include revenues from parking services, housing and residential education, food services, athletics revenues, stadium and arena revenues, and the campus bookstore. These amounts are shown net of allowances of $2.5 million. For FY23, auxiliary revenues, net, were $205.4 million as compared to FY22's $196.4 million; an increase of 4.6%. This consists of a $6.9 million increase in housing and residential education and $3.7 million increase in commuter services due to rent, dining services, and parking permit rate increases.

Scholarships and fellowships expenses were $38.7 million in FY23 and $57.2 million in FY22; a decrease of 32.4%. This line item on the financial statements is in addition to the $116.0 million applied directly against student tuition and which appears netted against tuition revenue discussed above. For comparison, the revenue allowance against tuition and fees for FY22 was $121.7 million. Both decreases are due to the end of CARES Act funding provided to students during the COVID-19 pandemic.

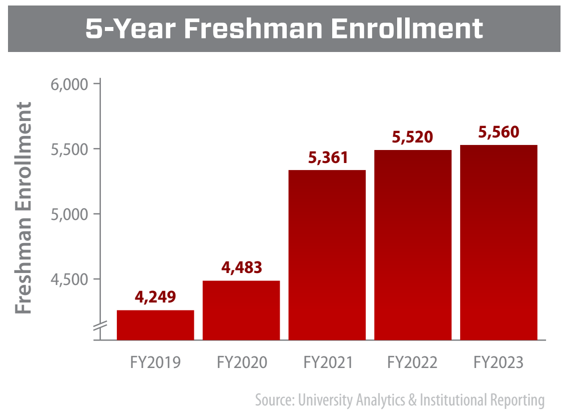
As discussed in Note 19 of *Notes to Financial Statements*, functional classification of expenses directly applicable to students include: instruction ($584.3 million), academic support ($252.8 million), student services ($99.2 million), and scholarships ($118.5 million). These expenses combined are $1.1 billion in FY23, an increase of 19.1% over last year's $885.3 million in expenses. This was caused primarily by an increase in compensation and benefits across all of these functional categories, along with an increase in the scholarship expenses.

INITIATIVE HIGHLIGHTS FOR THE YEAR

Progress made toward our Inspire Student Success initiative includes:

- **Navigate U initiative:** The U launched an initiative in the spring of 2023 that aims to provide individualized support to students that targets their specific learning needs. Data gathered from students, counselors, faculty, and staff in the EAB Navigate platform helps identify areas that contribute to delays in graduation or diminished experience. The onboarding process to train student success coaches, counselors, U Life Mentors, academic advising centers, and several colleges began in fall 2023 and is expected to be completed by spring 2024.

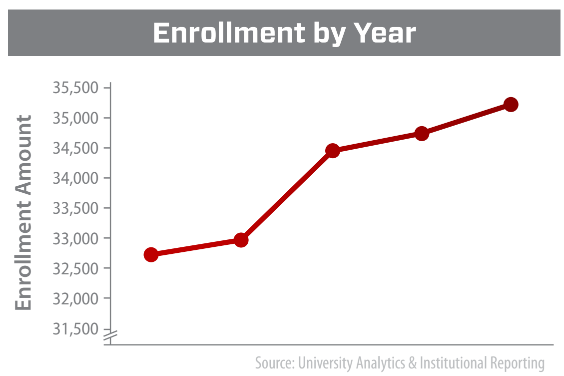
- **Four years of enrollment growth:** Enrollment at the U has continued to defy national trends by increasing for four years in a row. In fall 2023, a record 35,200 students attended the U. Since fall 2020, undergraduate student enrollment has increased 7%. The growth is expected to continue with an increased emphasis on building graduate student enrollment.



- **Increased student housing:** With the completion of additional housing, a record 4,945 students now live on campus, a 9% increase from 2022.

  The university is in the process of completing approximately 2,150 units of student housing and a housing partnership, including:

  - 430 rooms in the fourth wing of Kahlert Village, opened fall 2023. This project includes $43.8 million in debt financing from General Revenue Bonds (GRB) Series 2022B.



  - 775 beds in the Impact & Prosperity Epicenter, opening August 2024. As part of the David Eccles School of Business, this project will be a multidisciplinary hub for innovation, impact, and prosperity. It will provide student housing as well as office space for the Center for Business, Health, and Prosperity and the Sorenson Impact Center. This project includes $30.4 million in debt financing from GRB Series 2022B. An additional $76 million in debt financing was provided by GRB Series 2022A that were issued in FY22.

  - 504 units in the University West Village, opened fall 2023. This project includes $110.3 million in debt financing from GRB Series 2022A, issued in FY22. An additional 450 units will be added in phase two of this project, which is expected to open during the second half of 2025. Phase two includes $163.8 million in debt financing from GRB Series 2023B (see subsequent events in Note 22).

  - A partnership between the U and the Clark and Christine Ivory Trust represents an innovative step to expand available student housing as well as to increase funds available for scholarships, housing stipends, and internships. The Ivory House Development capital project includes a four-building, 552-unit apartment community, with the first building completed in the summer of 2023.

OUTLOOK

Continued growth in enrollment and an increase in tuition and fees revenue is expected as the university's national and international profile continues to rise. One recent example is the Wall Street Journal's ranking of the U as one of the top 10 public universities in the U.S. In addition, with the growth in our student body, the university is carefully developing plans to accommodate additional students, including more on-campus housing, added campus parking, and increased numbers of teaching faculty. Moreover, the university has several initiatives coming in FY24 that bode well for the future achievement of President Randall's goal of reaching the 40,000-student enrollment mark. These include:

- **SLCC Herriman campus initiative:** Beginning with the fall 2023 semester, the university's partnership with Salt Lake Community College will welcome students to the new joint campus in Herriman. Students in selected programs can now complete an associate degree from SLCC and continue on to earn a bachelor's degree from the U all under one roof at the Herriman campus.
- **Academic enterprise planning:** In the fall of 2023 university has planned extensive investment in academic enterprise planning which will elevate the quality of the student experience by aligning resources to provide comprehensive academic support.
- **On-campus housing:** President Randall announced guaranteed on-campus housing for first-year students starting in fall 2024, for those who apply for housing by May 3.

INNOVATE AND GENERATE DISCOVERIES

As higher education ushers in a new era of scientific and technological advancements, the U must take its learning and knowledge enterprise beyond campus to improve lives and change the world. Accordingly, we're accelerating how we innovate by boosting research efforts and speeding up the transfer of technology to the marketplace. We're committed to creating innovation districts and labs throughout the state where our students can work side-by-side with industry professionals. We're also refreshing our research and commercialization leadership strategy and adding incentives for more cross-disciplinary research and innovation. The university has set a goal of reaching $1 billion in annual research awards. This year, our sponsored research awards totaled $768 million, a 12.0% increase from the last fiscal year.

INNOVATE
& GENERATE DISCOVERIES

GOAL

$1 Billion in research funding

Currently at $768M

12%

Increase in research funding in 2023

Source: Partners for Innovation, Ventures, Outreach & Technology

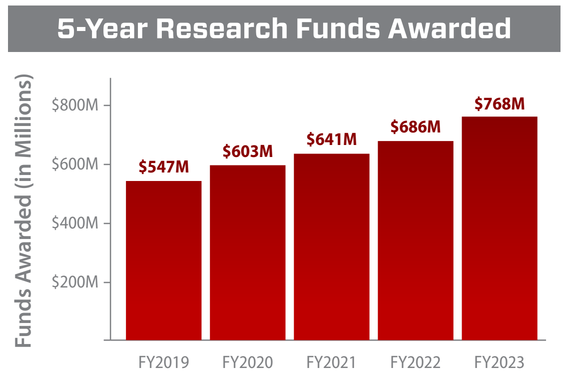
COMMENTARY AND DISCUSSION OF FINANCIALS

The university receives grants and contracts from a variety of federal and state entities, as well as private foundations. This funding is used to continue our work as a top-tier research institution dedicated to innovation and discovery. Overall grants and contracts revenue increased 10.4% from $629.4 million in FY22 to $694.6 million in FY23. This was driven by a $43.8 million and a $28.3 million increase in federal grants and nongovernmental grants revenue, due to additional federal and nongovernmental grants, respectively. These increases were offset by decrease of $7 million, or 11.3%, in state and local grants from the State of Utah Departments of Health and Human Services and Economic and Community Development.

As discussed in Note 19 of *Notes to Financial Statements*, functional classification of expenses related to research increased 15.0%, or $70.6 million, to $542.6 million in FY23. This was due to increased expenditures in existing awards as well as expenditures on new federal and nongovernmental awards.

INITIATIVE HIGHLIGHTS FOR THE YEAR

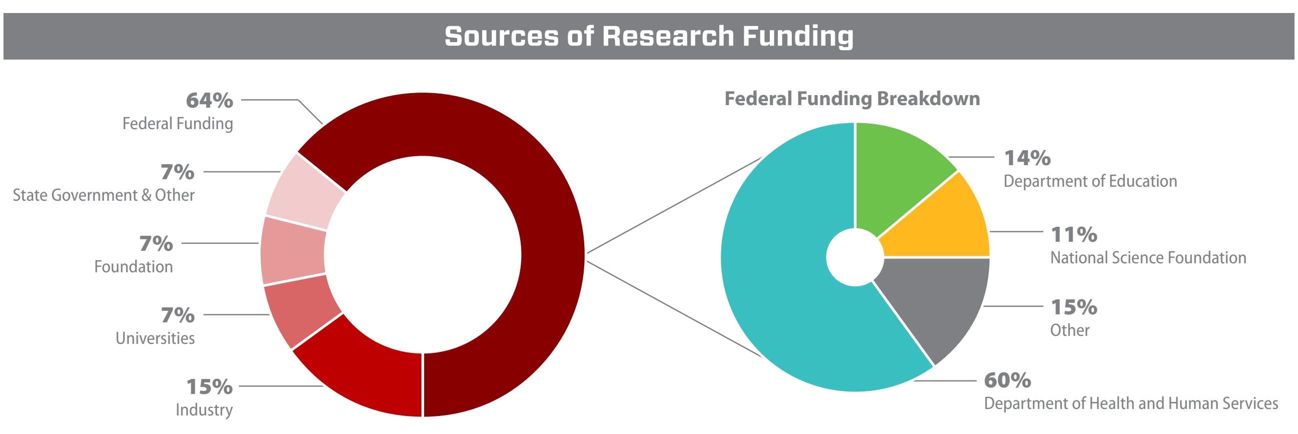
The Applied Sciences Complex, a $93.5 million endeavor, includes renovation of the historic William Stewart Building and a new 100,000-sq.- ft. building with modern teaching labs and state-of-the-art research facilities. The completed space will house world-class scientists addressing the country's most urgent issues, including energy, air quality, climate change, and water management. The building will also house the Wilkes Center for Climate Science and Policy, the Department of Physics and Astronomy, and the Department of Atmospheric Sciences. This capital project includes $23.8 million in debt financing from GRB Series 2023A and is expected to be completed in 2024.



Source: University of Utah, Office of Sponsored Projects

OUTLOOK

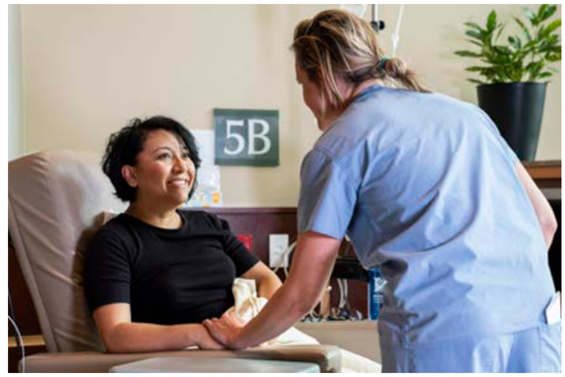
The outlook for the university's research component remains strong. The university is working on collaborations with private industry as well as on-campus interdisciplinary research teams. These collaborations look for and solicit alternative funding sources to help shape and drive innovation in areas such as aerospace, global social and environmental challenges, mental health, and food security. With a focus on these and other key issues affecting the state, the university has positioned itself as a critical partner in solving the most pressing problems of today and tomorrow. Our growth in funding represents a tangible validation of that approach.



Source: Vice President for Research Facts and Figures

SERVE OUR STATE

As Utah's flagship university, the U has a significant responsibility to the people of Utah. President Randall's goal for the university is to positively impact all 3.4 million Utahns across all 29 counties. This means the U is re-envisioning how it can deliver on higher education differently to have a greater impact on the communities we serve. We're growing our reach beyond east Salt Lake with expanded health care in West Valley City and an academic campus in Herriman. We're increasing mental health services through partnerships across the state. We're also working with industry partners and our sister institutions in the Utah System of Higher Education to tackle some of our state's most pressing social issues.



HEALTH
UNIVERSITY OF UTAH

SERVE OUR STATE

5 Hospitals

12 Community Health Centers

2.3M Patient visits during the fiscal year

25k Staff

Serving patients from **10%** of the continental US land area

COMMENTARY AND DISCUSSION OF FINANCIALS

The university records patient services revenue for the hospitals and clinics, and School of Medicine services net of third-party adjustments. These adjustments come from negotiated reimbursement rates based on either the cost of providing services, a predetermined rate per diagnosis, fixed per diem rates, or as a percentage discount from gross charges. In FY23, net patient services revenue totaled $3.4 billion, an increase of $200.5 million, or 6.3%, from the $3.2 billion in FY22, primarily due to higher patient volumes. Medical claim expenses paid by University of Utah Health Plans for enrolled members decreased by 5.2%, or $16.3 million, from $311.4 million in FY22 to $295.1 million in FY23.

As discussed in Note 19 of *Notes to Financial Statements*, functional classification of expenses related to the patient care ($2.7 billion) and health plans ($298.4 million) totaled $3.0 billion in FY23. This was a 4.5%, or $128.3 million, increase from the $2.9 billion expended in FY22. This increase was due primarily to an increase in compensation and benefits at U of U Health.

INITIATIVE HIGHLIGHTS FOR THE YEAR

Progress made toward the Serving Our State initiative, both health-care related and non-healthcare related, includes:

- **Wilkes Center for Climate Science and Policy:** The university launched the Wilkes Center for Climate Science and policy with a generous $20 million donation from the Red Crow Foundation, the philanthropy of Marie and Clay Wilkes. With its focus on climate solutions, climate impacts, and climate forecasting, the Wilkes Center held its inaugural Climate Summit in May 2023. This event brought together policymakers, nationally recognized scientists, foundations, and innovators to discuss the most promising and cutting-edge solutions for climate change. The Wilkes Center also participated on the Great Salt Lake Strike Team with researchers from Utah State University, the Utah Department of Natural Resources, and the Utah Department of Agriculture and Food to provide data to decision-makers regarding the Great Salt Lake.
- **Integrating Mental Health:** Amid the pressures of parenthood, many Utah mothers struggle with postpartum mental health. In a state that places so much importance on families, it's critical that we ask "are we caring for the caregivers?" The data tell us why: in 2015-2016, for example, three fourths of all pregnancy-

related deaths in Utah were associated with a mental health condition. Additionally, suicide and overdose are among the most common reasons pregnant people in Utah die in the first year postpartum. Utah also currently ranks 48th in the country for providing sufficient access to mental health care. The university is planning expansion of the Huntsman Mental Health Institute facilities, funded in part with debt financing of $63.5 million from GRB Series 2022B bonds.

- **U West Valley:** In collaboration with West Valley City, U of U Health is working closely with community partners, residents and others to envision a facility that will provide access to health care for an area of Salt Lake Valley that is currently medically underserved. This project includes $340.8 million in debt financing from the GRB Series 2022B bonds.

You can find more detailed information on these priorities in the U of U Health Report to Our Community.

OUTLOOK

After historic financial success in FY22, U of U Health's operating performance declined in FY23 as a result of macroeconomic factors, including intense wage inflation and increased cost of medications and medical supplies, as well as lagging third party payer rate increases. However, U of U Health's current position and trajectory is better than that of its peers in the industry, as these factors are affecting all health care providers. U of U Health is making strategic decisions focused on these guiding principles: protect core missions, retain and protect existing teams, enhance fiscal responsibility culture, and maintain a margin that allows for future growth. The financial action plan focusing on these guiding principles is targeting approximately $100 million in savings over the next 18-24 months.

The FY2024 U of U Health budget reflects more moderate growth in volumes and increased revenue due to higher negotiated contracted third-party payer rates. Also, during its 2023 General Session, the Utah State Legislature passed Senate Bill 126 which will improve Medicaid reimbursement rates and make them more comparable to the average commercial rate. U of U Health is also actively identifying opportunities to reduce costs in key areas of expense and has built identified reductions into the 2024 budget. U of U Health anticipates these planned rate increases and expense reduction measures will improve its financial performance in 2024 over 2023. In addition to these immediate improvements, U of U Health is also managing long-term strategic decisions in order to monitor its liquidity and debt capacity.

ENDOWMENTS AND INVESTMENTS

The university's endowment is ranked 104th out of 678 in the most recent NACUBO Endowment Study. The endowment is invested to provide long-term growth to preserve intergenerational equity. This means support for current purposes is balanced with the need to provide inflation-adjusted value into the future. The investment strategy is structured to provide cash for current distribution as well as long term growth. The spending policy attempts to strike this balance of supporting current needs, consistent with donor directives, and supporting growth for future needs.

At FY23, the Endowment Pool had approximately $1.5 billion in assets. This is an increase over the prior fiscal year of $145.6 million, comprised of $73.8 million from net transfers in and investment gains of $72.0 million. The investment performance for the endowment showed a total return for the fiscal year of 6.1%, versus its Target Benchmark return of 5.5%. The portfolio's asset class returns were as follows: 12.0% in global equity, 3.9% in private equity, -7.1% in venture capital, 1.7% in fixed income, 5.7% in private real assets, 9.0% in diversifying strategies.

The Cash Management Pool increased $118.2 million from $2.5 billion at FY22 to $2.6 billion at FY23. Cash earnings from the Cash Management Pool increased from $18.0 million in FY22 to $65.0 million in FY23. Investments within the Cash Management Pool are subject to the Money Management Act of the State of Utah.

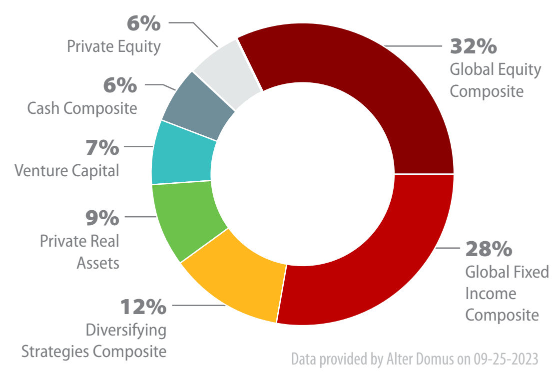
ENDOWMENT GROWTH

1.31B Beginning Balance

1.46B Ending Balance

11% Increase

Allocation of Current Assets



Data provided by Alter Domus on 09-25-2023

ADDITIONAL INFORMATION

FINANCIAL STATEMENTS

The university's statements include five financial statements, all of which are prepared in accordance with Governmental Accounting Standards Board (GASB) principles. These statements should be reviewed in conjunction with Notes to Financial Statements which provide additional information.

The Statement of Net Position shows an entity's assets, liabilities, deferred inflows and outflows, and net position as of a specific date. These elements represent the resources the university has to accomplish its mission and goals, the claims on those resources, and the net of those two (net position). Most elements in this statement are measured using current values except for capital assets, which are stated at historical cost less accumulated depreciation.

The Statement of Revenues, Expenses, and Changes in Net Position presents the university's results of operations for the entire fiscal year. These results are a combination of the revenues and expenses, which when netted, provide the increase or decrease in net position for the year. This change in net position is one indicator of whether the overall financial condition of the university has improved or weakened during the year.

The Statement of Cash Flows provides a look at the major sources and uses of cash by activity for the university during the fiscal year.

Due to fiduciary relationships with other entities, the university also produces a Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. These statements show the balances of assets and liabilities as well as the change in net position during the fiscal year. Below are condensed versions of the university's Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position comparing the current and prior fiscal years.

TABLE 1

Condensed Statement of Net Position—as of June 30 (in thousands)	2023	2022	% Change
Current assets	$ 2,736,291	$2,830,671	-3.3%
Noncurrent assets			
Capital assets, net	4,617,576	4,315,081	7.0%
Other noncurrent assets	4,311,833	3,398,467	26.9%
Total Assets	11,665,700	10,544,219	10.6%
Deferred outflows of resources	71,215	54,874	29.8%
Current liabilities	1,306,844	1,061,761	23.1%
Noncurrent liabilities	2,285,235	1,693,772	34.9%
Total Liabilities	3,592,079	2,755,533	30.4%
Deferred inflows of resources	138,427	330,924	-58.2%
Net investment in capital assets	3,166,018	2,945,760	7.5%
Restricted, nonexpendable	862,239	794,882	8.5%
Restricted, expendable	852,764	835,610	2.1%
Unrestricted	3,125,387	2,936,383	6.4%
Total Net Position	$8,006,408	$7,512,635	6.6%

TABLE 2

Condensed Statement of Revenues, Expenses, and Changes in Net Position—for the years ended June 30 (in thousands)	2023	2022	% Change
Operating revenues			
Tuition and fees, net	$ 454,642	$ 405,767	12.0%
Patient services, net	3,384,723	3,184,221	6.3%
Grants and contracts	694,565	629,418	10.4%
Sales and services	1,711,618	1,552,658	10.2%
Auxiliary and other	506,742	499,998	1.3%
Total operating revenues	6,752,290	6,272,062	7.7%
Operating expenses	7,228,983	6,591,993	9.7%
Operating gain/(loss)	(476,693)	(319,931)	49.0%
Nonoperating revenues			
State appropriations	434,189	390,118	11.3%
Gifts	200,943	176,426	13.9%
Investment income (loss)	173,870	(127,858)	236.0%
Other net nonoperating revenue (expense)	(9,985)	36,564	-127.3%
Total nonoperating revenues	799,017	475,250	68.1%
Income before capital and permanent endowment additions	322,324	155,319	107.5%
Capital contributions, permanent endowment additions and special and extraordinary items	148,227	167,858	-11.7%
Increase in net position	470,551	323,177	45.6%
Net Position - beginning of year (as adjusted)	7,535,857	7,189,458	4.8%
Net Position - end of year	$ 8,006,408	$ 7,512,635	6.6%

COMMENTARY AND DISCUSSION OF FINANCIALS

Current Assets decreased to $2.7 billion in FY23 compared to $2.8 billion in FY22. This decrease was primarily due to a $398.0 million decrease in short-term investments, offset by a $235.5 million increase in cash and cash equivalents. Overall in the past year the university has transitioned from short-term to long-term investments to take advantage of the interest rate increases.

Capital assets increased from $4.3 billion in FY22 to $4.6 billion in FY23. This 7.0% increase is attributable to the implementation of GASB statement 96 for software-based IT right to use assets (see Note 1 for more information), continued growth in lease right to use assets, and completed or partially completed buildings as discussed in the Inspire Student Success, Innovate and Generate Discoveries, and Serve Our State sections above.

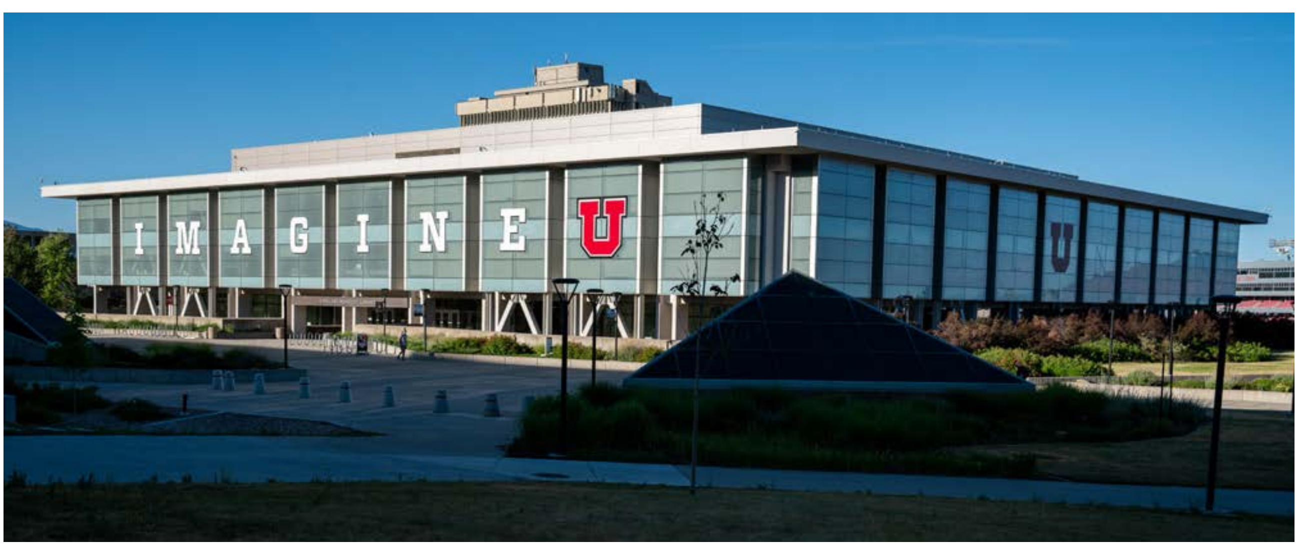
Other noncurrent assets increased from $3.4 billion in FY22 to $4.3 billion in FY23. This $913.4 million increase was mainly due to a $626.3 million increase in restricted cash and cash equivalents, along with a $401.3 million increase in investments. The increase in restricted cash and cash equivalents is a result of the proceeds from the GRB Series 2022B and 2023A bonds. Long-term investments increased as the university focused on investing more of its Cash Management Pool in instruments with a longer duration to take advantage of higher interest rates for a longer period of time. For more information on the endowment and investments, see the Endowment and Investments section above.

Deferred outflows of resources increased $16.3 million to $71.2 million in FY23 in large part due to a 95.5%, or $20.8 million, increase in deferred pension outflows offset by minor changes in deferred loss on bonds and outflows related to excess consideration.

Both current ($1.3 billion) and noncurrent liabilities ($2.3 billion) increased in FY23. This was primarily due to an increase of $632.9 million in bonded debt, adoption of GASB statement 96 for software-based IT assets (see Note 1 & 15 for more information), and continued growth in lease right to use assets and liabilities (see Note 14). A combined $52.1 million increase in accrued payroll and compensated absences, and a $52.0 million increase in unearned revenue (see Note 9 for more information), account for the additional changes in current liabilities.

Deferred inflows of resources decreased by $192.5 million to $138.4 million in FY23. This decrease is predominantly caused by a 99.1%, or $176.4 million, decrease in inflows related to pensions.

Revenues related to tuition and fees, net, patient services, net, grants and contracts and auxiliary are discussed above throughout the Management's Discussion and Analysis.



Sales and service revenues increased $159.0 million, or 10.2%, to $1.7 billion in FY23. This change was driven mainly by $45.6 million in increased sales from component units, $42.3 million in increased sales and services from hospital and clinics, and a $18.3 million increase in sales and services in certain university departments such as Kingsbury Hall, Pioneer Theatre, Utah Presents, Surplus, and Campus Recreation. Sales in university departments include revenue for services or goods provided as part of a department's mission of instruction, research, public service or support of such functions.

Nonoperating revenue increased from $475.3 million in FY22 to $799.0 million in FY23. This was a 68.1% increase. This is predominately due to the increase in investment income for the year, with smaller increases in state appropriations and gifts. Details on changes in investment income can be seen in Note 4 as well as the Endowment and Investments section above.

Capital contributions increased by $57.5 million, with $19.0 million coming from appropriations and $38.5 million in capital gifts. In FY22, a one-time gain on disposal of government operations of $79.8 million was realized.

Operating expenses by functional category have been discussed throughout the Management's Discussion and Analysis. Please see Note 19 in *Notes to Financial Statements* for a complete list of operating expenses by natural and functional categories.

GRB Series 2022B bonds, totaling $478.4 million, were issued in July 2022. See details throughout the Management's Discussion and Analysis.

GRB Series 2023A bonds, totaling $154.5 million, were issued in February 2023. Proceeds from these bonds will be used to fund the following:

- $23.8 million for the Applied Sciences Project (see details in the Initiatives section on page 11).
- $59.4 million towards the Sorenson Center for Discovery and Innovation at the David Eccles School of Business.
- $71.3 million towards the new Spencer Fox Eccles School of Medicine building which will provide a new home for learning and driving innovation in the MD programs at the university.

In May 2023, Moody's Investor Services (Moody's) and S&P Global Ratings (S&P) reaffirmed their bond ratings on the university's GRB as Aa1 with a stable outlook and AA+ with a stable outlook, respectively.

COMPONENT UNITS

The University of Utah's financial statements include U of U Health, as well as the balances and activities of five component units: The University of Utah Research Foundation, ARUP Laboratories, Inc., University of Utah Health Insurance Plans (UUHIP), George S. and Dolores Doré Eccles Endowment for Medical School Excellence (EMSE), and Community Nursing Services (CNS). More information about these entities and their inclusion in the financial statements may be found in Note 1 – *Summary of Significant Accounting Policies – Reporting Entity*.

OUTLOOK

The overall outlook for the university is robust as it continues to progress through the targeted initiatives. The university has seen significant growth in enrollment and associated tuition and fees, mounting research funding, and participation in an essential role as a partner in the State of Utah to help solve the most pressing problems of today and beyond. More information can be found in the Outlook portion of the Inspire Student Success, Innovate and Generate Discoveries, and Serve our State sections above.

FINANCIAL STATEMENTS

THE UNIVERSITY OF UTAH

Statement of Net Position

(in thousands of dollars) As of June 30, 2023

ASSETS

Current Assets	
Cash and cash equivalents (Notes 2 & 4)	$ 672,808
Short-term investments (Notes 2 & 4)	1,023,992
Receivables, net (Note 5)	732,553
Inventory (Note 1)	143,570
Other assets (Note 6)	163,368
Total current assets	2,736,291
Noncurrent Assets	
Restricted cash and cash equivalents (Notes 2 & 4)	1,004,272
Restricted short-term investments (Notes 2 & 4)	66,878
Investments (Notes 3 & 4)	2,270,458
Restricted investments (Notes 3 & 4)	749,014
Receivables (Note 5)	142,021
Restricted receivables, net (Note 5)	70,894
Donated property	2,067
Net pension asset (Note 8)	1,582
Right-of-use lease asset, net (Note 7)	92,649
Right-of-use SBITA asset, net (Note 7)	44,422
Other assets (Note 6)	4,647
Capital assets, net (Note 7)	4,480,505
Total noncurrent assets	8,929,409
Total assets	11,665,700

DEFERRED OUTFLOWS OF RESOURCES

Deferred loss on bond refunding (Note 1)	4,924
Deferred outflows related to pensions (Note 8)	42,494
Deferred outflows related to excess consideration (Note 1)	23,797
Total deferred outflows of resources	71,215

LIABILITIES

Current Liabilities	
Accounts payable (Note 5)	
to the State of Utah	61,451
to others	185,089
Accrued payroll	252,055
Compensated absences and early retirement benefits (Notes 1 & 16)	109,309
Unearned revenue (Note 9)	155,826
Lease liability - current (Note 14)	18,179
SBITA liability - current (Note 15)	14,307
Deposits and other liabilities (Notes 11 & 16)	385,729
Bonds, notes and contracts payable (Notes 16, & 17)	
to the State of Utah	5,440
to others	119,459
Total current liabilities	1,306,844
Noncurrent Liabilities	
Compensated absences and early retirement benefits (Notes 1 & 16)	48,892
Deposits and other liabilities (Notes 11 & 16)	32,998
Bonds, notes and contracts payable (Notes 16, & 17)	
to the State of Utah	57,690
to others	2,047,444
Net pension liability (Note 8)	3,213
Lease liability (Note 14)	78,815
SBITA liability (Note 15)	16,183
Total noncurrent liabilities	2,285,235
Total liabilities	3,592,079

Continued on next page...

The accompanying notes are an integral part of these financial statements

THE UNIVERSITY OF UTAH

Statement of Net Position

(in thousands of dollars) As of June 30, 2023

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to bonds (Note 1)	5,171
Deferred inflows related to pensions (Note 8)	1,673
Deferred inflows related to leases (Note 14)	131,583
Total deferred inflows of resources	138,427

NET POSITION

Net investment in capital assets	3,166,018
Restricted for	
Nonexpendable	
Instruction	224,920
Research	121,656
Public service	41,043
Academic support	94,772
Scholarships	358,014
Other	21,834
Expendable	
Research	203,233
Public service	147,641
Academic support	90,134
Institutional support	65,780
Scholarships	117,796
Loans	3,163
Debt service	0
Capital additions	0
Insurance enterprises	8,647
Other	216,370
Unrestricted	3,125,387
Total net position	$ 8,006,408

The accompanying notes are an integral part of these financial statements

THE UNIVERSITY OF UTAH

Statement of Revenues, Expenses, and Changes in Net Position

(in thousands of dollars) As of June 30, 2023

OPERATING REVENUES AND EXPENSES

Revenues	
Tuition and fees, net (Note 1)	$ 454,642
Patient services, net (Notes 1 & 13)	3,384,723
Federal grants and contracts	441,682
State and local grants and contracts	55,068
Nongovernmental grants and contracts	197,815
Sales and services, net (Note 1)	1,711,618
Auxiliary enterprises, net (Note 1)	205,410
Other operating revenues	301,332
Total operating revenues	6,752,290
Expenses	
Compensation and benefits	3,650,516
Component units	1,044,639
Supplies	1,023,966
Purchased services	277,104
Medical claims	295,142
Depreciation and amortization	325,797
Utilities	118,217
Cost of goods sold	43,089
Repairs and maintenance	79,804
Scholarships and fellowships	38,696
Other operating expenses	332,013
Total operating expenses	7,228,983
Operating loss	(476,693)

NONOPERATING REVENUES (EXPENSES)

State appropriations	434,189
Government grants	60,023
Gifts	200,943
Investment income	173,870
Interest	(61,978)
Other	(8,030)
Total nonoperating revenues	799,017
Income before capital and permanent endowment additions	322,324

CAPITAL AND PERMANENT ENDOWMENT ADDITIONS

Capital appropriations	45,363
Capital grants and gifts	57,800
Additions to permanent endowments	45,064
Gain on disposal of government operations	0
Total capital and permanent endowment additions	148,227
Increase in net position	470,551

NET POSITION

Net position - beginning of year, as adjusted (Note 1)	7,535,857
Net position - end of year	$ 8,006,408

The accompanying notes are an integral part of these financial statements

THE UNIVERSITY OF UTAH

Statement of Cash Flows

(in thousands of dollars) As of June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from tuition and fees	$ 473,361
Receipts from patient services	3,368,535
Receipts from grants and contracts	688,173
Receipts from auxiliary and educational services	1,927,702
Collection of loans to students	2,868
Payments to suppliers	(3,257,408)
Payments for compensation and benefits	(3,649,211)
Payments for scholarships and fellowships	(38,696)
Loans issued to students	(1,886)
Other	444,883
Net cash used by operating activities	(41,679)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State appropriations	434,189
Government grants	60,023
Federal direct loan receipts	136,964
Federal direct loan payments	(136,964)
Gifts	
Endowment	23,632
Nonendowment	206,502
Other	12,615
Net cash provided by noncapital financing activities	736,961

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from capital debt	770,636
Capital appropriations	45,363
Gifts	58,154
Proceeds from leases	14,643
Purchase of capital assets	(558,521)
Principal paid on capital debt	(191,637)
Interest paid on capital debt	(80,615)
Net cash provided by capital and related financing activities	58,023

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	4,179,016
Receipt of interest and dividends on investments	133,928
Purchase of investments	(4,204,427)
Net cash provided by investing activities	108,517
Net increase in cash	861,822
Cash - beginning of year	815,258
Cash - ending of year	$ 1,677,080

Continued on next page...

The accompanying notes are an integral part of these financial statements

Statement of Cash Flows

(in thousands of dollars) As of June 30, 2023

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating loss	$ (476,693)
Adjustments	
Depreciation and amortization expense	325,797
Lease revenue	(10,142)
Lease expense	14,372
SBITA expense	6,860
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources	
Receivables, net	15,870
Inventory	(11,625)
Net pension asset	145,857
Other assets	(36,157)
Deferred outflows related to pensions	(20,760)
Accounts payable	(16,884)
Accrued payroll	28,933
Compensated absences and early retirement benefits	20,426
Unearned revenue	52,021
Deposits and other liabilities	93,596
Net pension liability	3,214
Deferred inflows related to pensions	(176,364)
Net cash used by operating activities	$ (41,679)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Financed obligations	$ 16,320
Leases	53,383
SBITAs	(20,129)
Donated property and equipment	8,106
Completed construction projects transferred from State of Utah (Note 1)	0
Annuity and life income	(195)
Increase in fair value of investments	(39,942)
Total noncash investing, capital, and financing activities	$ 17,543

The accompanying notes are an integral part of these financial statements

THE UNIVERSITY OF UTAH

Statement of Fiduciary Net Position

(in thousands of dollars) As of June 30, 2023

	Custodial Funds
ASSETS	
Current Assets	
Cash and cash equivalents	$ 429
Short-term investments	629
Other assets	-
Total current assets	1,058
Noncurrent Assets	
Investments	6,039
Total noncurrent assets	6,039
Total assets	7,097
LIABILITIES	
Current Liabilities	
Accounts payable	1,789
Accrued payroll	261
Deposits and other liabilities	-
Total current liabilities	2,050
Noncurrent Liabilities	
Deposits & other liabilities	16
Total noncurrent liabilities	16
Total liabilities	2,066
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	5,031
Total net position	$ 5,031

THE UNIVERSITY OF UTAH

Statement of Changes in Fiduciary Net Position

(in thousands of dollars) As of June 30, 2023

	Custodial Funds
Contributions:	
Other governments	$ 67,794
Other entities	38,936
Total contributions	106,730
Investment Earnings	
Net increase (decrease) in fair value of investments	386
Interest, dividends and other investment income	193
Income from investment activity	579
Deductions:	
Payments to other governments, entities or individuals	117,074
Total deductions	117,074
Net increase (decrease) in fiduciary net position	(9,765)
Net position - beginning of year	14,796
Net position - end of year	$ 5,031

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements report the financial activity of the University of Utah (university), including the University of Utah Health (U of U Health). The university is a component unit of the State of Utah (State).

Component units are entities that are legally separate from the university but are financially accountable to the university, or whose relationships with the university are such that exclusion would cause the university's financial statements to be misleading or incomplete. University administrators hold a majority of seats on the boards of trustees of five other related entities representing component units of the university. Because the university appoints the majority of the five boards, is able to impose its will on these organizations, and the organizations almost exclusively benefit the university, the financial accountability criteria as defined by Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, have been met, and the five organizations are included as blended component units of the university. The component units of the university are ARUP Laboratories, Inc. (ARUP), Community Nursing Services (CNS), University of Utah Health Insurance Plans (UUHIP), George S. and Dolores Doré Eccles Endowment for Medical School Excellence (EMSE), and the University of Utah Research Foundation (UURF).

- ARUP is a not-for-profit corporation that provides clinical and anatomic pathology reference laboratory services to medical centers, hospitals, clinics and other clinical laboratories throughout the United States, including U of U Health. ARUP contracts with the University of Utah School of Medicine Department of Pathology to provide pathology consulting services. The fiscal year end for ARUP is June 30. Other independent auditors audited ARUP and their report, dated August 31, 2023, was issued under separate cover.

- CNS is a not-for-profit corporation that assists clients to attain health care goals, while maintaining their independence and dignity, through home health and hospice care. The fiscal year end for CNS is December 31. Other independent auditors audited CNS and their report, dated May 3, 2023, was issued under separate cover.

- UUHIP is a health insurance company operating as a licensed non-profit health service insurance corporation as provided in Chapter 7 of Title 31A of the Utah Insurance Code. UUHIP writes individual and group health insurance products. The fiscal year end for UUHIP is December 31. Other independent auditors audited UUHIP and their report, dated August 31, 2023, was issued under separate cover.

  Health insurance companies are subject to certain minimum surplus requirements as specified by the National Association of Insurance Commissioners (NAIC) and the Utah Insurance Department. Under those requirements, the amount of capital and surplus maintained by a health service insurance corporation is to be the greater of minimum Risk-Based Capital (RBC) or $400,000. RBC is determined based on the various risk factors related to UUHIP's operations. Regulatory compliance is determined by a ratio of UUHIP's total adjusted capital, calculated in the manner prescribed by NAIC to its authorized control level RBC. If UUHIP drops below specific trigger levels, a specified corrective action is required. The minimum level of total adjusted capital before corrective action commences is twice the authorized control level RBC. UUHIP met both minimum surplus requirements with RBC exceeding the authorized control level and surplus exceeding $400,000 at December 31, 2022.

- EMSE is a 501(c)(3) public charity and support organization solely for the benefit of the University of Utah, performing the limited function of managing endowment funds donated to the entity on behalf of the university, the proceeds of which endowment will be used solely for the University of Utah School of Medicine's benefit. The Entity has a fiscal year end of June 30, and the report from its independent auditors dated October 16, 2023, was issued under separate cover.

- UURF is a not-for-profit corporation governed by a board of directors who, with the exception of three directors, are affiliated with the university. The operations of UURF include the leasing and administration of Research Park (a research park located on land owned by the university), the leasing of certain buildings, and the commercial development of patents and products developed by university personnel. As part of its mission to advance technology commercialization, UURF creates new corporate entities to facilitate the startup process. In general, these entities do not have assets. Expenses related to the companies are expensed as incurred. The fiscal year end for UURF is June 30. UURF is audited by other independent auditors and their report, dated October 13, 2023, was issued under separate cover.

The university, ARUP, CNS, UUHIP, and UURF apply all GASB pronouncements in the accounting and reporting of their operations. EMSE applies FASB pronouncements in the accounting and reporting of their operations, which are then converted to GASB for consolidation into the university's statements.

B. Basis of Accounting

All statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Operating activities include all revenues and expenses, derived on an exchange basis, used to support the instructional, research and public service efforts, and other university priorities. Significant recurring sources of the university's revenues are considered nonoperating as defined by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and required by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. Operating revenues include tuition and fees, grants and contracts, patient services, and revenue from various auxiliary and public service functions. Nonoperating revenues include state appropriations, Pell grants and certain government grants, gifts, and investment income. Operating expenses include compensation and benefits, student aid, supplies, repairs and maintenance, utilities, etc. Nonoperating expenses primarily include interest on debt obligations.

When both restricted and unrestricted resources are available, such resources are tracked and spent at the discretion of the department subject to donor restrictions, where applicable.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the university recognizes gifts, grants, appropriations, and the estimated net realizable value of pledges as revenue as soon as all eligibility requirements imposed by the provider have been met.

Patient revenue of U of U Health and the School of Medicine medical practice plan is reported net of third-party adjustments.

For the year ended June 30, 2023, the university adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. GASB 96 improves financial reporting by defining SBITAs and providing uniform guidance for their accounting and reporting. A SBITA includes an exchange or exchange-like transaction for the control of another party's IT software, with or without tangible capital assets. The statement requires recognizing a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. The subscription liability is initially measured at the present value of the payments expected to be made during the subscription term. The right-to-use asset is initially measured as the sum of the initial measurement of the subscription liability, pre-commencement payments to the SBITA vendor, and capitalizable implementation costs. This calculation is adjusted for any vendor incentives received before the start of the subscription term. The subscription asset is then amortized on a straight-line basis over the subscription term.

C. Investments

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The university distributes earnings from pooled investments based on the average daily investment of each participating account; or for endowments, distributes according to the university's spending policy. A portion of the university's endowment portfolio is invested in "alternative investments". These investments, unlike more traditional investments, generally do not have readily obtainable market values and typically take the form of limited partnerships. See Note 4 for more information regarding these investments and the university's outstanding commitments under the terms of the partnership agreements. The university values these investments based on the partnerships' 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 considering subsequent calls and distributions.

D. Allowances

In accordance with GASB Statement No. 34, certain expenses are netted against revenues as allowances. The following schedule presents revenue allowances for the year ended June 30, 2023:

Revenue Allowances	
Tuition and fees	$115,953,008
Patient services	140,494,934
Sales and services	909,933
Auxiliary enterprises	2,852,122

E. Inventories

The University Campus Store's inventories are valued using the retail inventory method. All other inventories are stated at the lower of cost or market using the first-in, first-out method or, on a basis that approximates cost determined on the first-in, first-out method. ARUP inventories consist primarily of laboratory testing supplies and are stated at the lower of cost (using the first-in, first-out method) or net realizable value. ARUP inventory includes a reserve of $3.2 million related to COVID-19 testing supplies that may not be consumed in future testing. The excess of COVID-19 supplies was due to the uncertain nature of the COVID-19 testing volume demand.

F. Research and Development Costs

Research and development costs of ARUP are expensed as incurred. These costs for the year ended June 30, 2023 were approximately $16.6 million.

G. Compensated Absences and Early Retirement Benefits

Employees' vacation leave, excluding U of U Health, accrues at a rate of eight hours per month for hourly staff during the first five years and increases to a rate of 13.33 hours per month after fifteen years of service. For salaried staff, vacation leave accrues at a rate of ten hours per month and increases to a rate of 14.67 hours after fifteen years of service. There is no requirement to use vacation leave, but a maximum of thirty days, plus one-year accrual, may be carried forward at the beginning of each calendar year. Eligible employees are reimbursed for unused vacation leave upon termination and vacation leave is expended when used or reimbursed. The liability for vacation leave as of June 30, 2023 was approximately $68.3 million.

Employees earn sick leave at a rate of eight hours each month, with an accumulation limit of 1,040 hours. The university does not reimburse employees for unused sick leave. Each year, eligible employees may convert up to four days of unused sick leave to vacation leave based on their use of sick leave during the year. Sick leave is expended when used.

In addition, the university may provide early retirement benefits, if approved by the administration and by the Board of Trustees; for certain employees who have attained the age of 60 with at least fifteen years of service and who have been approved for the university's early retirement program. Currently, 172 employees participate in the early retirement program. The university pays each early retiree an annual amount equal to the lessor of 20% of the retiree's final salary or their estimated social security benefit, as well as health care premiums, which is approximately 50% of their early retirement salary, until the employee reaches full social security retirement age. In accordance with GASB Statement No. 47, *Accounting for Termination Benefits*, the amount recognized on the financial statements was calculated at the discounted present value of the projected future costs. For the year ended June 30, 2023, these expenditures were approximately $4.7 million.

Employees of U of U Health receive a combined accrual for paid time off in lieu of the separate vacation and sick accruals received by university employees. For staff, the accrual rate for paid time off starts at 13.33 hours per month and increases every five years until reaching the maximum accrual of 20 hours per month after ten years of service. For managers and directors, the accrual rate begins at 16.67 hours per month and increases every five years until reaching the maximum accrual of 23.33 hours per month after ten years of service. The maximum number of hours which can be carried forward at the beginning of a calendar year is 520 hours for staff and 600 hours for managers and directors. Eligible Employees are given an option once in the spring and once in the fall to elect to receive payment for a cash out of PTO from 20 to 100 hours. Employees are paid for all unused paid time off hours upon termination. The cost of paid time off is accrued each month by the Hospital. The liability for paid time off at June 30, 2023 was approximately $77.8 million.

H. Construction

The Utah State Division of Facilities Construction and Management (DFCM) administers most of the construction of facilities for state institutions, maintains records, and furnishes cost information for recording plant assets on the books of the university. Construction projects administered by DFCM are not recorded on the books of the university until the facility has been completed and transferred to the university.

I. Deferred Outflows and Inflows of Resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. In accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, losses incurred due to refunding of bond debt are reported as deferred outflows rather than as reductions to bond liabilities, gains resulting from bond refinancing transactions are reported as deferred inflows. In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, deferred outflows and deferred inflows of resources related to pensions have been recorded. Further information regarding pension reporting is found in Note 8. In accordance with GASB Statement No. 87, *Leases*, deferred outflows and deferred inflows of resources related to leases have been recorded. Further information regarding lease reporting is found in Note 14.

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) 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. Investments are reported at fair value.

K. Adjustments to Beginning Net Position

For the year ended June 30, 2023, the university recognized modifications to leases according to GASB Statement No. 87, Leases, resulting in a decrease to beginning net position of $0.2 million. Additionally, certain previously expensed contracts totaling $27.1 million were determined to be prepayments, increasing assets and beginning net position.

UURF paid department distributions related to fiscal year 2022 during fiscal year 2023 totaling a $3.4 million decrease to beginning net position. Additionally, UURF reevaluated lease renewals related to GASB Statement No. 87, *Leases*, decreasing beginning net position by$0.1 million.

2. CASH, CASH EQUIVALENTS, AND SHORT-TERM INVESTMENTS

Cash and cash equivalents consist of cash and short-term investments with an original maturity of three months or less. Cash, depending on source of receipts, is pooled, except for cash and cash equivalents held by ARUP, CNS, EMSE and UUHIP and, when legal requirements dictate the use of separate accounts. The cash balances are invested principally in short-term investments that conform to the provisions of the Utah Code. It is the practice of the university that the investments ordinarily be held to maturity at which time the par value of the investments will be realized.

The Utah State Treasurer's Office operates the Utah Public Treasurers' Investment Fund (PTIF) which is managed in accordance with the State of Utah Money Management Act (Act) and is available for investment of funds administered by any Utah public treasurer.

Short-term investments have original maturities longer than three months and remaining maturities of one year or less.

At June 30, 2023, cash and cash equivalents and short-term investments consisted of:

Cash and Cash Equivalents	
Cash	$ 105,007,351
Money market funds	463,587,966
Utah Public Treasurers' Investment Fund	766,429,821
U.S. Treasuries	36,018,634
U.S Agencies	306,037,042
Total (fair value)	$ 1,677,080,814

Short-term Investments	
Time certificates of deposit	$ 3,980,763
U.S. Treasuries	581,935,317
U.S. Agencies	475,794,287
Corporate notes	29,159,214
Total (fair value)	$ 1,090,869,581

3. INVESTMENTS

Funds available for investment are pooled to maximize return and minimize administrative cost, except for funds that are authorized by the university administration to be separately invested or which are separately invested to meet legal or donor requirements. Investments received as gifts are recorded at fair value on the date of receipt. Other investments also are recorded at fair value.

University personnel manage certain portfolios while other portfolios are managed by banks, investment advisors, or through trust agreements.

According to the Uniform Prudent Management of Institutional Funds Act (UPMIFA), Section 51-8 of the *Utah Code*, the institution may appropriate for expenditure or accumulate so much of an endowment fund as the university determines to be prudent for uses, benefits, purposes, and duration for which the endowment was established. The endowment income spending practice at June 30, 2023 was 4% of the twelve-quarter moving average of the market value of the endowment pool. The spending practices are reviewed periodically and any necessary changes are made. In general, nearly all of the university's endowment is subject to spending restrictions imposed by donors.

The amount of net appreciation on investments of donor-restricted endowments available for authorization for expenditure at June 30, 2023 was approximately $162,784,359. The net appreciation is a component of restricted expendable net position.

At June 30, 2023, the investment portfolio composition was as follows:

Investments	
Time certificates of deposits	$ 17,388,699
U.S. Treasuries	240,773,939
U.S. Agencies	1,210,471,393
Corporate notes	32,728,701
Exchange traded derivatives	6,747,736
Mutual funds	1,469,620,517
Common and preferred stocks	41,740,534
Total (fair value)	$ 3,019,471,519

4. DEPOSITS AND INVESTMENTS

The State of Utah Money Management Council has the responsibility to advise the Utah State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State, and review the rules adopted under the authority of the Act that relate to the deposit and investment of public funds.

Except for endowment funds, the university follows the requirements of the Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of university funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

For endowment funds, the university follows the requirements of the UPMIFA, the Utah Board of Higher Education Rule 541, *Management and Reporting of Institutional Investments* (Rule 541), and the university's investment policy and endowment guidelines.

ARUP and UUHIP follow their own investment policies and manage their credit risk by requiring that 70% of their investment portfolio must be compliant with the Act. EMSE and CNS follow their own investment policies in order to manage their credit risk. UURF participates in the university's endowment pool.

Deposits

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the university's deposits may not be returned.

At June 30, 2023, the carrying amounts of the university's deposits and bank balances were $99,398,903 and $94,570,815, respectively. The Federal Deposit Insurance Corporation (FDIC) provides separate coverage for deposits held in different account ownership categories. The standard insurance amount is $250,000 per depositor, per insured bank, for each account ownership category. As a result, the bank balances of the university were insured for $2,751,283, by the FDIC. The bank balances in excess of that amount were uninsured and uncollateralized, leaving $91,819,532 exposed to custodial credit risk. The university's policy for reducing this risk of loss is to deposit all such balances in qualified depositories, as defined and required by the Act.

Investments

The Act defines the types of securities authorized as appropriate investments for the university's non-endowment funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

These statutes authorize the university to invest in negotiable or nonnegotiable deposits of qualified or 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 products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), or 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 Act; reciprocal deposits and negotiable brokered certificates of deposit in accordance with the Act; and the Utah Public Treasurers' Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the Securities and Exchange Commission (SEC) as an investment company. The PTIF is authorized and regulated by the Money Management Act (Utah Code, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the Utah State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in realized gains or losses on investments.

The UPMIFA, Rule 541, and the university's endowment guidelines allow the university to invest endowment funds (including gifts, devises, or bequests of property of any kind from any source) in any of the above investments or any of the following subject to satisfying certain criteria: mutual funds registered with the SEC; investments sponsored by the Common Fund; any investment made in accordance with the donor's directions in a written instrument; investments in corporate stock listed on a major exchange (direct ownership); and any alternative investment funds that derive returns primarily from high yield and distressed debt (hedged or non-hedged), private capital (including venture capital and private equity), natural resources, and private real estate assets or absolute return and long/short hedge funds.

Fair Value of Investments

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

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At June 30, 2023, the university had the following recurring fair value measurements:

		Fair Value Measurements Using		
Investments by fair value level	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Debt securities				
Money market mutual funds	$ 463,587,966		$ 463,587,966	
Utah Public Treasurers' Investment Fund	766,429,821		766,429,821	
Time certificates of deposit	21,369,462		21,369,462	
U.S. Treasuries	858,727,890		858,727,890	
U.S. Agencies	1,992,302,722		1,992,302,722	
Corporate notes	61,887,916		61,887,916	
Exchange traded derivatives	6,747,736		6,747,736	
Mutual bond funds	184,360,872	$ 108,588	184,252,284	
Total debt securities	4,355,414,385	108,588	4,355,305,797	
Equity securities				
Common and preferred stocks	41,740,534	28,159,561	5,061,143	$ 8,519,830
Mutual equity funds	628,863,751	11,456,936	617,406,815	
Total equity securities	670,604,285	39,616,497	622,467,958	8,519,830
Total investments by fair value level	5,026,018,670	39,725,085	4,977,773,755	8,519,830
Investments measured at net asset value (NAV)				
Hedged equity	50,301,174			
Private equity	85,564,546			
Venture capital	106,908,771			
Credit sensitive fixed income	108,273,075			
Private real estate	5,999,840			
Private natural resources	2,061,761			
Other real assets	126,511,005			
Diversifying strategies	170,775,721			
Total investments measured at the NAV	656,395,893			
Total investments measured at fair value	$ 5,682,414,564	$ 39,725,085	$ 4,977,773,755	$ 8,519,830

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

- U.S. Treasuries and U.S. Agencies: quoted prices for identical securities in markets that are not active;
- Corporate and Municipal Bonds and Exchange Traded Derivatives and Negotiable Certificates of Deposit: quoted prices for similar securities in active markets;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund; and
- Utah Public Treasurers' Investment Fund: application of the June 30, 2023 fair value factor, as calculated by the Utah State Treasurer, to the university's ending balance in the Fund.

Equity securities, namely common and preferred stocks, classified as Level 3 are valued manually using various sources such as issuer, investment manager or default price if a price is not provided.

Investments valued using the net asset value (NAV) per share (or its equivalent) are considered "alternative investments" and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The university values these investments based on the partnerships' 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 considering subsequent calls and distributions. The following table presents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for the university's alternative investments measured at NAV:

Investments Measured at Net Asset Value (NAV)				
Investments	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Hedged equity	$ 50,301,174		Monthly, quarterly	30-75 days
Private equity	85,564,546	$ 16,311,259	N/A	N/A
Venture capital	106,908,771	43,421,100	N/A	N/A
Credit sensitive fixed income	108,273,075	17,411,953	Quarterly	90 days
Private real estate	5,999,840	3,776,605	N/A	N/A
Private natural resources	2,061,761	684,643	N/A	N/A
Other real assets	126,511,005	26,373,836	N/A	N/A
Diversifying strategies	170,775,721	2,414,322	Daily, quarterly, annually	0-90 days
Total alternative investments	$656,395,893			
Total unfunded commitments		$110,393,718		

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The university's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Act or the UPMIFA and Rule 541, as applicable. For non-endowment funds, Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits and fixed rate corporate obligations to 270 days to 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 ten years. 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.

As of June 30, 2023, the university had debt investments with maturities as shown below:

		Investment Maturities (in years)			
Investment Type	**Fair Value**	**Less than 1**	**1–5**	**6–10**	**More than 10**
Money market mutual funds	$ 463,587,966	$ 463,587,966			
Utah Public Treasurers Investment Fund	766,429,821	766,429,821			
Time certificates of deposit	21,369,462	3,980,763	$ 17,388,699		
U. S. Treasuries	858,727,890	617,954,022	154,136,967	$ 86,636,901	
U. S. Agencies	1,992,302,722	781,832,158	598,450,226	601,461,284	$ 10,559,055
Corporate notes	61,887,916	29,170,494	31,812,285	905,136	
Exchange traded derivatives	6,747,736		1,035,357		5,712,379
Mutual bond funds	184,360,872		83,838,131	100,522,741	
Totals	$ 4,355,414,385	$ 2,662,955,224	$ 886,661,665	$ 789,526,062	$ 16,271,434

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The university's policy for reducing its exposure to credit risk is to comply with the Act, the UPMIFA, and Rule 541, as previously discussed. ARUP and UUHIP manage their credit risk by requiring that 70% of their investment portfolio must be compliant with the Act. CNS and EMSE manage their credit risk based on their investment policies.

At June 30, 2023, the university had debt investments with quality ratings as shown below:

		Quality Rating						
Investment Type	**Fair Value**	**AAA/A-1***	**AA**	**A**	**BBB**	**CCC**	**Unrated**	**No Risk**
Money market mutual funds	$463,587,966	$463,353,204					$ 234,762	
Utah Public Treasurers Investment Fund	766,429,821						766,429,821	
Time certificates of deposit	21,369,462		$1,592,624	$ 5,220,042	$ 2,934,584		11,622,212	
U. S. Treasuries	858,727,890	1,705,511	18,204,666				3,170,418	$835,647,294
U. S. Agencies	1,992,302,722	78,784,323	11,455,063				1,902,063,337	
Corporate notes	61,887,916		1,503,075	55,173,133	4,877,446		334,262	
Exchange traded derivatives	6,747,736				5,510,084	$192,450	1,045,202	
Mutual bond funds	184,360,872						184,360,872	
Totals	$4,355,414,385	$543,843,038	$32,755,428	$60,393,175	$13,322,114	$192,450	$2,869,260,886	$835,647,294

*A-1 is Commercial paper, Certificates of deposit and Agency Note rating

Custodial Credit Risk: Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the university will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The university's policy for reducing its exposure to custodial credit risk is to comply with applicable provisions of the Act. As required by the Act, all applicable securities purchased were delivered versus payment and held in safekeeping by a bank. Also, as required, the ownership of book-entry-only securities, such as U.S. Treasury or Agency securities, by the university's custodial bank was reflected in the book-entry records of the issuer and the university's ownership was represented by a receipt, confirmation, or statement issued by the custodial bank.

At June 30, 2023, the university's custodial bank was both the custodian and the investment counterparty for $2,851,030,612 of U.S. Treasury and Agency securities purchased by the university.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The university's policy for reducing this risk of loss is to comply with the Rules of the Utah Money Management Council or the UPMIFA and Rule 541, as applicable. Rule 17 of the Council limits non-endowment fund investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio at the time of purchase.

For endowments, the university, under Rule 541, is permitted to establish its own investment policy, which adheres to the guidelines established by UPMIFA. Accordingly, the university's Pool Asset Allocation Guidelines allocates endowment funds in the following asset classes:

Asset category	Target	Range
Global equity	**42%**	**30-50%**
Public equities	29%	15-50%
Hedged equity		0-10%
Private equity	13%	0-15%
Global fixed income/credit	**19%**	**10-40%**
Interest rate sensitive	12%	5-40%
Credit sensitive	7%	0-20%
Real assets	**9%**	**10-30%**
Real estate	9%	0-15%
Diversifying strategies	**30%**	**0-30%**

The university diversifies assets among several investment managers of varying investment strategies. Diversification is an effective means of maximizing return while mitigating risk. At June 30, 2023, the university held more than 5% of its total investments in the Federal Home Loan Bank, Federal Farm Credit Bank, and the Federal Agricultural Mortgage Corporation. These investments represent 13.9%, 11.8% and 5.7%, respectively, of the university's total investments.

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 university does not have a formal policy to limit foreign currency risk. At June 30, 2023, the university's exposure to foreign currency risk is $1,556,004 in Private Real Estate investments being held in Euro currency denomination.

5. RECEIVABLES AND ACCOUNTS PAYABLE

Accounts, pledges, and interest receivable include hospital patient accounts, medical services plan accounts, trade accounts, pledges, interest income on investments, and other receivables. Loans receivable predominantly consist of student loans.

Allowances for doubtful accounts are established by charges to operations to cover anticipated losses from accounts receivable generated by sales and services and student loans. Such accounts are charged to the allowance when collection appears doubtful. Any subsequent recoveries are credited to the allowance accounts. Allowances are not established for pledges or in those instances where receivables consist of amounts due from governmental units or where receivables are not material in amount.

The following schedule presents receivables at June 30, 2023, including approximately $6.2 million and $64.7 million of noncurrent loans, and pledges receivable, respectively:

Accounts	$1,296,558,792
Grants and contracts	90,443,938
Loans	11,834,192
Leases	133,222,773
Pledges	72,625,869
Interest	21,879,586
Total receivables	1,626,565,150
Less allowances for doubtful accounts	(681,096,921)
Receivables, net	$ 945,468,229

The following schedule presents the major components of accounts payable at June 30, 2023:

Vendors	$ 76,310,722
Interest	39,938,695
Payable to State	61,451,419
Other	68,838,943
Total accounts payable	$246,539,779

6. OTHER ASSETS

In the course of licensing intellectual property to business partners, the UURF may be granted an equity position in the entity the business partner has organized to commercialize university technology. The primary purpose of licensing university technology to the commercial entity, as well as, providing funding to the commercial entity, is to encourage research and positively impact the state, nation and world. The equity holdings the UURF is granted are a consequence of licensing university technology and do not meet the definition of investments for purposes of GASB 72 and thus, are classified as other assets in the Statement of Net Position.

Utah Education and Telehealth Network has prepaid expenditures totaling roughly $18.9 million for software licensing and networking for higher education, K-12, and the library systems throughout Utah.

U of U Health has prepaid claims expenditures of roughly $48.9 million.

7. CAPITAL ASSETS

Buildings; infrastructure and improvements, which include roads, curb and gutter, streets and sidewalks, and lighting systems; land; equipment; library materials; and intangible assets (primarily software) are valued at historical cost or at acquisition value at the date of donation. Buildings, infrastructure and improvements, and additions to existing assets are capitalized when acquisition cost equals or exceeds $250,000 for the university or $50,000 for U of U Health. Equipment is capitalized when acquisition costs exceed $5,000 for the university. For U of U Health equipment is capitalized when acquisition costs exceed $3,000 and has a useful life of 3 years or more. All costs incurred in the acquisition of library materials are capitalized. Purchased software is capitalized when acquisition costs are $100,000 or greater for the university, or exceed $3,000 and have a useful life of 3 years or more for U of U Health. Internally developed software is capitalized when development costs are $1,000,000 or greater for both the university and U of U Health. All campus land acquired through grants from the U.S. Government has been valued at $3,000 per acre. Other land acquisitions have been valued at original cost or fair market value at the date of donation in the case of gifts. Buildings, improvements, land, and equipment of component units have been valued at historical cost.

Capital assets of the university and its component units are depreciated on a straight-line basis over their estimated useful lives. The estimated useful lives of university assets extend to forty years on buildings, from five to eighty years on infrastructure and improvements, twenty years on library books, from five to twenty years on equipment and from five to ten years on software. The estimated useful lives of component unit assets extend to fifty years on buildings and improvements and from three to eight years on equipment. Land, art and special collections, and construction in progress are not depreciated.

At June 30, 2023, the university had outstanding commitments for the construction and remodeling of university buildings of approximately $259.4 million. Capital assets at June 30, 2023, were as follows:

(in thousands of dollars)	Beginning Balance	Additions	Retirements	Ending Balance
Art and special collections	$ 107,978	$ 8,793	$ (245)	$ 116,526
Buildings	4,685,746	407,396	(11,911)	5,081,231
Construction in progress	530,777	404,778	(429,612)	505,943
Equipment	1,437,083	149,698	(48,159)	1,538,622
Infrastructure and improvements	555,420	23,638		579,058
Land	109,444	11,712	(9,439)	111,717
Library materials	133,819	361	(1,406)	132,774
Right-to-use leases				
ROU-Buildings	121,741	31,659	(33,394)	120,006
ROU-Land	135	14	(71)	78
ROU-Equipment	15,252	2,309	(2,951)	14,610
ROU-SBITA		65,320		65,320
Total cost	7,697,395	1,105,678	(537,188)	8,265,885
Less accumulated depreciation & amortization				
Buildings	1,834,206	136,097	(87)	1,970,216
Infrastructure and improvements	324,363	28,299		352,662
Equipment	1,075,524	115,013	(47,188)	1,143,349
Library materials	120,164	1,732	(1,406)	120,490
Right-to-use leases				
ROU-Buildings	23,872	18,423	(6,600)	35,695
ROU-Land	67	42		109
ROU-Equipment	4,116	3,235	(1,112)	6,239
ROU-SBITA		19,548		19,548
Total accumulated depreciation &amortization	3,382,312	322,389	(56,393)	3,648,308
Capital assets, net	$4,315,083	$783,289	$(480,795)	$4,617,577

8. PENSION PLANS AND RETIREMENT BENEFITS

As required by state law, eligible nonexempt employees (as defined by the U.S. Fair Labor Standards Act) of the university are covered by defined benefit plans sponsored by the Utah Retirement Systems (Systems) and eligible exempt employees (as defined by the U.S. Fair Labor Standards Act) are covered by defined contribution plans, such as the Teachers Insurance and Annuity Association (TIAA), the U of U Health 401(a) Plan, the U of U Health Hospital Plan Plus (HPP) Benefit Program, or Fidelity Investments (Fidelity). Eligible employees of ARUP are covered by a separate defined contribution pension and profit-sharing plan. Eligible employees of CNS are covered by a separate 403(b) tax-sheltered annuity contribution plan.

Defined Benefit Plans

Eligible plan participants are provided with pensions through the Utah Retirement Systems. Utah Retirement Systems are comprised of the following Pension Trust Funds:

- Public Employees Noncontributory Retirement System (Noncontributory System) and the Public Employees Contributory Retirement System (Contributory System) both of which are cost-sharing, multiple-employer public employee retirement systems.

- The Public Safety Retirement System (Public Safety System) which is a cost-sharing, multiple-employer public employee retirement system.

- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System), and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighter System) which are multiple employer, cost sharing, public employee retirement systems.

The Tier 2 Public Employee System and the Tier 2 Public Safety and Firefighter System were created July 1, 2011. All eligible employees who have no previous service credit with any of the Utah Retirement Systems prior to that date, are members of the Tier 2 Retirement Systems.

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated, 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board (Board), whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing to the Utah Retirement Systems at 560 East 200 South, Salt Lake City, UT 84102 or visiting the www.urs.org/general/publications.

The Systems provide retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

System	Final Average Salary	Years of Service required and/ or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.00% per year July 1975 to present	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2% per year over 20 years	Up to 2.5% to 4% depending on the employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year to June 30, 2020; 2.0% per year July 1, 2020 to present	Up to 2.5%

* With actuarial reductions

** All post-retirement cost of living adjustments are non-compounding and are based on the original benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2023 are as follows:

	Paid by Employer for Employee	Employer Contribution Rates
Noncontributory System		
State and School Division Tier 1	N/A	22.19%
Contributory System		
Higher Education Division Tier 1	6%	17.70%
Higher Education Division Tier 2*	N/A	19.84%
Public Safety System		
Public Safety Tier 2*	2.59%	32.54%

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

For the year ended June 30, 2023, the university and employee contributions to the plans were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	$ 22,655,898	
Contributory System	427,447	$ 144,897
Public Safety System	1,378,370	
Tier 2 Public Employees System	4,811,410	
Tier 2 Public Safety and Firefighter System	353,033	28,099
Total Contributions	$ 29,626,158	$ 172,996

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

At June 30, 2023, the university's net pension asset and liability were as follows:

	Proportionate Share December 31, 2022	Proportionate Share December 31, 2021	Change Increase/ (Decrease)	Net Pension Asset	Net Pension Liability
Noncontributory System	50.0261072%	50.2718785%	(0.2457713%)	$ 875,735	
Contributory System	76.4430538%	75.8194098%	0.6236440%	706,325	
Public Safety System	2.5992446%	2.1753500%	0.4238946%		$ 2,050,514
Tier 2 Public Employees System	1.0458328%	1.2118460%	(0.1660132%)		1,138,801
Tier 2 Public Safety and Firefighter System	0.2906442%	0.2350836%	0.0555606%		24,247
Total Net Pension Asset / Liability				$ 1,582,060	$ 3,213,562

The net pension asset and liability were measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2023, the university recognized pension expense of ($17,757,269) for the defined benefit pension plans.

At June 30, 2023, the university reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,604,942	$ 1,016,509
Changes in assumptions	618,540	5,326
Net difference between projected and actual earnings on pension plan investments	19,446,944	
Changes in proportion and differences between contributions and proportionate share of contributions	680,416	651,246
Contributions subsequent to measurement date	15,143,396	
Total	$ 42,494,238	$ 1,673,081

Contributions made between January 1, 2023 and June 30, 2023 of $15,143,396 are reported as deferred outflows of resources related to pensions. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended December 31,	Net Deferred Outflows/ (Inflows) of Resources
2023	$ (12,427,372)
2024	(3,755,857)
2025	8,794,989
2026	32,721,833
2027	71,564
Thereafter	272,603

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 – 9.25 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actual experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

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

The actuarial assumptions used in the January 1, 2022 valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Expected Return Arithmetic Basis		
Asset Class	**Target Asset Allocation**	**Real Return Arithmetic Basis**	**Long-Term expected portfolio real rate of return**
Equity securities	35%	6.58%	2.30%
Debt securities	20%	1.08%	0.22%
Real assets	18%	5.72%	1.03%
Private equity	12%	9.80%	1.18%
Absolute return	15%	2.91%	0.44%
Cash and cash equivalents	0%	(0.11)%	0.00%
Totals	100%		5.17%
Inflation			2.50%
Expected arithmetic nominal return			7.67%

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

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumes 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 Index Rate.

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

	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Proportionate Share of Net Pension Liability (Asset)			
Noncontributory System	$ 133,282,045	$ (875,735)	$(113,272,093)
Contributory System	9,851,237	(706,325)	(9,797,666)
Public Safety	7,709,204	2,050,514	(2,601,987)
Tier 2 Public Employees System	4,975,935	1,138,801	(1,817,225)
Tier 2 Public Safety and Firefighter System	194,089	24,247	(110,737)
Totals	$ 156,012,510	$ 1,631,502	$(127,599,708)

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Plans

The university offers employees the choice between URS, TIAA, and Fidelity for individual retirement funds. Employees who participate in the State and School Noncontributory and Tier 2 pension plans also participate in qualified contributory 401(k) savings plans administered by the Utah Retirement Systems (Systems). For employees participating in the Noncontributory, Contributory and Public Safety systems, the university contributes 1.5%, 0.18%, and 0%, respectively of participating employees' annual salaries to a 401(k)-plan administered by the Systems. For employees participating in the Tier 2 Public Employee defined contribution plan and Tier 2 Public Safety and

Firefighter defined contribution plan, the university is required to contribute 10.02% and 18.54%, respectively, of the employee's salary, of which 10% and 14%, respectively, is paid into the 401(k) plan while the remainder is contributed to the Tier 1 Contributory Public Employee System, as required by law. During the year ended June 30, 2023, the university's contribution totaled $2,201,783, which was included in the pension expense, and the participating employees' voluntary contributions totaled $302,561. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

TIAA and Fidelity provide individual retirement fund contracts with each participating employee. Employees may allocate contributions by the university to any or all of the providers and the contributions to the employee's contract(s) become vested at the time the contribution is made. Employees are eligible to participate from the date of employment and are not required to contribute to the fund. Benefits provided to retired employees are based on the value of the individual contracts and the estimated life expectancy of the employee at retirement. For the year ended June 30, 2023, the university's contribution to these defined contribution pension plans was 14.2% of the employees' annual salaries. Additional contributions are made by the university based on employee contracts. The university has no further liability once contributions are made.

U of U Health 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 U of U Health Chief Human Resources Officer. The administrator has the authority to amend, modify, or terminate the plan. U of U Health is required to contribute 14.2% 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. U of U Health contributes 6% 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% of salary and fully vest in the U of U Health's contributions to both plans after five years of service. Plan member contributions were approximately $59,165,000 for the year ended June 30, 2023.

In addition, employees of the university may also contribute to 403(b), 457(b) traditional, Roth IRA, or a 401(k) plan. The total fiscal year 2023 employee contributions to these plans were $157,039,812.

The ARUP defined contribution pension and profit-sharing plan provides 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% 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% of their compensation and does not contribute any social security tax on their behalf. All pension contributions are immediately and fully vested.

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 totaled $39,011,663 for the year ended June 30, 2023.

For the year ended June 30, 2023, the university's contributions to the defined contribution plans were equal to the required amounts, as shown below:

	2023
TIAA	$ 101,115,090
Fidelity	93,248,972
401(a), Hospital Plan Plus, & 403(b)	85,704,891
Employer 401(k) contributions	2,201,783
ARUP defined contribution plan	23,974,215
ARUP profit sharing plan	10,899,073
CNS 403(b)	337,127
Total employer contributions	$ 317,481,151

9. UNEARNED REVENUE

Unearned revenue consists of summer session tuition and fees, advance payments on grants and contracts, advance ticket sales for various athletic and cultural events, and results of normal operations of auxiliary enterprises and service units.

10. FUNDS HELD IN TRUST BY OTHERS

Funds held in trust by others for the sole benefit of the university are neither in the possession of nor under the management of the university. These funds, which are not recorded on the university's financial records and which arose from contributions, are held and administered by external fiscal agents, selected by the donors, who distribute net income earned by such funds to the university, where it is recorded when received. The fair value of funds held in trust at June 30, 2023 was $179.4 million.

In addition, certain funds held in trust by others are comprised of stock, reported at a value of $16,287,653 as of June 30, 2023, based on a predetermined formula. The fair value of this stock as of June 30, 2023 cannot be determined because the stock is not actively traded.

11. RISK MANAGEMENT AND INSURANCE

The university maintains insurance coverage for commercial general liability, automobile, errors and omissions, and property (building and equipment) through policies administered by the Utah State Division of Risk Management. Employees of the university and authorized volunteers are covered by workers' compensation and employees' liability through the Workers' Compensation Fund.

In addition, the university maintains self-insurance funds for health care, dental, and auto/physical damage, as well as hospital and physician's malpractice liability self-insurance funds. The malpractice liability self-insurance funds are held in trust with an independent financial institution in compliance with Medicare reimbursement regulations. Based on an analysis prepared by an independent actuary, the administration believes that the balance in the trust funds as of June 30, 2023, is adequate to cover any claims incurred through that date. The university and U of U Health have a "claims made" umbrella medical professional liability insurance policy in the amount of $20,000,000 for catastrophic malpractice liabilities in excess of the trusts' fund balances, the coverage provides for $5,000,000 per occurrence and $26,000,000 in aggregate.

The estimated self-insurance claims liability is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, as amended by GASB Statement No. 30, *Risk Financing Omnibus*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the university's estimated self-insurance claims liability for the years ended June 30 is shown below:

	2023	2022
Estimated claims liability - beginning of year	$ 92,866,759	$84,243,634
Current year claims and changes in estimates	296,501,082	284,724,035
Claim payments, including related legal and administrative expenses	(278,505,183)	(276,100,910)
Estimated claims liability - end of year	$110,862,658	$92,866,759

The university has recorded the investments of the malpractice liability trust funds at June 30, 2023, and the estimated liability for self-insurance claims at that date in the Statement of Net Position. The income on fund investments, the expenses related to the administration of the self-insurance and malpractice liability trust funds, and the estimated provision for the claims liability for the year then ended are recorded in the Statement of Revenues, Expenses, and Changes in Net Position.

In 2016, UUHIP launched into the commercial health insurance market in Utah, specifically in the individual and large group market. To stabilize financial results, the federal government established a permanent risk adjustment sharing program with insurers of ACA-compliant plans that redistributes insurer premiums based on qualitative market data.

UUHIP has a reinsurance arrangement whereby premiums and benefits are ceded to another insurance company. The agreement is for certain coverage that provides reinsurance protection for 90% of qualified health claims in excess of $600,000 per occurrence. In addition, Health Care Utah (HCU), a component unit of UUHIP, separately maintained medical claims reinsurance with a deductible of $250,000 during 2022. The reinsurance pays 90% of losses in excess of the deductible, with annual limits of $2 million per member per year. Premiums to reinsurers for reinsurance ceded reduced premium revenue by approximately $3,636,000 during 2022. Excluding amounts recoverable under the ACA transitional reinsurance program, UUHIP had approximately $3,280,000 in reinsurance recoveries that reduced health benefits during 2022. UUHIP also had approximately $1,335,000 in reinsurance amounts recoverable included in other current assets at December 31, 2022. During the year ended December 31, 2022, UUHIP did not commute any ceded reinsurance nor did it enter into or engage in any loss portfolio transfer for any lines of business. Changes in UUHIP's estimated claims liability for the years ended December 31 is shown below:

	2022	2021
Estimated claims liability - beginning of year	$45,207,318	$40,541,399
Current year claims and changes in estimates	268,846,049	286,547,897
Claim payments, including related legal and administrative expenses	(278,694,832)	(281,881,978)
Estimated claims liability - end of year	$35,358,535	$45,207,318

Due to uncertainties inherent in the reserving process, there is at least a reasonable possibility that actual claims paid could differ materially from amounts accrued at December 31, 2022.

12. INCOME TAXES

The university, as a political subdivision of the State, has a dual status for federal income tax purposes. The university is both an Internal Revenue Code (IRC) Section 115 organization and an IRC Section 501(c) (3) charitable organization. This status exempts the university from paying federal income tax on revenue generated by activities which are directly related to the university's mission. This exemption does not apply to unrelated business activities. On these activities, the university is required to report and pay federal and state income tax.

UURF is not subject to income taxes under Section 501(c) (3) of the IRC. ARUP is also not subject to income taxes based on a private letter ruling from the Internal Revenue Service stating that certain income providing an essential governmental function is exempt from federal income taxes under IRC Section 115. UUHIP has requested a ruling from the IRS that UUHIP's gross income be excluded from income under IRC Section 115. However, the outcome of that ruling request is uncertain. CNS is not subject to income taxes under Section 501(c) (3) of the IRC. EMSE is not subject to income taxes under Section 501(c) (3) of the IRC.

13. HOSPITAL REVENUE

A. Net Patient Service Revenue

U of U Health reports net patient service revenue at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Charity care is excluded from net patient service revenue.

U of U Health has third-party payor agreements with Medicare, Medicaid, and commercial insurance program that provide for payments to U of U Health at amounts different from established rates. Inpatient acute care services rendered to Medicare, Medicaid, and commercial program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical diagnosis and other factors. Most outpatient services related to Medicare beneficiaries are reimbursed prospectively under the ambulatory payment classifications methodology. U of U Health is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after audits of U of U Health's annual cost reports by the Medicare fiscal intermediary and Medicaid.

The estimated final settlements for open years are based on preliminary cost findings after considering interim payments that have been received on behalf of patients covered under these programs.

B. Charity Care

U of U Health maintains records to identify and monitor the level of charity care it provides. Based on established rates, the charges foregone resulting from charity care during the year ended June 30, 2023, were approximately $83.8 million. CNS estimated approximately $0.7 million in estimated cost or foregone revenue of charity care for the year ended December 31, 2022.

C. Other Uncompensated Care

CNS provides services for which payments for such services are accepted under contracts with third-party payors such as Medicare, Medicaid, and other payor sources, whereby such accepted payments are less than the full amounts billable under CNS's rate schedule. Total contractual adjustments for the year ended December 31, 2022 were $24,271,323.

U of U Health maintains records to identify uncompensated care, mostly from bad debt, totaling $78.6 million for the year ended June 30, 2023.

14. LEASES

A. Revenue

UURF receives land lease revenues from non-cancelable lease agreements with tenants of the Research Park and from tenants occupying ten buildings owned by UURF. The university receives lease revenue from nine buildings and five dark fiber networks. The U of U Health receives land lease revenue from a lease agreement with the

Veteran's Administration Hospital located in Salt Lake City. The total amount of inflows of resources, including lease revenue and interest revenue, recognized during the fiscal year was approximately $9.4 million.

B. Commitments

The university, U of U Health, ARUP, and CNS have entered into lease agreements involving certain buildings, land and equipment. The total right of use asset is recorded at a cost of $134.7 million and accumulated amortization of $42 million.

Future minimum lease payments under lease agreements as of June 30, 2023 are as follows:

(in thousands)			
Fiscal Year	**Principal**	**Interest**	**Total**
2024	$ 18,179	$ 1,158	$ 19,337
2025	12,985	996	13,981
2026	11,210	886	12,096
2027	9,183	785	9,968
2028	6,878	701	7,579
2029-2033	19,390	2,687	22,077
2034-2038	11,051	1,589	12,640
2039-2044	4,784	631	5,415
2045-2049	3,079	174	3,253
2050-2054	256	2	258
Total	$ 96,995	$ 9,609	$106,604

15. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The university, U of U Health, and ARUP have individually entered into subscription-based information technology arrangements (SBITAs) with third-party vendors to address their respective operational needs. As of June 30, 2023, the combined net right-to-use assets amount to approximately $45.8 million, with a corresponding total subscription liability of $30.5 million.

Future minimum subscription payments under SBITAs as of June 30, 2023 are as follows:

(in thousands)			
Fiscal Year	**Principal**	**Interest**	**Total**
2024	$ 14,307	$ 566	$ 14,873
2025	9,666	315	9,981
2026	4,379	109	4,488
2027	2,138	43	2,181
2028			
2029-2033			
2034-2038			
2039-2044			
2045-2049			
2050-2054			
Total	$ 30,490	$ 1,033	$ 31,523

16. BONDS PAYABLE AND OTHER LONG-TERM LIABILITIES

The long-term debt of the university consists of bonds payable, certificates of participation, lease obligations, compensated absences, net pension liability, and other obligations.

The Utah Board of Higher Education issues revenue bonds to provide funds for the construction and renovation of major capital facilities and the acquisition of capital equipment for the university. In addition, revenue bonds have been issued to refund other revenue bonds and capitalized leases.

The revenue bonds are special limited obligations of the university. The obligation for repayment is solely that of the university and payable from the net revenues of auxiliary enterprises and U of U Health, student building fees, land grant income, and recovered indirect costs. Neither the full faith and credit nor the taxing power of the State or any other political subdivision of the State is pledged to the payment of the bonds, the distributions or other costs associated with the bonds.

During fiscal year 2023 the university issued $562,839,565 General Revenue Bonds Series 2022B. Proceeds from the 2022B bond were used to finance construction of four projects, the second phase of the Impact Health and Prosperity Epicenter building project, the Kahlert Village 4th Wing project, the Huntsman Mental Health Institute project, and the West Valley Hospital Complex project. In addition, during fiscal year 2023 the university issued $178,708,580 General Revenue Bond Series 2023A. Proceeds from the 2023A bond were used to finance construction of three projects, the Medical Education Building project, the Sorensen Innovation and Discovery Project, and the Applied Sciences project, as well as to pay costs of issuance.

The following schedule lists the outstanding bonds payable and certificates of participation of the university at June 30, 2023:

Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Current Liability	Balance 06/30/23 (a)
Auxiliary and Campus Facilities						
Series 1998A - Revenue Refunding	07/01/98	2029	4.100% - 5.250%	120,240,000	$ (63,154)	$ 30,679,446
Series 2010C - Taxable Revenue	12/28/10	2036	1.750% - 5.890%	42,525,000	(1,755,000)	29,135,000
Hospital Facilities						
Series 2009B - Taxable Revenue	12/17/09	2031	4.697% - 5.247%	41,785,000	(2,875,000)	26,550,000
Series 2016A - Revenue	03/08/16	2036	3.000% - 5.000%	8,395,000	(75,102)	1,045,178
Research Facilities						
Series 2009B - Taxable Revenue	08/26/09	2029	5.670% - 6.279%	27,730,000		15,170,000
General Revenue						
Series 2013A - Revenue	07/30/13	2043	5.000%	127,925,000	(6,409,703)	6,409,703
Series 2014A - Revenue Refunding	04/01/14	2027	4.000% - 5.000%	32,785,000	(7,001,330)	16,768,254
Series 2014B - Revenue Refunding	07/15/14	2038	2.000% - 5.000%	76,200,000	(3,494,525)	3,494,525
Series 2015A - Revenue Refunding	01/07/15	2034	1.500% - 5.000%	45,330,000	(1,092,860)	2,112,651
Series 2015B - Revenue Refunding	05/13/15	2035	3.000% - 5.000%	91,570,000	(14,438,472)	48,787,772
Series 2016A - Revenue Refunding	03/08/16	2036	3.000% - 5.000%	68,210,000	(9,048,213)	55,349,279
Series 2016B - Revenue Refunding	11/29/16	2036	2.000% - 5.000%	131,720,000	(16,300,304)	129,764,099
Series 2017A - Revenue Refunding	09/13/17	2039	4.000% - 5.000%	155,930,000	(11,029,350)	152,793,741
Series 2017B - Revenue Refunding	12/21/17	2038	3.000% - 5.000%	96,550,000	(6,205,504)	98,435,404
Series 2018A - Revenue	07/17/18	2044	4.000% - 5.000%	80,040,000	(2,670,057)	85,336,777
Series 2019A - Revenue	12/03/19	2039	4.000% - 5.000%	74,050,000	(5,784,349)	83,540,095
Series 2019B - Revenue	12/03/19	2039	3.073% - 3.351%	30,165,000		30,165,000
Series 2020A - Revenue	06/24/20	2041	4.000% - 5.000%	84,635,000	(1,874,661)	108,582,059
Series 2020B - Revenue	06/24/20	2032	0.577% - 1.866%	20,115,000	(1,780,000)	16,595,000
Series 2021A - Revenue	02/02/21	2041	4.000% - 5.000%	94,620,000	(2,222,220)	120,582,460
Series 2021B - Revenue Refunding	02/02/21	2039	0.177% - 2.256%	76,870,000	(540,000)	75,790,000
Series 2022A - Revenue	01/11/22	2051	4.000% - 5.000%	186,285,000	(1,824,628)	226,723,235
Series 2022B - Revenue	07/06/22	2051	0.05	478,430,000	(5,489,575)	558,526,630
Series 2023A - Revenue	02/02/23	2043	0.05	154,380,000	(1,674,616)	178,708,580
Certificates of Participation						
Series 2015	06/10/15	2026	1.800%	10,050,000		
Total					$(103,648,622)	$2,101,044,887

(a) Includes unamortized premiums on refunding.

UURF has purchased two buildings and entered into two loan agreements with the university, as well as one mortgage guaranteed by the university. The remaining loan amounts are, $3,523,745 with an interest rate of 2.5% and $7,688,372 with an interest rate of 3.5% based on 5-year and 10-year repayment plans respectively, with call for annual payments. The remaining amount of the mortgage is $14,640,098 at 5.53% interest. It is anticipated the mortgage will be paid off on September 30, 2028.

The following schedule summarizes the changes in long-term liabilities for the year ended June 30, 2023.

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds payable	$1,420,552,598	$ 752,377,791	$ (71,885,504)	$2,101,044,886	$103,648,622
Certificates of participation	1,700,000		(1,700,000)		
Leases payable	113,011,670	32,952,152	(48,969,371)	96,994,451	18,178,909
Financed purchase obligations	137,635,139	16,320,225	(45,471,091)	108,484,273	16,322,648
SBITA (GASB 96)		30,490,203		30,490,203	14,307,304
Notes and contracts payable	23,466,187	305,197	(3,267,411)	20,503,974	4,928,044
Total long-term debt	1,696,365,595	832,445,568	(171,293,376)	2,357,517,787	157,385,527
Compensated absences	137,774,486	138,834,501	(118,408,524)	158,200,462	109,308,826
Net pension liability		3,213,562		3,213,562	
Deposits and other liabilities	325,130,918	384,587,773	(290,992,096)	418,726,595	385,729,021
Total long-term liabilities	$2,159,270,998	$1,359,081,404	$(580,693,996)	$2,937,658,406	$652,423,373

Maturities of principal and interest requirements for long-term debt payable are as follows:

	Payments	
Fiscal Year	Principal	Interest
2024	$ 157,385,527	$ 89,220,448
2025	150,800,747	84,731,065
2026	135,880,455	80,529,303
2027	152,881,105	76,084,224
2028	150,898,097	70,567,525
2029 – 2033	581,372,677	274,496,775
2034 – 2038	530,995,555	168,556,141
2039 – 2043	371,992,653	64,547,668
2044 – 2048	87,393,719	18,938,610
2049 – 2053	37,909,221	2,273,200
2054 – 2058	8,031	
	$2,357,517,787	$929,944,959

Interest related to bond systems with pledged revenues amounts to $902,482,157 and is included in the interest amounts in the above schedule.

17. RETIREMENT OF DEBT

In prior years, the university 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 university's financial statements. The total principal amount of defeased bonds held in irrevocable trusts at June 30, 2023 is $171,705,000.

18. PLEDGED BOND REVENUE

The university issues revenue bonds to provide funds for the construction and renovation of major capital facilities and the acquisition of capital equipment for the university. Investors in these bonds rely solely on the net revenue pledged by the general revenue of the university for the retirement of outstanding bonds payable.

The schedule below presents the net revenue pledged and the principal and interest paid for the year ended June 30, 2023.

Revenue	
Operating revenue	$ 4,513,978,217
Nonoperating revenue	172,943,948
Total revenue	4,686,922,165
Expenses	
Operating expenses	4,405,253,846
Nonoperating expenses	
Total expenses	4,405,253,846
Net pledged revenue	281,668,319
Principal and interest paid	$ 105,033,927

19. FUNCTIONAL CLASSIFICATION OF EXPENSES

The following schedule presents, in thousands of dollars, operating expenses by functional classification for the year ended June 30, 2023:

Function	Compensation and Benefits	Supplies and Services	Utilities	Scholarships & Fellowships	Depreciation	Medical Claims	Component Units	Total
Instruction	$ 496,274	$ 65,183	$ 2,955	$19,865				$ 584,277
Research	361,338	177,833	1,597	1,806				542,574
Public Service	739,669	85,758	19,540	894				845,861
Academic Support	193,570	55,419	3,390	406				252,785
Student Services	54,173	40,187	4,624	189				99,173
Institutional Support	209,193	41,922	6,670	922	$ 22,790			281,497
O & M Plant	47,788	50,126	42,798	1				140,713
Scholarships	10,669	94,786	80	12,971				118,506
Hospital	1,393,807	1,133,955	26,281		110,155	$ 25,506		2,689,704
Component Units	10,539				44,808		$1,044,639	1,099,986
Health Plans	19,662	6,744	1,122		1,230	269,636		298,394
Other	113,834	4,063	9,160	1,642	146,814			275,513
Total	$3,650,516	$1,755,976	$118,217	$38,696	$325,797	$295,142	$1,044,639	$7,228,983

20. BLENDED COMPONENT UNITS

The following schedules present, exclusive of eliminations, condensed statements of net position, changes in net position, and cash flows for UURF, ARUP, UUHIP, CNS, and EMSE. Amounts for UURF, ARUP, and EMSE are for the year ended June 30, 2023. Amounts for UUHIP and CNS are for the year ended December 31, 2022.

Condensed Statement of Net Position	UURF	ARUP	UUHIP	CNS	EMSE	Eliminations increase/ (decrease)	Total
Assets							
Current assets	$46,232,456	$310,289,126	$182,797,307	$ 19,845,330	$ 3,445,801	$ 36,475,232	$ 599,085,252
Capital assets, net	88,424,353	424,240,799		6,727,205		(59,857,215)	459,535,142
Other noncurrent assets	205,602,308	8,630,510		598,373	35,890,324	(173,343,277)	77,378,238
Total assets	340,259,117	743,160,435	182,797,307	27,170,908	39,336,125		1,135,998,632
Deferred Outflows of Resources							
Deferred outflows related to consideration in excess of net position acquired			23,797,168				23,797,168
Total deferred outflows of resources			23,797,168				23,797,168
Liabilities							
Current liabilities	15,914,071	83,913,577	142,975,131	7,406,395		(265,565,333)	(15,356,159)
Noncurrent liabilities	21,771,125	34,959,409	54,972,706	844,311		(155,860,612)	(43,313,061)
Total liabilities	37,685,196	118,872,986	197,947,837	8,250,706			(58,669,220)
Deferred Inflows of Resources							
Deferred inflows related to leases	193,950,550					(168,992,698)	24,957,852
Total deferred inflow of resources	193,950,550						24,957,852
Net Position							
Net investment in capital assets	62,572,137	386,040,275					448,612,412
Restricted expendable				401,301	39,359,360		39,760,661
Unrestricted	46,051,234	238,247,174	8,646,638	18,518,901	(23,235)	393,693,383	705,134,095
Total net position	$108,623,371	$624,287,449	$ 8,646,638	$18,920,202	$39,336,125		$1,193,507,168

Condensed Statement of Revenues, Expenses, and Changes in Net Position							
	UURF	**ARUP**	**UUHIP**	**CNS**	**EMSE**	**Eliminations increase/ (decrease)**	**Total**
Operating Revenues							
Leases	$ 22,175,209					$ (15,797,649)	$ 6,377,560
Royalties	22,861,515						22,861,515
Sales and services		$863,479,418	$313,461,879	$58,361,279		(121,985,912)	1,113,316,664
Net increase (decrease) in fair value of investments	(1,257,231)						(1,257,231)
Total operating revenues	43,779,493	863,479,418	313,461,879	58,361,279			1,141,298,508
Operating Expenses							
Operating expenses	26,657,459	745,579,836	317,985,380	56,327,164	$ 405,476	(189,662,305)	957,293,010
Depreciation	3,442,814	40,535,655		829,933			44,808,402
Total operating expenses	30,100,273	786,115,491	317,985,380	57,157,097	405,476		1,002,101,412
Operating income (loss)	13,679,220	77,363,927	(4,523,501)	1,204,182	(405,476)		139,197,096
Nonoperating Revenues (Expenses)							
Investment income		2,983,275	(6,716,167)				(3,732,892)
Interest expense	(1,136,996)		(2,200,261)				(3,337,257)
Federal income tax expense			(6,221,674)				(6,221,674)
Sale of equity investments	194,817						194,817
Contributions from (distributions to) the University	(1,340,810)	(59,019,071)				59,677,503	(682,378)
Other non-operating income / (expenses)			(2,974,646)	1,464	2,529,992		(443,190)
Total nonoperating revenues / (expenses)	(2,282,989)	(56,035,796)	(18,112,748)	1,464	2,529,992		(14,222,574)
Net increase (decrease) in net position	11,396,231	21,328,131	(22,636,249)	1,205,646	2,124,516		124,974,522
Net Position							
Net position - beginning of year	100,768,928	602,959,318	31,282,887	17,714,556	37,211,609	$282,137,136	1,072,074,434
Adjustments to beginning net position	(3,541,788)						(3,541,788)
Net position - beginning of year, as adjusted	97,227,140	602,959,318	31,282,887	17,714,556	37,211,609	282,137,136	1,068,532,646
Net position - end of year	$108,623,371	$624,287,449	$ 8,646,638	$18,920,202	$39,336,125		$ 1,193,507,168

Condensed Statement of Cash Flows							
	UURF	**ARUP**	**UUHIP**	**CNS**	**EMSE**	**Eliminations increase/ (decrease)**	**Total**
Net cash provided (used) by operating activities	$18,259,374	$109,300,274	$13,431,086	$ 1,866,236	$(428,711)	$(24,839,548)	$117,588,711
Net cash provided (used) by noncapital financing activities	(4,785,836)	(58,336,693)	25,000,000		5,000,000	47,935,987	14,813,458
Net cash used by capital and related financing activities	(16,826,250)	(46,345,084)		(425,460)			(63,596,794)
Net cash provided (used) by investing activities	2,014	3,627,404	(27,077,256)	(379,249)	(4,570,006)	(2,959,041)	(31,356,134)
Net increase (decrease) in cash	(3,350,698)	8,245,901	11,353,830	1,061,527	1,283		37,449,240
Cash - beginning of year	41,505,204	11,262,226	44,301,429	10,616,350		96,012,535	92,256,482
Cash - end of year	$38,154,506	$19,508,127	$55,655,259	$11,677,877	$ 1,283		$129,705,722

21. LINE OF CREDIT

ARUP has an uncollateralized line of credit with a bank that provides for borrowings up to $10 million and is established as a contingency reserve to provide liquidity in the event disbursements presented to the bank exceed available cash balances. The line of credit bears interest at the lender's Bloomberg Short Term Bank Yield Index (BSBY) rate (5.46% at June 30, 2023) plus 2.0%, but not to exceed the maximum rate allowed by applicable law. The agreement requires renewal every second year in November. The current agreement expires on November 30, 2024. ARUP pays no fees for the unused portion of this line of credit, and there are no compensating balance requirements imposed. There were no borrowings on this line of credit during the year ended June 30, 2023.

Community Nursing Services has a revolving line of credit with a commercial bank in the amount of $2,500,000. The line of credit matured in September 2022 and was not renewed. Borrowing limitations are based on 80% of eligible accounts receivable. As of both December 31, 2022 and 2021, the outstanding balance on the line of credit was $0. The line of credit bears interest at an annual rate equal to the 90-day LIBOR rate plus 2.75%, (5.52% as of December 31, 2022). The line of credit is secured by substantially all of the CNS's accounts receivable.

22. SUBSEQUENT EVENTS

In July 2023, the university issued $163.8 million of General Revenue Bonds, Series 2023B. Principal on the bonds is due annually commencing August 1, 2025 through August 2053. Proceeds from this bond are to be used to finance construction of West Village Family and Graduate Housing Phase Two project.

REQUIRED SUPPLEMENTARY INFORMATION

University of Utah Proportionate Share of the Net Pension Liability
Noncontributory, Contributory, & Tier 2 Public Employees Systems of the Utah Retirement Systems for the years ended December 31

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Noncontributory System									
Proportion of Net Pension Liability (Asset)	50.02610720%	50.27187850%	50.27187850%	52.37038760%	4.15081110%	4.43149890%	4.72255030%	5.06361980%	5.10932610%
Proportionate Share of Net Pension Liability (Asset)	$ (875,735)	$(123,563,291)	$(49,582,473)	$ 61,432,040	$154,431,638	$108,366,198	$153,053,931	$159,062,799	$128,373,118
Covered Payroll	$101,918,583	$101,348,754	$102,966,409	$109,270,123	$112,399,637	$115,352,151	$120,168,221	$124,949,531	$129,614,271
"Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll"	-0.86%	-121.92%	-48.15%	56.22%	137.40%	93.94%	127.37%	127.30%	99.00%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.10%	111.80%	104.70%	94.20%	84.10%	89.20%	84.90%	84.50%	87.20%
Contributory System									
Proportion of Net Pension Liability (Asset)	76.44305380%	75.81940980%	74.23384560%	74.00662920%	21.34150340%	20.18198590%	20.57222910%	19.93038900%	18.75239770%
Proportionate Share of Net Pension Liability (Asset)	$ (706,325)	$(21,357,105)	$(15,769,443)	$ (4,172,732)	$15,152,551	$ 1,328,057	$ 11,272,710	$12,489,421	$ 2,056,560
Covered Payroll	$ 2,458,759	$ $2,748,094	$3,300,668	$ 3,845,834	$4,141,829	$ 4,591,975	$ 5,514,741	$6,313,501	$ 6,757,960
"Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll"	-28.73%	-777.16%	-477.77%	-108.50%	365.84%	28.92%	204.41%	197.82%	30.40%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.60%	117.60%	113.10%	103.60%	91.40%	99.20%	93.40%	92.40%	98.70%
Public Safety System									
Proportion of Net Pension Liability (Asset)	2.59924460%	2.17535000%	2.33910930%	2.09771600%	1.74088880%	1.71193320%	1.48473260%	1.41567170%	1.14690980%
Proportionate Share of Net Pension Liability (Asset)	$ 2,050,514	$ (1,994,102)	$1,515,009	$ 3,097,753	$4,167,255	$ 2,976,823	$ 3,174,487	$3,047,750	$ 2,131,232
Covered Payroll	$ 3,579,344	$ 2,807,688	$2,897,764	$ 2,569,955	$2,168,129	$ 2,272,929	$ 2,087,879	$1,951,440	$ 1,637,085
"Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll"	57.29%	-71.02%	52.28%	120.54%	192.21%	130.97%	152.04%	156.18%	130.20%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.20%	105.70%	95.80%	90.00%	83.20%	87.40%	83.50%	82.30%	84.30%
Tier 2 Public Employees System									
Proportion of Net Pension Liability (Asset)	1.04583280%	1.21184600%	1.46360910%	1.82099120%	2.39212600%	3.19193590%	4.60362900%	6.64369130%	6.78702880%
Proportionate Share of Net Pension Liability (Asset)	$ 1,138,801	$ (512,898)	$210,508	$ 408,219	$1,024,497	$ 281,424	$ 513,532	$(14,503)	$ (205,677)
Covered Payroll	$ 22,814,878	$ 22,506,319	$23,408,053	$ -	$27,978,179	$ 31,272,494	$ 37,753,425	$42,922,742	$ 33,308,008
"Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll"	4.99%	-2.28%	0.90%	0.00%	3.66%	0.90%	1.36%	-0.03%	-0.60%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.30%	103.80%	98.30%	96.50%	90.80%	97.40%	95.10%	100.20%	103.50%
Tier 2 Public Safety and Firefighter System									
Proportion of Net Pension Liability (Asset)	0.29064420%	0.23508360%	0.33193530%	0.40217270%	0.35977680%	0.30450360%	0.43726900%	0.39878160%	0.36002060%
Proportionate Share of Net Pension Liability (Asset)	$ 24,247	$ (11,882)	$29,773	$ 37,830	$9,014	$ (3,523)	$ (3,796)	$(5,826)	$ (5,326)
Covered Payroll	$ 894,289	$ 562,175	$678,646	$ 662,970	$478,852	$ 321,462	$ 361,284	$237,408	$ 148,982
"Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll"	2.71%	-2.11%	4.39%	5.71%	1.88%	-1.10%	-1.05%	-2.45%	-3.60%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.40%	102.80%	93.10%	89.60%	95.60%	103.00%	103.60%	110.70%	120.50%

* Note: The university implemented GASB Statement No. 68 in fiscal year 2015. Information on the university's portion of the plans' net pension liabilities (assets) is not available for periods prior to fiscal year 2015.

In 2019, URS created a separate division for Higher Education which significantly changed the university's reported proportionate share of Net Pension Liability (Asset).

University of Utah — Schedule of Contributions for the years ended June 30

Noncontributory System	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 22,655,898	$ 22,085,732	$ 21,977,437	$ 23,604,692	$ 24,357,470	$ 25,003,713	$ 25,936,009	$ 27,133,967	$ 28,061,542	$ 27,124,989
Contributions in Relation to the Contractually Required Contribution	(22,655,898)	(22,085,732)	(21,977,437)	(23,604,692)	(24,357,470)	(25,003,713)	(25,936,009)	(27,133,967)	(28,061,542)	(27,124,989)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$104,568,586	$101,532,595	$100,912,947	$107,759,826	$111,057,075	$113,936,327	$118,147,239	$123,098,874	$126,960,128	$132,937,438
Contributions as a Percentage of Covered Payroll	21.7%	21.8%	21.8%	21.9%	21.9%	21.9%	22.0%	22.0%	22.1%	20.4%
Contributory System		2022	2021	2020	2019	2018	2017	2016	2015	2014[1]
Contractually Required Contribution	$ 427,447	$ 450,177	$ 524,078	$ 651,513	$ 703,592	$ 754,331	$ 894,123	$ 1,058,540	$ 1,164,742	$ 1,096,361
Contributions in Relation to the Contractually Required Contribution	(427,447)	(450,177)	(524,078)	(651,513)	(703,592)	(754,331)	(894,123)	(1,058,540)	(1,164,742)	(1,096,361)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 2,414,955	$ 2,543,370	$ 2,960,894	$ 3,680,861	$ 3,975,096	$ 4,261,758	$ 5,051,541	$ 5,985,358	$ 6,580,469	$ 6,865,132
Contributions as a Percentage of Covered Payroll	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	16.0%
Public Safety System		2022	2021	2020	2019	2018	2017	2016	2015	2014[1]
Contractually Required Contribution	$ 1,378,370	$ 1,102,890	$ 942,974	$ 1,061,838	$ 766,954	$ 789,054	$ 739,683	$ 682,809	$ 550,177	$ 486,603
Contributions in Relation to the Contractually Required Contribution	(1,378,370)	(1,102,890)	(942,974)	(1,061,838)	(766,954)	(789,054)	(739,683)	(682,809)	(550,177)	(486,603)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 3,850,976	$ 3,101,983	$ 2,671,582	$ 2,916,589	$ 2,107,865	$ 2,200,291	$ 2,212,011	$ 2,117,893	$ 1,707,174	$ 1,642,290
Contributions as a Percentage of Covered Payroll	35.8%	35.6%	35.3%	36.4%	36.4%	35.9%	33.4%	32.2%	32.2%	29.6%
Tier 2 Public Employees System		2022	2021	2020	2019	2018	2017	2016	2015	2014[1]
Contractually Required Contribution	$ 4,811,410	$ 4,348,662	$ 4,328,092	$ 4,645,446	$ 4,993,396	$ 5,444,034	$ 6,127,098	$ 7,878,405	$ 6,995,912	$ 4,707,627
Contributions in Relation to the Contractually Required Contribution	(4,811,410)	(4,348,662)	(4,328,092)	(4,645,446)	(4,993,396)	(5,444,034)	(6,127,098)	(7,878,405)	(6,995,912)	(4,707,627)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 24,253,610	$ 22,435,326	$ 22,659,755	$ 24,526,165	$ 26,511,616	$ 29,551,457	$ 33,628,505	$ 43,203,966	$ 38,336,356	$ 28,113,543
Contributions as a Percentage of Covered Payroll[5]	19.8%	19.4%	19.1%	18.9%	18.8%	18.4%	18.2%	18.2%	18.2%	16.7%
Tier 2 Public Safety and Firefighter System		2022	2021	2020	2019	2018	2017	2016	2015	2014[1]
Contractually Required Contribution	$ 353,033	$ 258,694	$ 190,940	$ 240,863	$ 215,306	$ 102,648	$ 98,360	$ 103,266	$ 50,424	$ 32,261
Contributions in Relation to the Contractually Required Contribution	(353,033)	(258,694)	(190,940)	(240,863)	(215,306)	(102,648)	(98,360)	(103,266)	(50,424)	(32,261)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 1,084,921	$ 796,391	$ 586,786	$ 807,261	$ 722,503	$ 350,573	$ 336,733	$ 353,411	$ 172,330	$ 117,742
Contributions as a Percentage of Covered Payroll[5]	32.5%	32.5%	32.5%	29.8%	29.8%	29.3%	29.2%	29.2%	29.3%	27.4%

[1] Contractually Required Contributions, Contributions, and Covered Payroll include information for Tier 2 Employees. Prior to the implementation of GASB Statement No. 68, Tier 2 information was not separately available.

[2] The University of Utah began participating in Public Safety Systems in 2011.

[3] The Tier 2 Public Employees System was created in 2011.

[4] The university began contributing to the Tier 2 Public Safety and Firefighter System in 2012.

[5] For employees participating in the Public Employees and Public Safety Firefighters Tier 2 Systems, the university is required to contribute a percentage of the employees' salaries to the Systems.

The university makes the required contributions by paying approximately 10% in to the Tier 2 Systems while the remainder is contributed to the Tier 1 Systems, as required by law.

The amounts reported here reflect the net contributions to the Tier 2 systems rather than the total required.

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APPENDIX B

EXTRACTS OF CERTAIN PROVISIONS FROM THE GENERAL INDENTURE

The following contains extracts of certain provisions and definitions contained in the General Indenture and is not to be considered as a full statement thereof. Reference is made to the General Indenture and the Nineteenth Supplemental Indenture for full details of the General Indenture, the terms of the Series 2024AB Bonds and the security provisions appertaining thereto.

Definitions

As used in the General Indenture, the following terms shall have the following meanings unless the context otherwise clearly indicates:

“Accreted Amount” means, with respect to Capital Appreciation Bonds of any Series and as of the date of calculation, the amount established pursuant to the Supplemental Indenture authorizing such Capital Appreciation Bonds as the amount representing the initial public offering price, plus the accumulated and compounded interest on such Bonds.

“Act” means Chapter 21, Title 53B, Utah Code, and to the extent applicable, the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code and the legislative authorization for projects financed hereunder.

“Amount of Unrestricted Gifts” means, with respect to any period, the principal amount of gifts, bequests, contributions, grants and donations available to pay debt service and actually received during such period.

“Authorized Amount” means, with respect to a Commercial Paper Program, the maximum Principal amount of commercial paper which is then authorized by the Issuer to be outstanding at any one time pursuant to such Commercial Paper Program.

“Authorized Representative” means the President (including any acting President), Vice President for Administrative Services or the Associate Vice President for Financial and Business Services or any other person at the time designated to act on behalf of the University by a written instrument furnished to the Trustee containing the specimen signature of such person or persons and signed on behalf of the University by its President or Vice President for Administrative Services. The written instrument may designate an alternate or alternates.

“Auxiliary and Campus Facilities Indenture” means the General Indenture of Trust between the Issuer and Wells Fargo Bank, N.A., as successor to First Security Bank, N.A., as trustee, dated June 1, 1997, as amended and supplemented from time to time.

“Bond Fund” means the fund by that name and established in the Indenture.

“Bondholder,” “Bondowner,” “Registered Owner” or “Owner” or any similar term means the registered owner of any Bonds.

“Bonds” means bonds, notes, commercial paper or other obligations (other than Security Instrument Repayment Obligations) authorized by and at any time Outstanding pursuant to the Indenture.

“Business Day” means any day (i) on which banking business is transacted, but not including any day on which banks are authorized to be closed, in New York City or in the city in which the Trustee has its designated corporate trust office or (with respect to a related Series of Bonds) in the city in which any Security Instrument Issuer has its principal office for purposes of such Security Instrument and (ii) on which the New York Stock Exchange is open.

"Capital Appreciation Bonds" means Bonds the interest on which (a) is compounded and accumulated at the rates and on the dates set forth in the Supplemental Indenture authorizing the issuance of such Bonds and designating them as Capital Appreciation Bonds, and (b) is payable upon maturity or redemption of such Bonds.

"Chair" means the Chair of the Issuer or any successor to the duties of such office.

"Code" means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code shall be deemed to include the related United States Treasury Regulations.

"Commercial Paper Program" means commercial paper obligations with maturities of not more than two hundred seventy (270) days from the dates of issuance thereof which are issued and reissued by the Issuer from time to time pursuant to the Indenture and are outstanding up to an Authorized Amount.

"Construction Fund" means the fund by that name and established in the Indenture.

"Cost" or "Costs" or "Cost of a Project", or any phrase of similar import, in connection with a Project or with the refunding of any bonds, means all costs and expenses which are properly chargeable thereto under generally accepted accounting principles or which are incidental to the financing, acquisition and construction of a Project, or the refunding of any bonds, or which are otherwise permitted to be financed pursuant to the Act.

"Current Interest Bonds" means Bonds not constituting Capital Appreciation Bonds. Interest on Current Interest Bonds shall be payable periodically on the Interest Payment Dates provided therefor in a Supplemental Indenture.

"Event of Default" means, with respect to any default or event of under the Indenture, any occurrence or event specified in and defined by the Indenture. See "Events of Default," below.

"Fiscal Year" means the 12-month period beginning July 1 of each year and ending June 30 of the following year, or such other fiscal year of the Issuer and the University as may be prescribed by law.

"Fitch" means Fitch Investors Service, L.P.

"General Revenues" means, subject to those exclusions described in this definition, all income and revenues of the University authorized to be pledged under the Indenture pursuant to the Act. General Revenues exclude (a) appropriations by the Legislature to the University; (b) tuition and fees (other than the student fees identified below); (c) any income and revenues derived by the University from ARUP Laboratories; (d) income and revenues from gifts, grants and contracts restricted from being pledged under the Indenture and (e) any previous sources of General Revenues removed from the lien of the Indenture as provided in the Indenture. General Revenues shall include revenues derived by the University from: (i) Net Prior System Revenues (subject, as provided in the definition thereof, to the uses required by the Prior Lien Indentures as to the revenues pledged thereunder), (ii) the imposition of the student building fee for the Auxiliary and Campus Facilities System (subject to the prior lien of the Auxiliary and Campus Facilities Indenture), the student life center building fee, the law school building fee, and the student building fee for the OSH Project (but only during the period such fee is imposed by the University);* (iii) Land Grant Income (subject to the prior lien of the Auxiliary and Campus Facilities Indenture), and (iv) Investment Income and the Amount of Unrestricted Gifts (subject to the prior lien of the Hospital Indenture on the Investment Income and Amount of Unrestricted Gifts related to the Hospital and pledged under the Hospital Indenture). The University may from time to time add additional student building or other fees to the General Revenues and, to the extent permitted by law, may add tuition or other sources of revenues to the General Revenues.

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* The student life center building fee went into effect in January 2015. The student building fee for the Carolyn and Kem Gardner Commons Building went into effect beginning fall semester 2018 and is expected to continue through the summer semester of 2028. There is no current plan to implement the law school building fee.

"Government Obligations" means direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury and "CATS" and "TGRS") or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America.

"Hospital" means the University of Utah Hospital and Clinics, an administrative unit of the University.

"Hospital Indenture" means the General Indenture of Trust between the Issuer and Wells Fargo Bank, N.A., as successor to First Security Bank, N.A., as trustee, dated November 1, 1997 as amended and supplemented from time to time.

"Indenture" means the General Indenture of Trust dated as of July 1, 2013, by and among the Issuer, the University, and Wells Fargo Bank, National Association, as trustee, as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms of the Indenture.

"Interest Payment Date" means the stated payment date of an installment of interest on the Bonds.

"Interest Rate Swap" means an agreement between the Issuer and a Swap Counterparty related to a Series of Bonds whereby a variable rate cash flow (which may be subject to any interest rate cap) on a principal or notional amount is exchanged for a fixed rate of return on an equal principal or notional amount. If the Issuer or the Trustee enters into more than one Interest Rate Swap with respect to a Series of Bonds, each Interest Rate Swap shall specify the same payment dates.

"Investment Income" means the earnings on unrestricted funds and accounts held by or for the benefit of the University.

"Issuer" means the State Board of Regents of the State of Utah and its successors, acting for and on behalf of the University.

"Land Grant Income" means all interest, lease income, mineral rights or other income received by the University from the land grants described in Section 5 of Article X of the Constitution of the State of Utah.

"Moody's" means Moody's Investors Service, Inc.

"Net Prior System Revenues" means (i) the amounts accounted for in the Repair and Replacement Fund (as defined in the Auxiliary and Campus Facilities Indenture) in excess of the Repair and Replacement Reserve Requirement (as defined in the Auxiliary and Campus Facilities Indenture) under Section 5.2(g) of the Auxiliary and Campus Facilities Indenture; (ii) the amounts on deposit in the Revenue Accounts (as defined in the Hospital Indenture) under Section 5.2(e) of the Hospital Indenture, and (iii) the Revenues (as defined in the Research Facilities Indenture) accounted for in the Revenue Account under Section 5.2(e) of the Research Facilities Indenture, to the extent and at the times such balances described in (i)-(iii) above are available for release under the respective Prior Lien Indenture and for pledge and use under the Indenture. Upon the discharge of any one of the Prior Lien Indentures, the amount pledged thereunder shall continue to be subject to the lien of the Indenture (unless otherwise excluded pursuant to the Indenture).

"Outstanding" or "Bonds Outstanding" means at any date all Bonds which have not been canceled which have been or are being authenticated and delivered by the Trustee under the Indenture, except:

(a) Any Bond or portion thereof which at the time has been paid or deemed paid pursuant to Article X of the Indenture; and

(b) Any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered.

“Permitted Investments” means any investments permitted by the State Money Management Act, Title 51, Chapter 7, Utah Code.

“Person” means an individual, corporation, partnership, joint venture, association, joint stock company, trust, limited liability company, unincorporated organization or government or agency, or political subdivision thereof.

“Pledged Bonds” means any Bonds that have been (i) pledged or in which any interest has otherwise been granted to a Security Instrument Issuer as collateral security for Security Instrument Repayment Obligations or (ii) purchased and held by a Security Instrument Issuer pursuant to a Security Instrument.

“Principal” means (a) with respect to any Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest), except as used in connection with the authorization and issuance of Bonds and with the order of priority of payment of Bonds after an Event of Default, in which case “Principal” means the initial public offering price of a Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest), and (b) with respect to any Current Interest Bond, the principal amount of such Bond payable at maturity.

“Prior Lien Bonds” means the Issuer’s Auxiliary and Campus Facilities System Revenue Bonds issued under the Auxiliary and Campus Facilities Indenture; the Issuer’s Hospital Revenue Bonds issued under the Hospital Indenture; and the Issuer’s Research Facilities Revenue Bonds issued under the Research Facilities Indenture.

“Prior Lien Indentures” means collectively, the Auxiliary and Campus Facility System Indenture, the Hospital Indenture and the Research Facilities Indenture, each as amended and supplemented from time to time.

“Project” means the acquisition, purchase, construction, improvement, remodel, addition, expansion, equipment, and furnishing of facilities and buildings for use by the University.

“Put Bond” means any Bond which is part of a Series of Bonds which is subject to purchase by the Issuer, its agent or a third party from the Owner of the Bond pursuant to provisions of the Supplemental Indenture authorizing the issuance of the Bond and designating it as a “Put Bond.”

“Rating Agency” means Moody’s, Fitch or S&P and their successors and assigns to the extent such agencies then maintain a rating of the Bonds at the request of the Issuer. If any of such corporation cease to act as a securities rating agency, the University may, with the approval of the Trustee, designate any nationally recognized securities rating agency as a replacement.

“Registrar” means the Trustee (or other party designated as Registrar by Supplemental Indenture), appointed as the initial registrar for the Bonds pursuant to the Indenture, and any additional or successor registrar appointed pursuant to the Indenture.

“Regular Record Date” means, with respect to any Interest Payment Date for any Series of Bonds, the date specified as the Regular Record Date in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

“Remarketing Agent” means a remarketing agent or commercial paper dealer appointed by the Issuer pursuant to a Supplemental Indenture.

“Research Facilities Indenture” means the General Indenture of Trust between the Issuer and Wells Fargo Bank, N.A., as successor to First Security Bank, N.A., as trustee, dated July 1, 2000.

“S & P” means Standard & Poor’s Financial Services, LLC, a Division of the McGraw-Hill Companies.

“Security Instrument” means an instrument or other device issued by a Security Instrument Issuer to pay, or to provide security or liquidity for, a Series of Bonds. The term “Security Instrument” includes, by way of example and not of limitation, letters of credit, bond insurance policies, standby bond purchase agreements, lines of credit and other security instruments and credit enhancement or liquidity devices; provided, however, that no such device or instrument shall be a "Security Instrument" for purposes of the Indenture unless specifically so designated in a Supplemental Indenture authorizing the use of such device or instrument.

"Security Instrument Agreement" means any agreement entered into by the Issuer and a Security Instrument Issuer pursuant to a Supplemental Indenture providing for the issuance by such Security Instrument Issuer of a Security Instrument.

"Security Instrument Costs" means, with respect to any Security Instrument, all fees, premiums, expenses and similar costs, other than Security Instrument Repayment Obligations, required to be paid to a Security Instrument Issuer pursuant to a Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument. Such Security Instrument Agreement or Supplemental Indenture shall specify any fees, premiums, expenses and costs constituting Security Instrument Costs.

"Security Instrument Issuer" means any bank or other financial institution, insurance company, surety company or other institution issuing a Security Instrument.

"Security Instrument Repayment Obligations" means, as of any date of calculation and with respect to any Security Instrument Agreement, any outstanding amounts payable by the Issuer under the Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument to repay the Security Instrument Issuer for payments previously or concurrently made by the Security Instrument Issuer pursuant to a Security Instrument. There shall not be included in the calculation of the amount of Security Instrument Repayment Obligations any Security Instrument Costs.

"Series" means all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor.

"Special Record Date" means such date as may be fixed for the payment of defaulted interest on the Bonds in accordance with the Indenture.

"State" means the State of Utah.

"Supplemental Indenture" means any indenture between the Issuer and the Trustee entered into pursuant to and in compliance with the provisions of the Indenture.

"Swap Counterparty" means a member of the International Swap Dealers Association rated as of the time of execution of the Interest Rate Swap in one of the three top rating categories by at least one of the Rating Agencies and meeting the requirements of applicable laws of the State.

"Trustee" means Computershare Trust Company, N.A. as successor trustee to Wells Fargo Bank, N.A., or any successor corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee.

"University" means the University of Utah and its successors.

"Utah Code" means Utah Code Annotated 1953, as amended.

Special Funds and Accounts

Use of Construction Fund.

(a) So long as an Event of Default shall not have occurred and be continuing, moneys deposited in the appropriate account in the Construction Fund shall be paid out by the University in order to pay the Cost of a Project.

(b) The University shall keep and maintain adequate records pertaining to each account within the Construction Fund and all disbursements therefrom.

(d) Upon completion of a Project and payment of all costs and expenses incident thereto, any balance remaining in the applicable account in the Construction Fund relating to such Project shall be deposited in the Bond Fund, to be applied, (i) toward the redemption or purchase of the Series of Bonds issued to finance such Project, (ii) to the payment of principal next falling due on such Series of Bonds, or (iii) to any other purposes as are permitted by State law and will not adversely impact the tax status of such Series of Bonds.

(e) As required by Section 53B-21-104 of the Act and except as otherwise provided by applicable law, the Construction Fund has been established with the approval of the State Treasurer and shall be governed, used and disbursed in accordance with Section 53B-21-104 of the Act.

(f) Upon the occurrence and continuance of an Event of Default set forth in the Indenture, amounts on deposit in the Construction Fund, with the consent or at the direction of the Trustee, may be applied toward the payment of Bonds.

Use of Bond Fund

(a) The Trustee shall make deposits to the Bond Fund, as and when received, as follows:

(i) all moneys to be transferred pursuant to the Indenture shall be deposited into the Bond Fund. Any payments made by a Security Instrument Issuer with respect to a Series of Bonds shall be deposited into the Bond Fund and used solely to pay the related Series of Bonds, subject to the provisions of the Supplemental Indenture authorizing the issuance of such Series of Bonds;

(ii) any amount in the Construction Fund to the extent required by the Indenture upon completion of a Project;

(iii) all other moneys received by the Trustee under the Indenture when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund, shall be deposited into the Bond Fund.

(b) Except as provided in the Indenture and as otherwise provided by Supplemental Indenture, moneys shall be deposited in the Bond Fund and shall be expended solely for the following purposes and in the following order of priority:

(i) on or before each Interest Payment Date for each Series of Bonds, the amount required for the interest payable on such date;

(ii) on or before each principal installment due date, the amount required for the principal installment payable on such due date; and

(iii) on or before each redemption date for each Series of Bonds, the amount required for the payment of redemption price of and accrued interest on such Bonds then to be redeemed.

Such amounts shall be applied by the Paying Agents to pay principal installments and redemption price of, and interest on the related Series of Bonds.

The Trustee shall pay out of the Bond Fund to the Security Instrument Issuer, if any, that has issued a Security Instrument with respect to such Series of Bonds an amount equal to any Security Instrument Repayment Obligation then due and payable to such Security Instrument Issuer. Except as otherwise specified in a related Supplemental Indenture, all such Security Instrument Repayment Obligations shall be paid on a parity with the payments to be made with respect to principal and interest on the Bonds; provided that amounts paid under a Security Instrument shall be applied only to pay the related Series of Bonds. If payment is so made on Pledged Bonds held for the benefit of the

Security Instrument Issuer, a corresponding payment on the Security Instrument Repayment Obligation shall be deemed to have been made (without requiring an additional payment by the Issuer) and the Trustee shall keep its records accordingly.

Except as otherwise provided by a related Supplemental Indenture, the Issuer authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay Principal of and interest on the Bonds and Security Instrument Repayment Obligations and Interest Rate Swap Payments as the same become due and payable and to make said funds so withdrawn available to the Trustee and any paying agent for the purpose of paying said principal and interest.

(c) After payment in full of the principal of and interest on all Bonds (or after provision has been made for the payment thereof as provided in the Indenture so that such Bonds are no longer Outstanding), all agreements relating to all outstanding Security Instrument Repayment Obligations, in accordance with their respective terms, the fees, charges and expenses of the Trustee and any paying agent, any other amounts required to be paid under the Indenture and under any Security Instrument Agreement, all amounts remaining in the Bond Fund shall be paid to the University.

Investment of Funds

The Indenture provides that any moneys held in the Bond Fund, the Construction Fund, or any other funds or accounts created under the Indenture may, at the discretion and authorization of an Authorized Representative of the University, be invested in Permitted Investments. Such investments shall be held by the Trustee or the University, as applicable, and when the Trustee or the University, as applicable, determines it necessary to use the moneys in the Funds for the purposes for which the Funds were created, it shall, at the discretion of an Authorized Representative of the University, liquidate at prevailing market prices as much of the investments as may be necessary and apply the proceeds to such purposes. All income derived from the investment of the Construction Fund and the Bond Fund shall be maintained in said respective Funds and disbursed along with the other moneys on deposit therein as provided in the Indenture. Any moneys in the General Revenue Account may, at the discretion and authorization of an authorized officer of the University, be invested as permitted by applicable law.

Trust Funds

All moneys and securities received by the Trustee under the provisions of the Indenture shall be trust funds under the terms thereof and shall not be subject to lien or attachment of any creditor of the State or any political subdivision, body, agency, or instrumentality thereof or of the Issuer or the University and shall not be subject to appropriation by any legislative body or otherwise. Such moneys and securities shall be held in trust and applied in accordance with the provisions of the Indenture. Except for moneys held to satisfy the obligations, if any, of the Issuer under the Code with respect to arbitrage rebate, unless and until disbursed pursuant to the terms of the Indenture, all such moneys and securities (and the income therefrom) shall be held by the Trustee as security for payment of the principal, premium, if any, and interest on the Bonds and the fees and expenses of the Trustee payable under the Indenture.

Purchase of Bonds

The Issuer may purchase Bonds of any Series from any available funds at public or private sale, as and when and at such prices as the Issuer may in its discretion determine, subject to applicable law. All Bonds so purchased shall at such times as shall be selected by the Issuer be delivered to and canceled by the Trustee or any Registrar, and no Bonds shall be issued in place thereof. In the case of the purchase of Bonds of a Series and maturity for which sinking fund installments shall have been established, the Issuer shall, by a written request delivered to the Trustee, elect the manner in which the Principal amount of such Bonds shall be credited toward sinking fund installments, consistent with the procedures of the Indenture.

Covenants

General Covenant

The Issuer and the University covenant and agree with each and every Registered Owner of the Bonds issued under the Indenture and the Security Instrument Issuer that the facilities of the University will be maintained in good condition and repair.

Lien of Bonds; Equality of Liens

The Bonds and any Security Instrument Repayment Obligations are secured by an irrevocable lien upon the General Revenues, subject specifically to the lien of the Prior Lien Indentures (solely with respect to the amounts pledged thereunder). Except as otherwise provided in the Indenture, the Issuer covenants that the Bonds and any Security Instrument Repayment Obligations are equitably and ratably secured by a lien on the General Revenues and shall not be entitled to any priority one over the other in the application of the General Revenues regardless of the time or times of the issuance or delivery of the Bonds or Security Instruments, it being the intention of the Issuer that there shall be no priority among the Bonds or the Security Instrument Repayment Obligations regardless of the fact that they may be issued and/or delivered at different times.

Payment of Principal, Premium and Interest

The Issuer covenants that it will punctually pay or cause to be paid the Principal of, premium, if any, and interest on every Bond issued under the Indenture and any Security Instrument Repayment Obligations, in strict conformity with the terms of the Bonds, the Indenture and any Security Instrument Agreement.

Management of the University

The University, in order to ensure its efficient management and operation, will employ competent and experienced management, and will use its best efforts to see that the University is properly operated and maintained.

Events of Default

Each of the following events is an "Event of Default" under the Indenture:

(a) if payment of any installment of interest on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, or

(b) if payment of the principal of or the redemption premium, if any, on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, either at maturity or by proceedings for redemption in advance of maturity or through failure to fulfill any payment to any fund under the Indenture or otherwise; or

(c) if an order or decree shall be entered, with the consent or acquiescence of the Issuer or the University, appointing a receiver or custodian for any of the General Revenues, or approving a petition filed against the Issuer or the University seeking reorganization of the Issuer or the University under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the consent or acquiescence of the Issuer or the University, as applicable, shall not be vacated or discharged or stayed on appeal within 60 days after the entry thereof; or

(d) if any proceeding shall be instituted, with the consent or acquiescence of the Issuer, or the University, as applicable, for the purpose of effecting a composition between the Issuer or the University and the creditors of either of them or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are or may be under any circumstances payable from General Revenues; or

(e) if (i) the Issuer or the University is adjudged insolvent by a court of competent jurisdiction, or (ii) an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the Issuer or the University, as applicable, a receiver, trustee or custodian of the Issuer or the University or of the whole or any part of their property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(f) if the Issuer or the University shall file a petition or answer seeking reorganization, relief or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(g) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Issuer or the University or of the whole or any substantial part of the property of the Issuer or the University, and such custody or control shall not be terminated within 60 days from the date of assumption of such custody or control; or

(h) if the Issuer or the University shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or the Indenture on the part of the Issuer or the University to be performed, other than as set forth above, and such default shall continue for 60 days (or such longer period as may be approved by the Trustee if in its opinion remedial actions are being diligently pursued by the Issuer or the University) after written notice specifying such Event of Default and requiring the same to be remedied shall have been given to the Issuer and the University by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Registered Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding under the Indenture; or

(i) the occurrence of additional or other events of default specified by Supplemental Indenture.

provided that any failure by the Issuer to make payment as described in subparagraph (a) or (b) above shall not constitute an Event of Default with respect to any Bond if the Supplemental Indenture authorizing the issuance of such Bond provides that due and punctual payment by a Security Instrument Issuer shall not give rise to an Event of Default and such payment is, in fact, duly and punctually made; and provided, further that the provisions of the Indenture are subject to the following limitations: if by reason of acts of God; strikes, lockouts or other similar disturbances; acts of public enemies; orders of any kind of the government of the United States or the State or any department, agency, political subdivision, court or official of the State which asserts jurisdiction over the Issuer or the University; orders of any kind of civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; volcanoes; fires, hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; or any cause or event not reasonably within the control of the Issuer or the University, the Issuer or the University is unable in whole or part to carry out any one or more of its respective agreements or obligations contained in the Indenture (other than as described in (a) through (g) above) such default shall not constitute an "Event of Default" under the Indenture so long as such cause or event continues.

Remedies; Rights of Registered Owners

Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding or to enforce any obligations of the Issuer and the University under the Indenture.

If an Event of Default shall have occurred, and if requested so to do by (i) Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding, (ii) Security Instrument Issuers at that time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Bondowners and Security Instrument Issuers described in (i) and (ii) above representing not less than 25% in aggregate Principal amount of Bonds at the time Outstanding (but without duplication), and indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Registered Owners and the Security Instrument Issuers.

No remedy by the terms conferred upon or reserved to the Trustee by the Indenture (or to the Registered Owners or to the Security Instrument Issuers) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Registered Owners or the Security Instrument Issuers or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default under the Indenture, whether by the Trustee, the Registered Owners or the Security Instrument Issuers, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Right of Registered Owners and Security Instrument Issuers to Direct Proceedings

Anything in the Indenture to the contrary notwithstanding, unless a Supplemental Indenture provides otherwise, either (i) the Registered Owners of a majority in aggregate Principal amount of the Bonds then Outstanding, (ii) the Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Bondowners and Security Instrument Issuers described in (i) and (ii) above representing not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Application of Moneys

Subject to the provisions of the Prior Lien Indentures, all General Revenues and moneys received by the Trustee pursuant to any right given or action taken under the default provisions of the Indenture shall be applied in the following order:

(a) To the payment of the reasonable and proper charges and expenses of the Trustee and the reasonable fees and disbursements of its counsel;

(b) To the payment of the principal of, premium, if any, and interest then due and payable on the Bonds and the Security Instrument Repayment Obligations as follows:

(i) Unless the Principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST—To the payment to the persons entitled thereto of all installments of interest then due on the Bonds and the interest component of any Security Instrument Repayment Obligations then due, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND—To the payment to the persons entitled thereto of the unpaid Principal of and premium, if any, on the Bonds and the Principal component of any Security Instrument Repayment Obligations which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, and the Principal component of any Security Instrument Repayment Obligations then due, and, if the amount available shall not be sufficient to pay in full all the Bonds and the Principal component of any Security Instrument Repayment Obligations due on any particular date, then to the payment ratably, according to the amount of Principal due on such date, to the persons entitled thereto without any discrimination or privilege.

(ii) If the Principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the Principal and interest then due and unpaid upon the Bonds and Security Instrument Repayment Obligations, without preference or priority of Principal over interest or of interest over Principal, or of any installment of interest over any other installment of interest, or of any Bond or Security Instrument Repayment Obligation over any other Bond or Security Instrument Repayment Obligation, ratably, according to the amounts due respectively for Principal and interest, to the persons entitled thereto without any discrimination or privilege.

Subject to the provisions of the Prior Lien Indentures, whenever moneys are to be applied pursuant to the provisions described under this subheading, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amounts of such moneys available for such application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of Principal paid on such dates shall cease to accrue.

Remedies Vested in Trustee

All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings related thereto and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Registered Owners of the Bonds, and any recovery of judgment shall be for the equal benefit of the Registered Owners of the Outstanding Bonds.

Rights and Remedies of Registered Owners

Except as provided in the last sentence of this paragraph, no Registered Owner of any Bond or Security Instrument Issuer shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy under the Indenture, unless an Event of Default has occurred of which the Trustee has been notified as provided in the Indenture, or of which it is deemed to have notice, nor unless also Registered Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 25% in aggregate principal amount of Bonds at the time Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in the Indenture nor unless the Trustee shall thereafter fail or refuse to exercise the powers granted in the Indenture, or to institute such action, suit or proceeding in its, his or their own name or names. Such notification, request and offer of indemnity are declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trust of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture; it being understood and intended that no one or more Registered Owner of the Bonds or Security Instrument Issuer shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by its, his or their action or to enforce any right under the Indenture except in the manner in the Indenture provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of the Registered Owners of all Bonds then Outstanding and all Security Instrument Issuers at the time providing Security Instruments. Nothing in the Indenture contained shall, however, affect or impair the right of any Registered Owner or Security Instrument Issuer to enforce the covenants of the Issuer to pay the Principal of, premium, if any, and interest on each of the Bonds and Security Instrument Repayment Obligations at the time, place, from the source and in the manner in said Bonds or Security Instrument Repayment Obligations expressed.

Termination of Proceedings

In case the Trustee, any Bondowner or any Security Instrument Issuer shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Bondowner, or Security Instrument Issuer, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights under the Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Waivers of Events of Default

The Trustee may in its discretion, and with the prior written consent of all Security Instrument Issuers at the time providing Security Instruments, waive any Event of Default under the Indenture and its consequences and shall do so upon the written request of the Registered Owners of (a) a majority in aggregate Principal amount of all the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in respect of which an Event of Default in the payment of Principal and interest exists, or (b) a majority in aggregate Principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (i) any Event of Default in the payment of the Principal of any Bonds at the date of maturity specified therein, or (ii) any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred on overdue installments of interest and all arrears of payments of Principal and premium, if any, when due, and all expenses of the Trustee in connection with such Event of Default, shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, the Registered Owners and the Security Instrument Issuers shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Discharge of Indenture

If the University shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made to or for the Registered Owners of the Bonds, the Principal of and interest due or to become due thereon at the times and in the manner stipulated therein, and shall pay or cause to be paid to the Trustee all sums of moneys due or to become due according to the provisions of the Indenture, and to all Security Instrument Issuers all sums of money due or to become due accordingly to the provisions of any Security Instrument Agreements, then these presents and the estate and rights by the Indenture granted shall cease, determine and be void, whereupon the Trustee shall cancel and discharge the lien of the Indenture, and release, assign and deliver unto the Issuer any and all the estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee, held by the Trustee, or otherwise subject to the lien of the Indenture, except moneys or securities held by the Trustee for the payment of the Principal of and interest on the Bonds, the payment of amounts pursuant to any Security Instrument Agreements.

Any Bond shall be deemed to be paid within the meaning of the Indenture when payment of the Principal of such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption, or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided by irrevocably depositing with or for the benefit of the Trustee, in trust and irrevocably setting aside exclusively for such payment, any combination of (i) moneys sufficient to make such payment, or (ii) Government Obligations, maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee and any paying agent pertaining to the Bond with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid under the Indenture, as aforesaid, it shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of any such payment from such moneys or Government Obligations.

Any moneys so deposited with the Trustee as provided in the Indenture may at the direction of the Issuer also be invested and reinvested in Government Obligations, maturing in the amounts and times as set forth in the Indenture, and all income from all Government Obligations in the hands of the Trustee pursuant to the Indenture which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund.

Notwithstanding any provision or any other provision of the Indenture, all moneys or Government Obligations set aside and held in trust pursuant to the defeasance provisions of the Indenture for the payment of Bonds (including interest thereon) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or Government Obligations have been so set aside in trust.

Anything in the Indenture to the contrary notwithstanding, if moneys or Government Obligations have been deposited or set aside with the Trustee pursuant to the Indenture for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the defeasance provisions of the Indenture shall be made without the consent of the Registered Owner of each Bond affected thereby.

Supplemental Indentures

Supplemental Indentures Not Requiring Consent of Registered Owners and Security Instrument Issuers

The Issuer and the Trustee may, without the consent of, or notice to, any of the Registered Owners, but with notice to any Security Instrument Issuer, enter into an indenture or indentures supplemental to the Indenture, as shall not be inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes:

(a) To provide for the issuance of additional senior, parity or subordinated indebtedness in accordance with the Indenture;

(b) To cure any ambiguity or formal defect or omission which will not materially adversely affect the Owners of the Bonds;

(c) To grant to or confer upon the Trustee for the benefit of the Registered Owners and any Security Instrument Issuers any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owners and any Security Instrument Issuers or any of them;

(d) To subject to the Indenture additional revenues or other revenues, properties, collateral or security;

(e) To make any other change to the Indenture which is not materially prejudicial to the interests of the Registered Owners or the Trustee, with the prior written consent of all Security Instrument Issuers at the time providing a Security Instrument;

(f) To make any change necessary (i) to establish or maintain the exemption from federal income taxation of interest on any Series of Bonds as a result of any modifications or amendments to Section 148 of the Code (or any successor provision of law) or interpretations thereof by the Internal Revenue Service, or (ii) to comply with the provisions of Section 148(t) of the Code (or any successor provision of law), including provisions for the payment of all or a portion of the investment earnings of any of the Funds established in the Indenture to the United States of America;

(g) If the Bonds affected by such change are rated by a Rating Agency, to make any change which does not result in a reduction of the rating applicable to any of the Bonds so affected, provided that if any of the Bonds so affected are secured by a Security Instrument, such change must be approved in writing by the related Security Instrument Issuer;

(h) If the Bonds affected by such change are secured by a Security Instrument, to make any change approved in writing by the related Security Instrument Issuer, provided that if any of the Bonds so affected are rated by a Rating Agency, such change shall not result in a reduction of the rating applicable to any of the Bonds so affected; and

(i) To provide for the appointment of a successor Trustee, a Paying Agent, a separate or co-trustee, a Remarketing Agent or a Transfer Agent.

No modification or amendment shall be permitted pursuant to paragraph (g) or (h) unless the Issuer delivers to the Trustee an opinion of nationally recognized bond counsel to the effect that such modification or amendment will not adversely affect the tax-exempt status or validity of any Bonds affected by such modification or amendment.

Supplemental Indentures Requiring Consent of Registered Owners; Waivers and Consents by Registered Owners.

Exclusive of Supplemental Indentures covered by the section above and subject to the terms and provisions contained in this paragraph, and not otherwise, the Registered Owners of a majority in aggregate Principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to (i) consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental to the Indenture as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture, or (ii) waive or consent to the taking by the Issuer of any action prohibited, or the omission by the Issuer of the taking of any action required, by any of the provisions of the Indenture or of any indenture supplemental to the Indenture; provided, however, that nothing in the Indenture contained shall permit or be construed as permitting (a) an extension of the stated maturity or reduction in the Principal amount of, or reduction in the rate of or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any Bond, without the consent of the Registered Owner of such Bond, or (b) a reduction in the amount or extension of the time of any payment required by any fund established under the Indenture applicable to any Bonds without the consent of the Registered Owners of all the Bonds which would be affected by the action to be taken, or (c) a reduction in the aforesaid aggregate Principal amount of Bonds, the Registered Owners of which are required to consent to any such waiver or Supplemental Indenture, or (d) affect the rights of the Registered Owners of less than all Bonds then Outstanding, without the consent of the Registered Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken. In addition, no supplement to the Indenture shall modify the rights, duties or immunities of the Trustee, without the written consent of the Trustee. If a Security Instrument is in effect with respect to any Series of Bonds Outstanding and if a proposed modification or amendment would affect such Series of Bonds, then, except as described in the Indenture neither the Indenture nor any Supplemental Indenture with respect to such Series of Bonds shall be modified or amended at any time without the prior written consent of the related Security Instrument Issuer. Copies of any such modifications or amendments for which Security Instrument Issuer consent is required shall be sent to each Rating Agency.

Miscellaneous Trustee Provisions

Fees, Charges and Expenses of Trustee

The Trustee shall be entitled to payment or reimbursement for reasonable fees for its services rendered as Trustee under the Indenture and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and Registrar for the Bonds. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a right of payment prior to payment on account of interest or principal of, or premium, if any, on any Bond for the foregoing advances, fees, costs and expenses incurred.

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

Upon the issuance of the Series 2024AB Bonds, Gilmore & Bell, P.C., Bond Counsel to the Board, proposes to issue its opinion in substantially the following form:

We have acted as bond counsel to the Utah Board of Higher Education (the "Board") in connection with the issuance by the Board of its $95,270,000 General Revenue and Refunding Bonds, Series 2024A-1 (the "Series 2024A-1 Bonds"); the $10,000,000 General Revenue Bonds, Series 2024A-2 (the "Series 2024A-2 Bonds" and together with the Series 2024A-1 Bonds, the "Series 2024A Bonds"); and the $5,795,000 Federally Taxable General Revenue Bonds, Series 2024B (the "Series 2024B Bonds" and together with the Series 2024A Bonds, the "Series 2024AB Bonds"). The Series 2024A-1 and Series 2024B Bonds are being issued pursuant to Title 53B, Chapter 21, Utah Code Annotated 1953, as amended ("Utah Code"), and, with respect to the Series 2024A-1 Bonds, the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code and the specific authorizations contained in Section 63B-33-101(2) and Section 63B-33-101(4) Utah Code and with respect to the Series 2024B Bonds, the specific authorization contained in Section 63B-33-101(2) Utah Code, and other applicable provisions of law. The Series 2024A-2 Bonds are being issued pursuant to the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code, and other applicable provisions of law. The Series 2024AB Bonds are issued pursuant to (i) a resolution of the Board adopted on March 21, 2024; and (ii) a General Indenture of Trust dated as of July 1, 2013, among the Board, the University of Utah (the "University"), and Computershare Trust Company, N.A., as successor trustee to Wells Fargo Bank, N.A. (the "Trustee"), as heretofore amended and supplemented (the "General Indenture"), and as further supplemented by an Nineteenth Supplemental Indenture of Trust dated as of June 1, 2024 (the "Nineteenth Supplemental Indenture" and, collectively with the General Indenture, the "Indenture") among the Board, the University, and the Trustee.

Proceeds from the sale of the Series 2024A-1 Bonds will be used to (a) finance a portion of a computing and engineering building; (b) finance certain University costs of a new student housing facility; (c) refund certain of the Board's outstanding General Revenue Refunding Bonds, Series 2014A-1 issued on behalf of the University; (d) pay capitalized interest with respect to a portion of the Series 2024A-1 Bonds; and (e) pay costs of issuance of the Series 2024A-1 Bonds. Proceeds from the sale of the Series 2024A-2 Bonds will be used to (a) finance various research-related projects and (b) pay costs of issuance of the Series 2024A-2 Bonds. Proceeds from the sale of the Series 2024B Bonds will be used to (a) finance certain University costs of a new student housing facility; (b) pay capitalized interest with respect to a portion of the Series 2024B Bonds; and (c) pay costs of issuance of the Series 2024B Bonds. The Series 2024AB Bonds will be issued pursuant to and secured under the provisions of the Indenture.

Our services as bond counsel have been limited to the preparation of the legal proceedings and supporting certificates authorizing the issuance of the Series 2024AB Bonds under the applicable laws of the State of Utah and to a review of the transcript of such proceedings and certificates. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. Our examination has been limited to the foregoing as they exist or are in effect as of the date hereof. Our opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters.

Based on our examination and the foregoing, we are of the opinion as of the date hereof and under existing laws as follows:

1. The Board is a state institution of higher education duly organized and validly existing under the Constitution and laws of the State of Utah with powers, among others, to issue the Series 2024AB Bonds on behalf of the University.

2. The Indenture has been duly authorized, executed and delivered by the Board and constitutes a valid and binding obligation of the Board enforceable upon the Board and creates a valid lien on the amounts pledged thereunder for the security of the Series 2024AB Bonds, subject to the prior lien of (a) the General Indenture of Trust between the Board and Wells Fargo Bank, N.A., as trustee, dated as of June 1, 1997 (b) the General Indenture of Trust between the Board and Wells Fargo Bank, N.A., as trustee, dated as of November 1, 1997, and (c) the General

Indenture of Trust between the Board and Wells Fargo Bank, N.A., as trustee, dated as of July 1, 2000 (collectively, the "Prior Lien Indentures") with respect to the amounts pledged under such Prior Lien Indentures.

3. The Series 2024AB Bonds are valid and binding special obligations of the Board, payable solely from the General Revenues (as defined in the Indenture) and other amounts pledged therefor under the Indenture, subject to the lien of the Prior Lien Indentures (solely as to the revenues pledged thereunder) and any other obligations issued on a senior lien basis, and the Series 2024AB Bonds do not constitute a general obligation indebtedness of the Board or the University within the meaning of any state constitutional provision or statutory limitation, nor a charge against the general credit of the Board or the University. The issuance of the Series 2024AB Bonds does not obligate the State of Utah or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

4. The interest on the Series 2024A Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Board and the University comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2024A Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Board and the University have covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Series 2024A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2024A Bonds.

5. The interest on the Series 2024B Bonds is not excludable from gross income for federal income tax purposes.

6. Interest on the Series 2024AB Bonds is exempt from State of Utah individual income taxes.

We express no opinion herein regarding the accuracy, completeness or sufficiency of any offering material relating to the Series 2024AB Bonds.

The rights of the holders of the Series 2024AB Bonds and the enforceability thereof and of the documents identified in this opinion may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent applicable, and their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Respectfully submitted,

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Disclosure Undertaking") is executed and delivered by to the Utah Board of Higher Education (the "Board") and the University of Utah (the "University") in connection with the issuance by the Board of its $95,270,000 General Revenue and Refunding Bonds, Series 2024A-1 (the "Series 2024A-1 Bonds"); the $10,000,000 General Revenue Bonds, Series 2024A-2 (the "Series 2024A-2 Bonds" and together with the Series 2024A-1 Bonds, the "Series 2024A Bonds"); and the $5,795,000 Federally Taxable General Revenue Bonds, Series 2024B (the "Series 2024B Bonds" and together with the Series 2024A Bonds, the "Bonds"). The Series 2024A-1 and Series 2024B Bonds are being issued pursuant to Title 53B, Chapter 21, Utah Code Annotated 1953, as amended ("Utah Code"), and, with respect to the Series 2024A-1 Bonds, the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code and the specific authorizations contained in Section 63B-33-101(2) and Section 63B-33-101(4) Utah Code and with respect to the Series 2024B Bonds, the specific authorization contained in Section 63B-33-101(2) Utah Code, and other applicable provisions of law. The Series 2024A-2 Bonds are being issued pursuant to the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code, and other applicable provisions of law. The Series 2024AB Bonds are issued pursuant to (i) a resolution of the Board adopted on March 21, 2024; and (ii) a General Indenture of Trust dated as of July 1, 2013, among the Board, the University of Utah (the "University"), and Computershare Trust Company, N.A., (the "Trustee"), as heretofore amended and supplemented (the "General Indenture"), and as further supplemented by an Nineteenth Supplemental Indenture of Trust dated as of June 1, 2024 (the "Nineteenth Supplemental Indenture" and, collectively with the General Indenture, the "Indenture") among the Board, the University, and the Trustee. The Board and the University covenant and agree as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Board and the University for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule (as hereinafter defined).

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Disclosure Report" shall mean any Annual Disclosure Report provided by the University pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

"Beneficial Owner" shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Disclosure Representative" shall mean the Chief Financial Officer of the University or his or her designee, or such other officer or employee as the University shall designate in writing to the Trustee from time to time.

"Dissemination Agent" shall mean Digital Assurance Certification, L.L.C., or any successor Dissemination Agent designated in writing by the University.

"Financial Obligation" means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of (a) or (b) in this definition; provided however, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Undertaking.

"MSRB" shall mean the Municipal Securities Rulemaking Board, the address of which is 1300 I Street, NW, Suite 1000, Washington DC 20005-3314; Telephone (202) 838-1500; Fax (202) 898-1500, and the website address of which is www.msrb.org and www.emma.msrb.org (for municipal disclosures and market data).

"Official Statement" shall mean the Official Statement of the Board dated May 30, 2024 relating to the Bonds.

"Participating Underwriter" shall mean the original Underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Utah.

Section 3. <u>Provision of Annual Disclosure Reports</u>.

(a) The University shall, or shall cause the Dissemination Agent to, not later than two hundred ten (210) days after the end of the University's fiscal year (currently ending June 30), commencing with a report for the fiscal year ending June 30, 2024, provide to the MSRB in an electronic format an Annual Disclosure Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. In each case, the Annual Disclosure Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the University may be submitted separately from the balance of the Annual Disclosure Report, and later than the date required above for the filing of the Annual Disclosure Report if they are not available by that date. If the University's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(g).

(b) If the University is unable or fails to provide an Annual Disclosure Report to the MSRB in an electronic format by the date required in subsection (a), the Dissemination Agent shall send a notice in a timely manner to the MSRB.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Disclosure Report, the website address to which the MSRB directs the Annual Report to be submitted; and

(ii) file a report with the Board and the University certifying that the Annual Disclosure Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided and listing the website address to which it was provided.

Section 4. <u>Content of Annual Disclosure Reports</u>. The Annual Disclosure Report shall contain or incorporate by reference the following:

(a) A copy of the University's annual financial statement prepared in accordance with generally accepted accounting principles audited by the Utah State Auditor's Office or by a firm of certified public accountants designated by the University. If the University's audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Disclosure Report and audited financial statements will be provided when and if available.

(b) An update of the financial information of the type and in the table contained in the Official Statement under the heading: "GENERAL REVENUE BOND SYSTEM—Revenues Available for Debt Service," but only as the same becomes historically available.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the University or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The University shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the University shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds in a timely manner but not more than ten (10) Business Days after the event:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;

3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

6. Defeasances;

7. Tender offers;

8. Bankruptcy, insolvency, receivership or similar proceedings;

9. Rating changes; or

10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the University, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5, the University shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds in a timely manner not more than ten (10) Business Days after the event, if material:

1. Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;

2. Appointment of a successor or additional trustee or the change of the name of a trustee;

3. Non-payment related defaults;

4. Modifications to the rights of the owners of the Bonds;

5. Bond calls;

6. Release, substitution or sale of property securing repayment of the Bonds; or

7. Incurrence of a Financial Obligation of the University or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the University, any of which affect holders of the Bonds.

(c) Whenever the University obtains knowledge of the occurrence of a Listed Event under subsection (a), whether because of a notice from the Trustee or otherwise, the University shall as soon as possible notify the

Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence in a timely manner not more than ten (10) Business Days after the event pursuant to subsection (g)

(d) Whenever the University obtains knowledge of the occurrence of a Listed Event under subsection (b), whether because of a notice from the Trustee or otherwise, the University shall as soon as possible determine if such event would be material under applicable federal securities laws.

(e) If the University has determined that knowledge of the occurrence of a Listed Event under subsection (b) would be material under applicable federal securities laws, the University shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence in a timely manner not more than ten (10) Business Days after the event pursuant to subsection (g).

(f) If the University determines that a Listed Event under subsection (b) would not be material under applicable federal securities laws, the University shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (g).

(g) If the Dissemination Agent has been instructed by the University to report the occurrence of a Listed Event under subsection (a) or (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB in a timely manner not more than ten (10) Business Days after the event.

Section 6. Termination of Reporting Obligation. The obligations of the Board and the University under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the University shall give notice of such termination in the same manner as for a Listed Event under Section 5(g).

Section 7. Dissemination Agent. The Board and the University may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Digital Assurance Certification, L.L.C. If at any time there is no designated Dissemination Agent appointed by the Board and the University, or if the Dissemination Agent so appointed is unwilling or unable to perform the duties of the Dissemination Agent hereunder, the University shall be the Dissemination Agent and undertake or assume its obligations hereunder.

The Dissemination Agent (other than the University) shall not be responsible in any manner for the content of any notice or report required to be delivered by the University pursuant to this Disclosure Undertaking and shall not be deemed to be acting in any fiduciary capacity for the Board, the University, the Holders of the Bonds, or any other party.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Board and the University may amend this Disclosure Undertaking and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The Disclosure Undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the University shall describe such amendment in the next Annual Disclosure Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the University. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(g), and (ii) the Annual Disclosure Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Board or the University from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Disclosure Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the Board or the University chooses to include any information in any Annual Disclosure Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, neither the Board nor the University shall have an obligation under this Disclosure Undertaking to update such information or include it in any future Annual Disclosure Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Board or the University to comply with any provision of this Disclosure Undertaking, the Trustee may (and, at the request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Bonds, shall), or any Holder or Beneficial Owner may take such actions as may be necessary and appropriate to cause the Board or the University, as the case may be, to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Board or the University to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the University, the Board, the Trustee, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: __________, 2024.

UNIVERSITY OF UTAH

By:____
Chief Financial Officer

UTAH BOARD OF HIGHER EDUCATION

By:____
Chair

Agreed and Acknowledged:
DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By:____
Vice President

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APPENDIX E

BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Series 2024AB Bonds. The Series 2024AB Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2024AB Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has S&P's rating of AA+. The DTC Rules applicable to its Direct Participants are on file with the Securities and Exchange Commission.

Purchases of Series 2024AB Bonds under the DTC system must be made by or through Direct Participants, which are to receive a credit for the Series 2024AB Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024AB Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024AB Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2024AB Bonds, except in the event that use of the book-entry system for the Series 2024AB Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024AB Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2024AB Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024AB Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024AB Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2024AB Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2024AB Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2024AB Bond documents. For example, Beneficial Owners of Series 2024AB Bonds may wish to ascertain that the nominee holding the Series 2024AB Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices are to be sent to DTC. If less than all of the Series 2024AB Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2024AB Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2024AB Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2024AB Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct or Indirect Participants to Beneficial Owners are to be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC nor its nominee, the Paying Agent, or the Board or the University, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Paying Agent, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2024AB Bonds at any time by giving reasonable notice to the Board or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2024AB Bond certificates are required to be printed and delivered.

The University may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board and the University believe to be reliable, but the Board and the University take no responsibility for the accuracy thereof.

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