NEW ISSUE **Rating:** S&P "AA"

See "MISCELLANEOUS—Bond Ratings" herein.

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Board of Regents, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the 2019B 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 is also of the opinion that the interest on the 2019B Bonds is exempt from State of Utah individual income taxes. See "TAX MATTERS" herein.

State Board of Regents of the State of Utah

Utah State University

$61,865,000 Research Revenue and Refunding Bonds, Series 2019B

The $61,865,000 Research Revenue and Refunding Bonds, Series 2019B, are issued by the Board of Regents for and on behalf of the University, as fully–registered bonds and, when initially issued, will be in book–entry only form, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, which will act as securities depository for the 2019B Bonds.

Principal of and interest on the 2019B Bonds (interest payable June 1 and December 1 of each year, commencing June 1, 2020) are payable by U.S. Bank National Association, Corporate Trust Services, as Paying Agent, to the registered owners thereof, initially DTC. See "THE 2019B BONDS—Book–Entry System" herein.

The 2019B Bonds are subject to optional and mandatory sinking fund redemption as described herein. See "THE 2019B BONDS—Redemption Provisions" herein.

The 2019B Bonds are being issued for the purpose of refunding certain research revenue bonds previously issued by the Board of Regents on behalf of the University, financing the costs of construction of two buildings on the University's campus for Space Dynamics Laboratory, paying capitalized interest, funding a debt service reserve account, and paying the costs associated with the issuance of the 2019B Bonds. See "THE 2019B BONDS—Plan Of Refunding" "—Sources And Uses Of Funds" and "THE 2019 PROJECT" herein.

The 2019B Bonds will be issued pursuant to the Indenture, as described herein. The Board of Regents has pledged, pursuant to the Indenture, its rights in and to the Revenues to the payment of the 2019B Bonds. The 2019B Bonds are equally and ratably secured with the Outstanding Parity Bonds and any Additional Bonds hereafter issued under the Indenture. ***The 2019B Bonds are not an indebtedness of the State of Utah, the University or the Board of Regents but are special limited obligations of the Board of Regents, payable from and secured solely by the Revenues, and such funds and accounts established by the Indenture, as described herein. See "SECURITY FOR THE 2019B BONDS" herein. The issuance of the 2019B Bonds shall not directly, indirectly, or contingently obligate the Board of Regents, the University or the State of Utah or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefore or to make any appropriation for the payment of the 2019B Bonds. Neither the Board of Regents nor the University has any taxing power.***

In addition, the 2019B Bonds are secured by amounts on deposit in an account in the Debt Service Reserve Fund. The Board of Regents has covenanted to annually certify to the Governor of the State of Utah the amount, if any, required to (i) restore such account to the Debt Service Reserve Requirement with respect to the 2019B Bonds (including payment of amounts under a reserve instrument) or (ii) meet any projected shortfalls of payment of principal and/or interest for the 2019B Bonds. The Governor may (but is not required to) request from the Legislature of the State of Utah an appropriation of the amount so certified and any sums appropriated by the Legislature shall, as appropriate, be deposited to restore such account to the 2019B Debt Service Reserve Requirement or to meet any projected principal or interest payment deficiency. The Legislature is not required to make any appropriation with respect to the 2019B Bonds.

Dated: Date of Delivery[1] **Due:** December 1, as shown on inside front cover

See the inside front cover for the maturity schedule of the 2019B Bonds

The 2019B Bonds were awarded pursuant to competitive bidding received by means of the *PARITY*® electronic bid submission system on November 21, 2019 (as set forth in the OFFICIAL NOTICE OF BOND SALE, dated the date of the PRELIMINARY OFFICIAL STATEMENT) to Janney Montgomery Scott LLC, Philadelphia, Pennsylvania at a "true interest rate" of 2.80%.

Zions Public Finance, Inc., Salt Lake City, Utah, acted as Municipal Advisor.

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 the making of an informed investment decision.

This OFFICIAL STATEMENT is dated November 21, 2019, and the information contained herein speaks only as of that date.

[1] The anticipated date of delivery is day of Tuesday, December 17, 2019.

State Board of Regents of the State of Utah
Utah State University
$61,865,000
Research Revenue and Refunding Bonds, Series 2019B

Dated: Date of Delivery[1] **Due: December 1, as shown below**

$30,625,000 Serial Bonds

Due December 1	CUSIP® 917563	Principal Amount	Interest Rate	Yield
2020………	QY7	$ 15,000	5.00%	1.20%
2021………	QZ4	15,000	5.00	1.20
2022………	RA8	960,000	5.00	1.24
2023………	RB6	1,010,000	5.00	1.30
2024………	RC4	1,055,000	5.00	1.36
2025………	RD2	1,120,000	5.00	1.42
2026………	RE0	1,175,000	5.00	1.48
2027………	RF7	1,500,000	5.00	1.55
2028………	RG5	1,580,000	5.00	1.62
2029………	RH3	1,660,000	5.00	1.70 [c]
2030………	RJ9	1,745,000	5.00	1.77 [c]
2031………	RK6	1,825,000	4.00	1.91 [c]
2032………	RL4	1,895,000	4.00	2.00 [c]
2033………	RM2	1,965,000	3.00	2.40 [c]
2034………	RN0	2,025,000	3.00	2.45 [c]
2035………	RP5	2,085,000	3.00	2.50 [c]
2036………	RQ3	2,150,000	3.00	2.55 [c]
2037………	RR1	2,220,000	3.00	2.60 [c]
2038………	RS9	2,280,000	2.60	2.65
2039………	RT7	2,345,000	2.70	2.75

$12,790,000 3.00% Term Bond due December 1, 2044—Price 101.234% [c] (CUSIP®917563 RY6)

$13,110,000 3.00% Term Bond due December 1, 2049—Price 100.82% [c] (CUSIP®917563 SD1)

$5,340,000 3.00% Term Bond due December 1, 2051—Price 100% (CUSIP®917563 SF6)

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[1] The anticipated date of delivery is day of Tuesday, December 17, 2019.

® CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Capital IQ.

[c] Priced to par call on June 1, 2029.

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This OFFICIAL STATEMENT does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of, the 2019B Bonds (as defined herein), by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other informational representations must not be relied upon as having been authorized by either the State Board of Regents of the State of Utah (the "Board of Regents"); Utah State University (the "University"); U.S. Bank National Association, Corporate Trust Services (as Trustee, Bond Registrar and Paying Agent); Zions Public Finance, Inc., Salt Lake City, Utah (as Municipal Advisor); the successful bidder(s); or any other entity. All information contained herein has been obtained from the Board of Regents, the University, The Depository Trust Company, New York, New York and from other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this OFFICIAL STATEMENT nor the issuance, sale, delivery or exchange of the 2019B Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the Board of Regents or the University since the date hereof.

The 2019B Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities laws in reliance upon exemptions contained in such act and laws. Any registration or qualification of the 2019B Bonds in accordance with applicable provisions of the securities laws of the states in which the 2019B Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this OFFICIAL STATEMENT. Any representation to the contrary is unlawful.

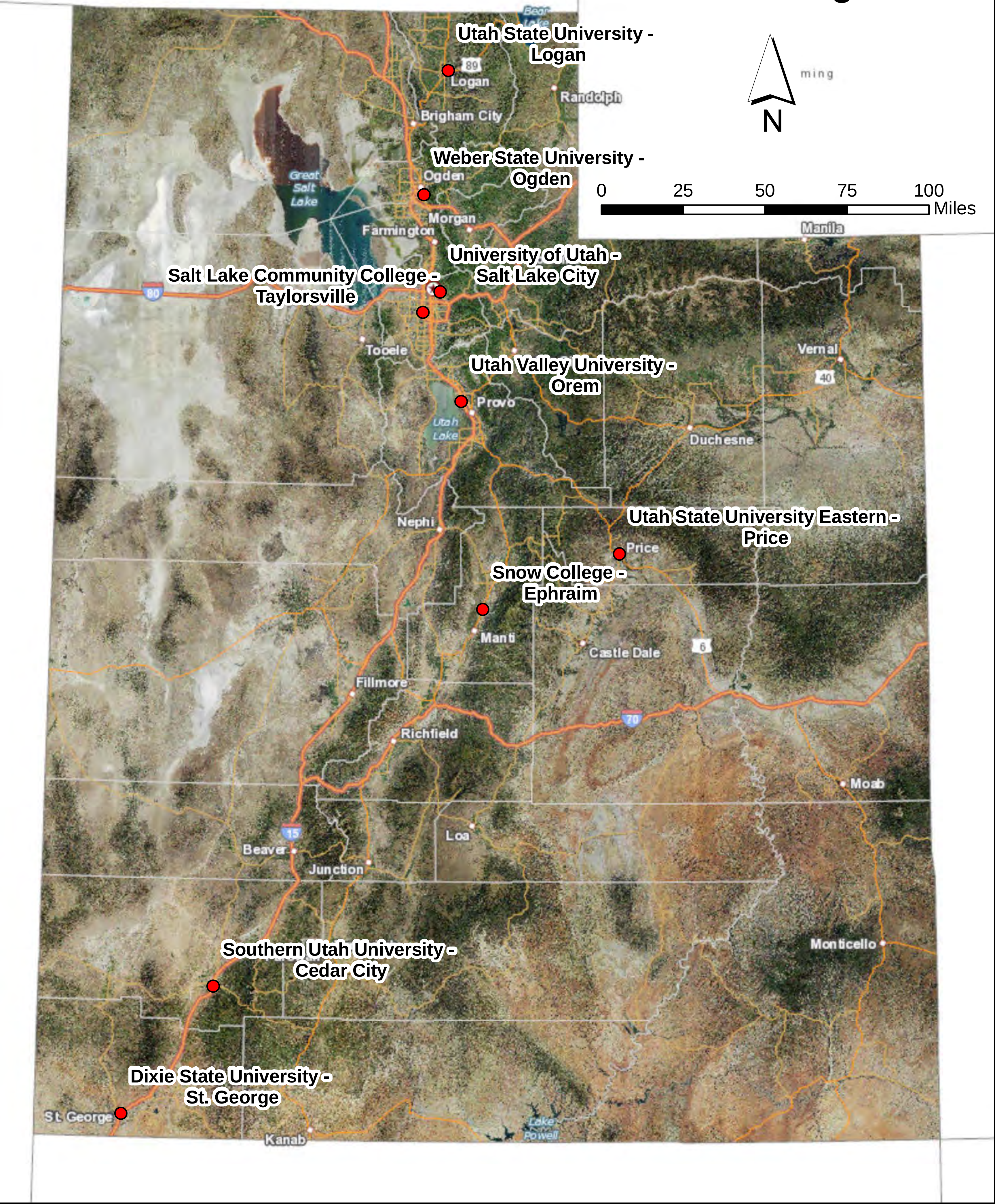
The yields/prices at which the 2019B Bonds are offered to the public may vary from the initial reoffering yields/prices on the inside cover page of this OFFICIAL STATEMENT. In addition, the successful bidder(s) may allow concessions or discounts from the initial offering prices of the 2019B Bonds to dealers and others. In connection with the offering of the 2019B Bonds, the successful bidder(s) may engage in transactions that stabilize, maintain, or otherwise affect the price of the 2019B Bonds. Such transactions may include overallotments relating to the purchase of 2019B Bonds, the purchase of 2019B Bonds to stabilize their market price and the purchase of 2019B Bonds to cover short positions of the successful bidder(s). Such transactions, if commenced, may be discontinued at any time.

Forward–Looking Statements. Certain statements included or incorporated by reference in this OFFICIAL STATEMENT constitute "forward–looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as "plan," "project," "forecast," "expect," "estimate," "budget" or other similar words. ***The achievement of certain results or other expectations contained in such forward–looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward–looking statements. Neither the Board of Regents nor the University plans to issue any updates or revisions to those forward–looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.***

The CUSIP® (the Committee on Uniform Securities Identification Procedures) identification numbers are provided on the inside cover page of this OFFICIAL STATEMENT and are being provided solely for the convenience of bondholders only, and neither the Board of Regents nor the University makes any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP® numbers are subject to being changed after the issuance of the 2019B Bonds because of various subsequent actions including, but not limited to, a refunding in whole or in part of the 2019B Bonds.

The information available at websites referenced in this OFFICIAL STATEMENT has not been reviewed for accuracy and completeness. Such information has not been provided relating to the offering of the 2019B Bonds and is not a part of this OFFICIAL STATEMENT.

Utah State Board of Regents



OFFICIAL STATEMENT RELATING TO

$61,865,000

State Board of Regents of the State of Utah

Utah State University

Research Revenue and Refunding Bonds, Series 2019B

CHANGES TO THIS OFFICIAL STATEMENT THAT WERE NOT REFLECTED IN THE PRELIMINARY OFFICIAL STATEMENT (dated November 21, 2019)

After the release of the PRELIMINARY OFFICIAL STATEMENT (on November 13, 2019), Utah State University (the "University") released its Financial Report for Fiscal Year Ended June 30, 2019 (the "2019 Financial Report") to the public on December 3, 2019.

The University has included the 2019 Financial Report in the final OFFICIAL STATEMENT and has incorporated financial information reflected in the 2019 Financial Report in this final OFFICIAL STATEMENT.

INTRODUCTION

This introduction contains only a brief description of the hereinafter described 2019B Bonds, as defined herein, the security and sources of payment for the 2019B Bonds and certain information regarding the State Board of Regents of the State of Utah (the "Board of Regents") and the University. The information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT. Investors are urged to make a full review of the entire OFFICIAL STATEMENT as well as of the documents summarized or described herein. Capitalized terms used herein and not otherwise defined herein are defined in "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE OF TRUST–Definitions" (page A–1) or the Indenture (as defined below).

See the following appendices that are attached hereto and incorporated herein by reference: "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE OF TRUST;" "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2019;" "APPENDIX C—PROPOSED FORM OF OPINION OF BOND COUNSEL;" "APPENDIX D—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING;" and "APPENDIX E—BOOK–ENTRY SYSTEM."

When used herein the terms "Fiscal Year[s] 20YY" or "Fiscal Year[s] End[ed][ing] June 30, 20YY" shall refer to the year ended or ending on June 30 of the year indicated and beginning on July 1 of the preceding calendar year. When used herein the term "Calendar Year[s] 20YY" shall refer to the year beginning on January 1 and ending on December 31 of the year indicated. The term "Academic Year 20YY–YY" of the University begins with the Summer Term (approximately the second week in May), then Fall Semester and Spring Semester (ending approximately the first week in May of the next calendar year).

Public Sale/Electronic Bid

The 2019B Bonds will be awarded pursuant to competitive bidding received by means of the ***PARITY®*** electronic bid submission system on November 21, 2019 (as set forth in the OFFICIAL NOTICE OF BOND SALE, dated the date of the PRELIMINARY OFFICIAL STATEMENT) to Janney Montgomery Scott LLC, Philadelphia, Pennsylvania at a "true interest cost" of 2.80%.

The Board Of Regents And The 2019B Bonds

The Board of Regents is vested by statute with control, management and supervision of the institutions of higher education of the State of Utah (the "State"), including the University. The University is an institution of higher education and a body corporate and politic of the State operating under provisions of Title 53B, Utah Code Annotated 1953, as amended (the "Higher Education Act"), located in Logan, Utah. See "STATE BOARD OF REGENTS OF THE STATE OF UTAH" and "UTAH STATE UNIVERSITY" below.

This OFFICIAL STATEMENT, including the cover page, introduction and appendices, provides information regarding the issuance and sale by the Board of Regents, acting for and on behalf of the University, of its $61,865,000 Research Revenue and Refunding Bonds, Series 2019B (the "2019B Bonds" or "2019B Bond"), initially issued in book–entry form only.

Utah State University

The University is in the City of Logan, Utah (the "City"). The City, incorporated in 1866, is the county seat of Cache County, Utah (the "County") and had 51,115 residents (according to 2017 U.S. Census Bureau Estimates), and was ranked as the 12th most populous city in the State (out of approximately 245 municipalities). The County is located approximately 90 miles north of Salt Lake City, Utah and 20 miles south of the Utah–Idaho border. The County, incorporated in 1857, had 127,068 residents according to the 2018 population estimate by the U.S. Census Bureau, ranking the County as the 6th most populated county in the State (out of 29 counties). See location map above.

The University is one of the institutions of the State system of higher education and had a student enrollment for Academic Year 2018–2019 (2018 Fall semester (third week) headcount) of 27,932 students (educating approximately 15.2% of the students in the Board of Regent's Utah Systems of Higher Education). See "UTAH STATE UNIVERSITY" below.

Authority And Purpose Of The 2019B Bonds; Outstanding Parity Bonds

Authority. The 2019B Bonds are being issued pursuant to: (i) Title 53B, Chapter 21, Utah Code Annotated 1953, as amended (the "Utah Code"), the Utah Refunding Bond Act, Title 11, Chapter 27 (the "Refunding Act") and Section 63B–29–102 (5) (6), Utah Code, and other applicable provisions of law (collectively, the "Act"); (ii) resolutions adopted by the Board of Regents on May 17, 2019 and to be adopted on November 15, 2019 (collectively, the "Authorizing Resolution") which provides for the authorization, issuance, sale and delivery of the 2019B Bonds; and (iii) a General Indenture of Trust, dated as of August 1, 1995, as previously supplemented and amended (the "General Indenture"), and as further supplemented by a Twelfth Supplemental Indenture, dated as of November 1, 2019 (the "Twelfth Supplemental Indenture"). The General Indenture and the Twelfth Supplemental Indenture are collectively referred to herein as the "Indenture." Under the terms of the Indenture, U.S. Bank National Association, Corporate Trust Services ("U.S. Bank") has been appointed the trustee for the 2019B Bonds (the "Trustee").

Purpose. The 2019B Bonds are being issued for the purpose of refunding certain research revenue bonds previously issued by the University, financing the costs of construction and equipping of two additional buildings for the Space Dynamics Laboratory located within the University's Innovation Campus, paying capitalized interest, funding a debt service reserve account and paying the costs associated with the issuance of the 2019B Bonds. See “THE 2019B BONDS—Plan Of Refunding” and “—Sources And Uses Of Funds” and “THE 2019 PROJECT” below.

Outstanding Parity Bonds. The Board of Regents has outstanding under the Indenture its:

(i) $19,500,000 (original principal amount), Utah State University, Federally Taxable Research Revenue Bonds, Series 2015, dated October 8, 2015, currently outstanding in the aggregate principal amount of $18,765,000 (the “2015 Bonds”);

(ii) $13,145,000 (original principal amount), Utah State University, Research Revenue Refunding Bonds, Series 2015B, dated December 22, 2015, currently outstanding in the aggregate principal amount of $13,145,000 (the “2015B Bonds”);

(iii) $10,135,000 (original principal amount), Utah State University, Federally Taxable Research Revenue Bonds, Series 2016, dated July 6, 2016, currently outstanding in the aggregate principal amount of $9,700,000 (the “2016 Bonds”) *(it is anticipated that the 2019B Bonds will refund in advance of their maturity all of the 2016 Bonds with stated maturities on and after December 1, 2027, as described herein)*;

(iv) $32,210,000 (original principal amount), Utah State University, Research Revenue Bonds, Series 2018B, dated June 21, 2018, currently outstanding in the aggregate principal amount of $32,210,000 (the “2018B Bonds”); and

(v) $5,745,000 (original principal amount), Utah State University, Research Revenue Refunding Bonds, Series 2019A, dated October 16, 2019, currently outstanding in the aggregate principal amount of $5,745,000 (the “2019A Bonds”).

The 2015 Bonds, the 2015B Bonds, the 2016 Bonds, the 2018B Bonds and the 2019A Bonds are sometimes collectively referred to herein as, the “Outstanding Parity Bonds.” The Outstanding Parity Bonds (as of the closing and delivery of the 2019B Bonds and the refunding of the 2016 Refunded Bonds, as hereinafter defined) will be of $71,545,000.

Security

State law provides for the issuance of revenue bonds by the Board of Regents to finance higher education capital facilities and projects that have been approved by the Legislature of the State (the “Legislature”) for the State’s institutions of higher education. The Board of Regents is authorized to issue revenue bonds backed by a pledge of the revenues derived from the operation of financed facilities, student building fees, land grant interest, net profits from proprietary activities or from any other source (or from any combination of such sources) other than tuition and appropriations by the Legislature.

The 2019B Bonds are payable, on a parity with the Outstanding Parity Bonds, from and are secured solely by a pledge and assignment of the “Revenues” (as further described below) and moneys on deposit in the funds and accounts established by the Indenture (other than moneys held to pay arbitrage rebate).

The Revenues generally consist of net reimbursed overhead revenues received by the University, pursuant to research and training contracts and grants awards, attributable to the costs of buildings and equipment, operation and maintenance, general administration and other indirect costs. The Revenues also include net reimbursed overhead revenues from the contracts and grants held by the Utah State University Research Foundation, a non–profit corporation controlled by the University (the “USU Research Foundation”). A discussion of the USU Research Foundation may be found under “DESCRIPTION OF REVENUE SOURCES” below. Also see “SECURITY FOR THE 2019B BONDS—Security And Sources Of Payment” below.

Neither the Board of Regents nor the University has mortgaged or granted a security interest in any property of the University or any portion thereof to secure payment of the 2019B Bonds.

The 2019B Bonds are not an indebtedness of the State, the University or the Board of Regents but are special, limited obligations of the Board of Regents, payable from and secured solely by the Revenues, and other amounts established by the Indenture as described in the Indenture and this OFFICIAL STATEMENT. The issuance of the 2019B Bonds shall not directly, indirectly, or contingently obligate the Board of Regents, 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 of Regents nor the University has any taxing power.

The 2019B Bonds are secured on a parity lien with the Outstanding Parity Bonds and any additional bonds, notes or other obligations that may be issued from time to time under the Indenture (the "Additional Bonds"). See "SECURITY FOR THE 2019B BONDS—Additional Bonds" below. The 2019B Bonds, the Outstanding Parity Bonds, and any Additional Bonds which may be issued from time to time under the Indenture are collectively referred to herein as the "Bonds" or the "Research Bonds".

Debt Service Reserve Account For The 2019B Bonds

The 2019B Bonds are also secured by an account in the Debt Service Reserve Fund (the "2019B Debt Service Reserve Account"). The 2019B Debt Service Reserve Requirement, as defined herein, will be satisfied by obtaining a 2019B Reserve Instrument (defined hereinafter) from Assured Guaranty Municipal Corp., New York, New York ("AGM"). See "SECURITY FOR THE 2019B BONDS—Debt Service Reserve Account" below.

Redemption Provisions

The 2019B Bonds are subject to optional and mandatory sinking fund redemption. See "THE 2019B BONDS—Redemption Provisions" below.

Registration, Denominations, Manner Of Payment

The 2019B Bonds are issuable only as fully–registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the 2019B Bonds. Purchases of 2019B Bonds will be made in book–entry form only, in the principal amount of $5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Beneficial Owners (as defined herein) of the 2019B 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 2019B Bonds. "Direct Participants," "Indirect Participants" and "Beneficial Owners" are defined in "APPENDIX E—BOOK–ENTRY SYSTEM" below.

Principal of and interest on the 2019B Bonds (interest payable June 1 and December 1 of each year, commencing June 1, 2020) are payable by U.S. Bank, as Paying Agent (the "Paying Agent"), to the registered owners of the 2019B Bonds. So long as Cede & Co. is the sole registered owner, it will, in turn, remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2019B Bonds, as described in "APPENDIX E—BOOK–ENTRY SYSTEM" below.

So long as DTC or its nominee is the sole registered owner of the 2019B Bonds, neither the Board of Regents, the University, the State, the successful bidder(s) nor the Trustee will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants or the Beneficial Owners of the 2019B Bonds.

Regular Record Date; Transfer Or Exchange

The Regular Record Date for the 2019B Bonds is the 15th day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date. The Special Record Date for the 2019B Bonds is the date to be fixed by the Trustee for payment of defaulted interest, with notice thereof to be given to such Registered Owner not less than 10 days prior to such Special Record Date. The 2019B Bonds may be transferred or exchanged as provided in the Indenture. The Board of Regents, the University and the Trustee shall not be required to transfer or exchange any 2019B 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 15 days prior to any Special Record Date, to and including the date of the proposed payment pertaining thereto, or (iii) during the period of 15 days prior to the mailing of notice calling such 2019B Bond for redemption nor at any time following the mailing of notice calling such 2019B Bond for redemption.

Tax Matters Regarding The 2019B Bonds

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Board of Regents, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the 2019B 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 is also of the opinion that the interest on the 2019B Bonds is exempt from State of Utah individual income taxes.

See "TAX MATTERS" below.

Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the 2019B Bonds.

Professional Services

Regarding the issuance of the 2019B Bonds, the following have served the Board of Regents in the capacity indicated.

Counsel to the Board of Regents and the University

Utah Attorney General
Kevin V Olsen Assistant Attorney General
160 E 300 S Ste 500
Salt Lake City UT 84114
801.366.0270 | f 801.366.0268
kvolsen@agutah.gov

Bond Counsel and Disclosure Counsel to the Board of Regents

Gilmore & Bell PC
15 W S Temple Ste 1450
Salt Lake City UT 84101
801.364.5080 | f 801.364.5032
bwade@gilmorebell.com

Trustee, Bond Registrar and Paying Agent

U.S. Bank National Association
Corporate Trust Services
170 S Main St Ste 200
Salt Lake City UT 84101
801.534.6083 | f 801.534.6013
brandon.elzinga@usbank.com

Municipal Advisor

Zions Public Finance Inc
Zions Bank Building
One S Main St 18th Fl
Salt Lake City UT 84133–1109
801.844.7373 | f 801.844.4484
brian.baker@zionsbancorp.com

Conditions Of Delivery, Anticipated Date, Manner And Place Of Delivery

The 2019B Bonds are offered, subject to prior sale, when, as and if issued and received by the successful bidder(s), subject to the approval of their legality by Gilmore & Bell, P.C., Bond Counsel, and certain other conditions. Certain legal matters regarding this OFFICIAL STATEMENT will be passed on for the Board of Regents and the University by Gilmore & Bell, P.C., Disclosure Counsel to the Board of Regents. Certain legal matters will be passed on for the Board of Regents and the University by the Attorney General of the State. It is expected that the 2019B Bonds, in book–entry form only, will be available for delivery to DTC or its agent on or about Tuesday, December 17, 2019.

Continuing Disclosure Undertaking

The University and the Board of Regents will enter a continuing disclosure undertaking for the benefit of the Beneficial Owners of the 2019B Bonds. For a detailed discussion of this disclosure undertaking, previous undertakings and timing of submissions see "CONTINUING DISCLOSURE UNDERTAKING" below and "APPENDIX D—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING."

Basic Documentation

This OFFICIAL STATEMENT speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the Board of Regents, the University and the 2019B Bonds are included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Indenture and the 2019B Bonds are qualified in their entirety by reference to each such document.

Descriptions of the Indenture and the 2019B 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. Other documentation authorizing the issuance of the 2019B Bonds and establishing the rights and responsibilities of the Board of Regents, the University and other parties to the transaction, may be obtained from the "contact persons" as indicated below. A summary of certain provisions of the Indenture is attached hereto as "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE OF TRUST."

Contact Persons

As of the date of this OFFICIAL STATEMENT, additional requests for information may be directed to Zions Public Finance, Inc., Salt Lake City, Utah (the "Municipal Advisor"):

Brian Baker, Vice President, brian.baker@zionsbancorp.com
Eric John Pehrson, Senior Vice President, eric.pehrson@zionsbancorp.com
Zions Public Finance, Inc.
Zions Bank Building
One S Main St 18th Fl
Salt Lake City UT 84133–1109
801.844.7373 | f 801.844.4484

As of the date of this OFFICIAL STATEMENT, the chief contact person for the University concerning the 2019B Bonds is:

David T Cowley
Vice President for Business and Finance
dave.cowley@usu.edu
Utah State University
1445 Old Main Hill
Logan UT 84322–1445
435.797.1146 | f 435.797.0710

As of the date of this OFFICIAL STATEMENT, the chief contact person for the Board of Regents concerning the 2019B Bonds is:

Richard Amon PhD
Associate Commissioner for Finance and Facilities
ramon@ushe.edu
Utah System of Higher Education
60 S 400 W
Salt Lake City UT 84101
801.321.7241 | f 801.321.7199

INVESTMENT CONSIDERATIONS

The 2019B Bonds offered hereby involve a degree of risk. Potential purchasers of the 2019B Bonds should carefully consider the risks involved in deciding to purchase the 2019B Bonds. These risks include, without limitation, those described herein. Those described are not all–inclusive.

Limited Obligations

The 2019B Bonds are special, limited obligations of the Board of Regents payable solely from the 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 2019B Bonds, and the 2019B Bonds are not general obligations of the Board of Regents, the University or the State or any agency, instrumentality or political subdivision thereof. The issuance of the 2019B Bonds shall 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 Revenues as herein described. Neither the Board of Regents nor the University has any taxing power. See "SECURITY FOR THE 2019B BONDS" below.

Risks Related To Research Facilities

The Revenues depend on research and training contracts and grants entered into by the University which have an average life of approximately three to five years. Furthermore, many contracts and grants entered 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. If Revenues continue to be available in future years to pay debt service on the 2019B Bonds depends upon the overall availability of, and the University's ability to, attract and obtain, additional contracts and grants in future years.

While the University expects Revenues will continue to be sufficient to 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.

See "DESCRIPTION OF REVENUE SOURCES" below.

CONTINUING DISLCOSURE UNDERTAKING

Continuing Disclosure Undertaking For 2019B Bonds

Continuing Disclosure Undertaking For 2019B Bonds. The University will enter into a Continuing Disclosure Undertaking (the "Disclosure Undertaking") for the benefit of the Beneficial Owners of the 2019B Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access system ("EMMA") pursuant to the requirements of paragraph (b)(5) of Rule 15c2–12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. No person, other than the University, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the 2019B Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Disclosure Undertaking, including termination, amendment and remedies, are set forth in the proposed form of the Disclosure Undertaking in "APPENDIX D—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING."

Based on the Disclosure Undertaking, the University will submit its annual financial report (Fiscal Year Ending June 30) (the "Financial Report") and other operating and financial information on or before March 26 (not more than 270 days from the end of the Fiscal Year). The University will submit the Fiscal Year 2020 Financial Report and other operating and financial information for the 2019B Bonds on or before March 26, 2021, and annually thereafter on or before each March 26 of each year.

A failure by the University to comply with the Disclosure Undertaking will not constitute a default under the Indenture and the Beneficial Owners of the 2019B Bonds are limited to the remedies provided 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 2019B Bonds in the secondary market. Any such failure may adversely affect the marketability of the 2019B Bonds.

During the five years prior to the date of this OFFICIAL STATEMENT, the University has not failed to comply in all material respects with its prior undertakings pursuant to the Rule.

The University provides continuing disclosure on bond issues issued under three distinct revenue systems. Continuing disclosure information is due on or before March 26 of each year.

Research Bonds. The University submits continuing disclosure information related to its Outstanding Parity Bonds (and in the future the 2019B Bonds).

Student Fee/Housing Bonds. The University submits continuing disclosure information related to its outstanding student fee and housing system revenue bonds (the "Student Fee/Housing Bonds").

Student Fee Building Bonds. The University submits continuing disclosure information related to student fee building revenue bonds (the "Building Fee Bonds").

See "DEBT STRUCTURE OF UTAH STATE UNIVERSITY—Outstanding Debt Of The University" below.

Other Colleges and Universities Under the Board of Regents; *The University's Disclosure Responsibilities*. Certain other higher education system institutions (colleges and universities) on behalf of which the Board of Regents has issued bonds have missed filing deadlines under their continuing disclosure undertakings or failed to include certain financial information in filings made pursuant to such continuing undertakings. The Board of Regents disclosure compliance policy requires the State's institutions of higher education, including the University, to adopt their own disclosure compliance policy and train applicable employees regarding disclosure compliance. The University has adopted the necessary policies and provides the necessary training. *The University has retained a third–party disclosure firm to assist with its future continuing disclosure filing responsibilities.*

THE 2019B BONDS

General

The 2019B Bonds will be dated the date of their initial delivery[1] and will mature on December 1 of the years and in the amounts as set forth on the inside cover page of this OFFICIAL STATEMENT.

The 2019B Bonds shall bear interest from their date at the rates set forth on the inside cover page of this OFFICIAL STATEMENT. Interest on the 2019B Bonds is payable semiannually on each June 1 and December 1, commencing June 1, 2020. Interest on the 2019B Bonds shall be computed based on a 360–day year consisting of 12, 30–day months. U.S. Bank is the Trustee and Paying Agent with respect to the 2019B Bonds.

The 2019B Bonds will be issued as fully–registered bonds, initially in book–entry form, in the denomination of $5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

Plan Of Refunding

The University previously issued its 2016 Bonds which original proceeds were used by the University for financing costs of construction of a research revenue building located at the Innovation Campus area within the main campus of the University.

Certain proceeds from the 2019B Bonds will be deposited with U.S. Bank National Association, Salt Lake City, Utah as Escrow Agent (the "Escrow Agent"), pursuant to an Escrow Deposit Agreement dated as of November 1, 2019 (the "Escrow Agreement"), to establish an irrevocable trust escrow account (the "Escrow Account"), consisting of cash and noncallable direct full faith and credit obligations of the United States of America.

Amounts in the Escrow Account shall be used to pay interest on the 2016 Bonds maturing on and after December 1, 2027 (the "2016 Refunded Bonds") and to redeem the 2016 Refunded Bonds at a redemption price of 100% of the principal amount thereof on December 1, 2026 (the "2016 Redemption Date"). The 2016 Refunded Bonds mature on the dates and in the amounts, and bear interest at the rates, as follows:

Scheduled Maturity (December 1)	Redemption Date	CUSIP® 917563	Principal Amount	Interest Rate	Redemption Price
2031	December 1, 2026	KJ6	$1,425,000	3.482%	100%
2036	December 1, 2026	KP2	1,715,000	3.949	100
2046	December 1, 2026	KZ0	4,660,000	4.049	100
Totals			$7,800,000		

(Source: Municipal Advisor.)

The cash and investments held in the Escrow Account will be sufficient to pay the interest falling due on the 2016 Refunded Bonds through the 2016 Redemption Date and the redemption price of the 2016 Refunded Bonds, due and payable on the 2016 Redemption Date.

[1] The anticipated date of delivery is day of Tuesday, December 17, 2019.

Certain mathematical computations regarding the sufficiency of the investments held in the Escrow Account will be verified by Public Finance Partners LLC, Minneapolis, Minnesota. See “MISCELLANEOUS—Escrow Verification” below.

Sources And Uses Of Funds

The proceeds from the sale of the 2019B Bonds are estimated to be applied as set forth below:

Sources:	
Par amount of 2019B Bonds	$61,865,000.00
Original issue premium	4,082,001.50
Total	$65,947,001.50
Uses:	
Deposit to Construction Account	$52,700,000.00
Deposit to Escrow Account	8,960,612.75
Capitalized interest (through December 1, 2021)	3,490,253.06
Underwriter’s discount	511,539.97
Costs of issuance (1)	249,738.87
Original issue discount	34,856.85
Total	$65,947,001.50

(1) Includes legal fees, Municipal Advisor fees, rating agency fees, Trustee, Registrar and Paying Agent fees, reserve instrument fees, escrow verification fees, rounding amounts and other miscellaneous costs of issuance.

(Source: Municipal Advisor.)

Redemption Provisions

Optional Redemption. The 2019B Bonds maturing on or prior to December 1, 2028, are not subject to optional redemption prior to maturity. The 2019B Bonds maturing on or after December 1, 2029 are subject to redemption at the option of the Board of Regents on June 1, 2029, and on any date thereafter prior to maturity, in whole or in part, from such maturities as may be selected by the Board of Regents, and at random within each maturity if less than the full amount of any maturity is to be redeemed, upon not less than 30 days’ prior written notice, at a redemption price equal to 100% of the principal amount of the 2019B Bonds to be redeemed, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption. The 2019B Bonds maturing on December 1, 2044, December 1, 2049 and December 1, 2051 are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the Principal amount thereof, plus accrued interest thereon to the date of redemption on the dates and in the Principal amounts as follows:

Mandatory Sinking Fund Redemption Date	Sinking Fund Installments
December 1, 2040	$ 2,410,000
December 1, 2041	2,480,000
December 1, 2042	2,560,000
December 1, 2043	2,630,000
December 1, 2044 (final maturity)	2,710,000
Total	$12,790,000

Mandatory Sinking Fund Redemption Date	Sinking Fund Installments
December 1, 2045	$ 2,800,000
December 1, 2046	2,880,000
December 1, 2047	2,405,000
December 1, 2048	2,475,000
December 1, 2049 (final maturity)	2,550,000
Total	$13,110,000

Mandatory Sinking Fund Redemption Date	Sinking Fund Installments
December 1, 2050	$2,630,000
December 1, 2051 (final maturity)	2,710,000
Total	$5,340,000

Upon redemption of any 2019B Bonds maturing on December 1, 2044, December 1, 2049 and December 1, 2051 other than by application of such mandatory sinking fund redemption, an amount equal to the principal amount so redeemed will be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for such 2019B Bonds maturing on December 1, 2044, December 1, 2049 and December 1, 2051, respectively, in such order of mandatory sinking fund redemption date as shall be directed by the Board of Regents.

Partial Redemption of 2019B Bonds. If any 2019B Bond is to be redeemed in part only, upon the presentation of such bond for such partial redemption, the Board of Regents shall execute and the Trustee shall authenticate and deliver or cause to be delivered to or upon the written order of the Registered Owner thereof, at the expense of the Board of Regents, a 2019B Bond or 2019B Bonds of the same interest rate and maturity, in aggregate principal amount equal to the unredeemed portion of such registered 2019B Bond. A portion of any 2019B Bond of a denomination more than $5,000 will be redeemed in the principal amount of $5,000 or a natural multiple thereof and in selecting portions of such 2019B Bonds for redemption, the Trustee will treat each such 2019B Bond as representing that number of 2019B Bonds of $5,000 which is obtained by dividing the principal amount of such 2019B Bond by $5,000.

Notice of Redemption. Notice of redemption of any 2019B Bond shall be given by first class mail, not less than 30 nor more than 60 days prior to the redemption date, to the Registered Owner thereof, at the address of such Owner as it appears in the registration books kept by the Registrar. Each notice of redemption shall state (i) the official name of the 2019B Bonds and CUSIP numbers of the 2019B Bonds being redeemed; (ii) the dated date of and interest rate on such Bonds; (iii) in the case of partial redemption of 2019B Bonds, the respective principal amounts thereof to be redeemed, and a statement to the effect that on or after the redemption date, upon surrender of such 2019B Bond, a new 2019B Bond in principal amount equal to the unredeemed portion of such 2019B Bond will be issued; (iv) the date of mailing of redemption notices and the redemption date; (v) the redemption price; (vi) that on the redemption date the redemption price will become due and payable upon each such 2019B Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (vii) the place where such 2019B Bonds are to be surrendered for payment of the redemption price, designating the name and address of the Paying Agent with the name of a contact person and telephone number. Each notice may further state that such redemption shall be conditional upon the Trustee's receiving on or prior to the date fixed for redemption moneys sufficient to pay the principal of and interest on the 2019B Bonds to be redeemed and that if such moneys have not been so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, one time, in the same manner in which the notice of redemption was given, that such moneys were not so received.

For so long as a book–entry system is in effect with respect to the 2019B Bonds, the Trustee will mail notices of redemption to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants or any failure of the Direct Participants or Indirect Participants to convey such notice to any

Beneficial Owner will not affect the sufficiency of the notice or the validity of the redemption of 2019B Bonds.

Book–Entry System

DTC will act as securities depository for the 2019B Bonds. The 2019B 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 2019B Bond certificate will be issued for each maturity of the 2019B Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See "APPENDIX E—BOOK–ENTRY SYSTEM" for a more detailed discussion of the book–entry system and DTC.

Debt Service On The 2019B Bonds

	The 2019B Bonds			
Payment Date	Principal	Interest	Period Total	Fiscal Total
June 1, 2020	$ 0.00	$ 962,905.50	$ 962,905.50	$ 962,905.50
December 1, 2020	15,000.00	1,056,847.50	1,071,847.50	
June 1, 2021	0.00	1,056,472.50	1,056,472.50	2,128,320.00
December 1, 2021	15,000.00	1,056,472.50	1,071,472.50	
June 1, 2022	0.00	1,056,097.50	1,056,097.50	2,127,570.00
December 1, 2022	960,000.00	1,056,097.50	2,016,097.50	
June 1, 2023	0.00	1,032,097.50	1,032,097.50	3,048,195.00
December 1, 2023	1,010,000.00	1,032,097.50	2,042,097.50	
June 1, 2024	0.00	1,006,847.50	1,006,847.50	3,048,945.00
December 1, 2024	1,055,000.00	1,006,847.50	2,061,847.50	
June 1, 2025	0.00	980,472.50	980,472.50	3,042,320.00
December 1, 2025	1,120,000.00	980,472.50	2,100,472.50	
June 1, 2026	0.00	952,472.50	952,472.50	3,052,945.00
December 1, 2026	1,175,000.00	952,472.50	2,127,472.50	
June 1, 2027	0.00	923,097.50	923,097.50	3,050,570.00
December 1, 2027	1,500,000.00	923,097.50	2,423,097.50	
June 1, 2028	0.00	885,597.50	885,597.50	3,308,695.00
December 1, 2028	1,580,000.00	885,597.50	2,465,597.50	
June 1, 2029	0.00	846,097.50	846,097.50	3,311,695.00
December 1, 2029	1,660,000.00	846,097.50	2,506,097.50	
June 1, 2030	0.00	804,597.50	804,597.50	3,310,695.00
December 1, 2030	1,745,000.00	804,597.50	2,549,597.50	
June 1, 2031	0.00	760,972.50	760,972.50	3,310,570.00
December 1, 2031	1,825,000.00	760,972.50	2,585,972.50	
June 1, 2032	0.00	724,472.50	724,472.50	3,310,445.00
December 1, 2032	1,895,000.00	724,472.50	2,619,472.50	
June 1, 2033	0.00	686,572.50	686,572.50	3,306,045.00
December 1, 2033	1,965,000.00	686,572.50	2,651,572.50	
June 1, 2034	0.00	657,097.50	657,097.50	3,308,670.00
December 1, 2034	2,025,000.00	657,097.50	2,682,097.50	
June 1, 2035	0.00	626,722.50	626,722.50	3,308,820.00
December 1, 2035	2,085,000.00	626,722.50	2,711,722.50	
June 1, 2036	0.00	595,447.50	595,447.50	3,307,170.00
December 1, 2036	2,150,000.00	595,447.50	2,745,447.50	
June 1, 2037	0.00	563,197.50	563,197.50	3,308,645.00
December 1, 2037	2,220,000.00	563,197.50	2,783,197.50	
June 1, 2038	0.00	529,897.50	529,897.50	3,313,095.00
December 1, 2038	2,280,000.00	529,897.50	2,809,897.50	
June 1, 2039	0.00	500,257.50	500,257.50	3,310,155.00
December 1, 2039	2,345,000.00	500,257.50	2,845,257.50	
June 1, 2040	0.00	468,600.00	468,600.00	3,313,857.50

Debt Service On The 2019B Bonds–continued

Payment Date	The 2019B Bonds Principal	Interest	Period Total	Fiscal Total
December 1, 2040	$ 2,410,000.00 (1)	$ 468,600.00	$ 2,878,600.00	
June 1, 2041	0.00	432,450.00	432,450.00	$3,311,050.00
December 1, 2041	2,480,000.00 (1)	432,450.00	2,912,450.00	
June 1, 2042	0.00	395,250.00	395,250.00	3,307,700.00
December 1, 2042	2,560,000.00 (1)	395,250.00	2,955,250.00	
June 1, 2043	0.00	356,850.00	356,850.00	3,312,100.00
December 1, 2043	2,630,000.00 (1)	356,850.00	2,986,850.00	
June 1, 2044	0.00	317,400.00	317,400.00	3,304,250.00
December 1, 2044	2,710,000.00 (1)	317,400.00	3,027,400.00	
June 1, 2045	0.00	276,750.00	276,750.00	3,304,150.00
December 1, 2045	2,800,000.00 (2)	276,750.00	3,076,750.00	
June 1, 2046	0.00	234,750.00	234,750.00	3,311,500.00
December 1, 2046	2,880,000.00 (2)	234,750.00	3,114,750.00	
June 1, 2047	0.00	191,550.00	191,550.00	3,306,300.00
December 1, 2047	2,405,000.00 (2)	191,550.00	2,596,550.00	
June 1, 2048	0.00	155,475.00	155,475.00	2,752,025.00
December 1, 2048	2,475,000.00 (2)	155,475.00	2,630,475.00	
June 1, 2049	0.00	118,350.00	118,350.00	2,748,825.00
December 1, 2049	2,550,000.00 (2)	118,350.00	2,668,350.00	
June 1, 2050	0.00	80,100.00	80,100.00	2,748,450.00
December 1, 2050	2,630,000.00 (3)	80,100.00	2,710,100.00	
June 1, 2051	0.00	40,650.00	40,650.00	2,750,750.00
December 1, 2051	2,710,000.00 (3)	40,650.00	2,750,650.00	2,750,650.00
Totals	$61,865,000.00	$38,533,078.00	$100,398,078.00	

(1) Mandatory sinking fund principal payments from a $12,790,000, 3.00% term bond due December 1, 2044.
(2) Mandatory sinking fund principal payments from a $13,110,000, 3.00% term bond due December 1, 2049.
(3) Mandatory sinking fund principal payments from a $5,340,000, 3.00% term bond due December 1, 2051.

(Source: Municipal Advisor.)

SECURITY FOR THE 2019B BONDS

Security And Source Of Payment

The Bonds are special, limited obligations of the Board of Regents, payable from and secured by a pledge of (i) the Revenues, and (ii) all moneys in all funds and accounts (other than moneys held to pay arbitrage rebate) held by the Trustee under the Indenture including the investments, if any, thereof, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

For purposes of the Indenture, Revenues include all net reimbursed overhead revenues (sometimes referred to as indirect cost recovery revenues) within the meaning of Section 53B–7–104, Utah Code, received or to be received by the University (including the USU Research Foundation) 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 if any Bonds remain Outstanding.

The 2019B Bonds are not an indebtedness of the State, the University or the Board of Regents but are special, limited obligations of the Board of Regents, payable from and secured solely by the Revenues, and such funds and accounts established by the Indenture. The issuance of the 2019B Bonds shall not directly, indirectly, or contingently obligate the Board of Regents, 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 of Regents nor the University has any taxing power.

Description Of Revenues

Research and training contracts and grants awarded to universities generally consider the overhead costs of a university 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, on the other hand, are those costs that are incurred for the joint benefit of more than one project. Such indirect costs include for example; building and equipment usage, operation and maintenance, general administration, departmental administration, sponsored projects administration and library usage (in summary; facilities and administrative costs). Identifying indirect costs for individual contracts requires that all indirect costs be pooled and then pro–rated as an overhead charge. This overhead charge is then paid to a university in the form of reimbursed overhead revenue. See "DESCRIPTION OF REVENUE SOURCES—Management Discussion Of Revenues" below for a description of how these overhead charges are calculated.

Board Of Regents Policies On The Use Of Revenues

The Board of Regents has recognized the importance of research programs at the State's universities. In October 1972, the Board of Regents adopted a resolution supporting research programs. In establishing a policy regarding reimbursed overhead derived from research contracts and grants, the Board of Regents recognized the need for development of research activities, matching funds for research and training grant equipment, remodeling projects for research facilities and support of certain contract and grant proposal activities as appropriate expenditures.

Covenants

The Board of Regents and the University, among other things, covenant that (i) the University will maintain its Research Facilities in good condition and will continue to develop its research and development functions to utilize fully such Research Facilities and (ii) records and accounts will be kept by the University separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to its Revenue Fund. For a more detailed presentation of the covenants of the Board of Regents and the University, see "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE OF TRUST."

Flow Of Funds

The Indenture provides that Revenues shall be deposited to the Revenue Fund held by the University. The Indenture provides that on or before the 15th day of each May and November, the University shall transfer amounts on deposit in the Revenue Fund into the Bond Fund in an amount equal to the interest payable on the Bonds on the next succeeding Interest Payment Date. On or before the 15th day of each November, the University shall transfer amounts on deposit in the Revenue Fund into the Bond Fund in an amount equal to the principal payable on the Bonds on the next succeeding December 1. All deficiencies in required deposits to the Bond Fund from the next preceding Interest Payment Date or December 1, as applicable, shall also be supplied. Said deposits shall be reduced by (i) any income derived from the investment of the Bond Fund, and (ii) any other deposits made to the Bond Fund pursuant to the Indenture.

On or before the 15th day of each May and November, and subsequent to the transfers to the Bond Fund required above, the University shall transfer from the Revenue Fund for deposit in the Debt Service Reserve Fund and the Reserve Instrument Fund, those amounts required to be paid pursuant to the Indenture such that the Debt Service Reserve Fund shall have accumulated therein moneys (taking into account any Reserve Instruments) equal to the Debt Service Reserve Requirement, and to repay all Reserve Instrument Repayment Obligations, if any.

Debt Service Reserve Account

2019B Debt Service Reserve Account; 2019B Reserve Instrument. The Twelfth Supplemental Indenture requires the establishment of the 2019B Debt Service Reserve Account and a Debt Service Reserve Requirement with respect to the 2019B Bonds in an amount equal to the maximum annual debt service (based on a Calendar Year) on the 2019B Bonds, which, as of the date of issuance of the 2019B Bonds, will be $3,313,857.50 (the "2019B Debt Service Reserve Requirement"). The Indenture authorizes the Board of Regents to obtain a Reserve Instrument to satisfy the 2019B Debt Service Reserve Requirement (the "2019B Reserve Instrument").

The 2019B Reserve Instrument. AGM has made a commitment to issue a municipal bond debt service reserve insurance policy for the 2019B Reserve Instrument with respect to the 2019B Bonds (the "2019B Reserve Instrument Insurance Policy"), effective as of the date of the issuance of such 2019B Bonds. Under the terms of the 2019B Reserve Instrument Insurance Policy, AGM will unconditionally and irrevocably guarantee to pay that portion of the scheduled principal and interest on the 2019B Bonds that become due for payment but shall be unpaid due to nonpayment by the Board of Regents (the "Insured Payments").

AGM will pay each portion of an Insured Payment that is due for payment and unpaid by reason of nonpayment by the Board of Regents to the Trustee or Paying Agent, as beneficiary of the 2019B Reserve Instrument Insurance Policy on behalf of the holders of the 2019B Bonds on the later to occur of (i) the date such scheduled principal or interest becomes due for payment or (ii) the business day next following the day on which AGM receives a demand for payment therefore in accordance with the terms of the 2019B Reserve Fund Insurance Policy.

No payment shall be made under the 2019B Reserve Instrument Insurance Policy more than $3,313,857.50 (the "2019B Reserve Instrument Insurance Policy Limit"). Pursuant to the terms of the 2019B Reserve Instrument Insurance Policy, the amount available at any particular time to be paid to the Trustee or Paying Agent shall automatically be reduced to the extent of any payment made by AGM under the 2019B Reserve Instrument Insurance Policy, provided that, to the extent of the reimbursement of such payment to AGM, the amount available under the 2019B Reserve Instrument Insurance Policy shall be reinstated in an amount not to exceed the 2019B Reserve Instrument Insurance Policy Limit.

Special Provisions Relating to the 2019B Reserve Instrument. Upon a failure to pay policy costs when due or any other breach of the provisions contained in the Indenture relating to the 2019B Reserve Instrument Insurance Policy, AGM shall be entitled to exercise all legal and equitable remedies available to it, including those provided under the Indenture other than (i) acceleration of the maturity of the Outstanding Bonds or (ii) remedies that would adversely affect owners of the Outstanding Bonds.

Any policy costs then due and owing to AGM shall be included in the calculation of maximum Aggregate Annual Debt Service Requirement in the calculation of the additional bonds test.

Covenant To Request Legislative Appropriation For The 2019B Bonds

In accordance with the Higher Education Act, the Indenture provides that the Chairman of the Board of Regents shall, not later than December 1, in each year, certify to the Governor and the Director of Finance of the State the amount, if any, required to (i) restore the 2019B Debt Service Reserve Account (including payment of any amounts due under the 2019B Reserve Instrument) to the 2019B Debt Service Reserve Requirement, (ii) restore the Reserve Instrument Fund to the required amount, if any, or (iii) meet projected shortfalls of payment of Principal and/or interest for the following year on any 2019B Bonds. The Governor may (but is not required to) request from the Legislature an appropriation of the amount so certified and any sums appropriated by the Legislature shall, as appropriate, be deposited in the 2019B Debt Service Reserve Account, in the Reserve Instrument Fund, or in the Bond Fund, as applicable. The Legislature is not required to make any appropriation with respect to the 2019B Bonds.

Covenant To Request Legislative Appropriation For Certain Outstanding Parity Bonds; Outstanding Parity Bonds Debt Service Reserve Funds

Covenant to Request Legislative Appropriation for Certain Outstanding Parity Bonds. ***Except for the 2019A Bonds (as noted below), the Outstanding Parity Bonds enjoy the same pledge of the State concerning the restoration of the respective debt service reserve accounts and the appropriation to meet a projected shortfall of payment of principal and/or interest for the following year on the Outstanding Parity Bonds as described in the preceding paragraph with respect to the 2019B Bonds. The Legislature is not required to make any appropriation with respect to any Outstanding Parity Bonds.***

Outstanding Parity Bonds Debt Service Reserve Funds. Under the Indenture, each Series of Outstanding Bonds for which a Debt Service Reserve Requirement is established is secured by a separate Series Account in the Debt Service Reserve Fund.

The 2019A Bonds. The 2019A Bonds are secured by cash in the amount of $574,500 held in the Debt Service Reserve Account relating to the 2019A Bonds. The University may elect to issue Bonds which are not secured by the covenant to request legislative appropriations as described above. *The 2019A Bonds are not secured by such a covenant.*

The 2018B Bonds. The 2018B Bonds are secured by a reserve instrument issued by AGM in the 2018B Debt Service Reserve Account in the amount of $1,799,625 (the maximum annual debt service amount) relating to the 2018B Bonds.

The 2016 Bonds. The 2016 Bonds are secured by a reserve instrument issued by AGM in the 2016 Debt Service Reserve Account in the amount of $569,240 (the maximum annual debt service amount) relating to the 2016 Bonds. *Portions of this bond will be refunded by the 2019B Bonds.*

The 2015B Bonds. The 2015B Bonds are secured by a reserve instrument issued by AGM in the 2015B Debt Service Reserve Account in the amount of $1,476,850 (the maximum annual debt service amount) relating to the 2015B Bonds.

The 2015 Bonds. The 2015 Bonds are secured by a reserve instrument issued by AGM in the 2015 Debt Service Reserve Account in the amount of $1,192,669 (the maximum annual debt service amount) relating to the 2015 Bonds.

No Historical Request For Legislative Appropriation On Higher Education Bonds Or Debt Service Reserve Accounts

As of the date of this OFFICIAL STATEMENT and the inception in 1997 of the "moral obligation" pledge of the State as contained within the Higher Education Act, the Board of Regents has never requested from the Governor or the Legislature to appropriate moneys to: (i) restore or fund a debt service reserve account; (ii) restore a reserve instrument fund; or (iii) make the principal and interest payments due on any bonds that have been issued by the Board of Regents for and on behalf of the Board of Regent's colleges and universities.

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

Additional Bonds

No additional indebtedness, bonds or notes of the Board of Regents or the University payable on a priority to the Bonds authorized by the Indenture out of the Revenues shall be created or incurred. In addition, no additional indebtedness, bonds or notes payable on a parity with the Bonds out of the Revenues shall be created or incurred, unless the following requirements have been met:

(1) Total Revenues in the Fiscal Year preceding the Fiscal Year in which the Additional Bonds are to be issued were at least 250% of the maximum Aggregate Annual Debt Service Requirements on all the Bonds then Outstanding and the Additional Bonds so proposed to be issued.

(2) All payments required by the Indenture to be made into the Bond Fund must have been made in full, and there must be in the Debt Service Reserve Fund (considering any Reserve Instrument Coverage) the full amount required by the Indenture to be accumulated therein.

(3) The proceedings authorizing the Additional Bonds must raise the amount to which the Debt Service Reserve Fund shall be accumulated to an amount no less than the Debt Service Reserve Requirement of all Bonds then Outstanding, including the Additional Bonds, and must require the accumulation of such amount in the Debt Service Reserve Fund (considering any Reserve Instrument Coverage) at the time of issuance of the Additional Bonds.

(4) The proceeds of the Additional Bonds must be used relating to (i) the refunding of Bonds issued under the Indenture or (ii) the financing of additional Research Facilities or of additions, improvements, extensions, replacements or repairs to existing Research Facilities.

(5) No Event of Default is existing under the Indenture on the date of authentication of such Additional Bonds unless the Bond Insurers of all Outstanding Bonds have each consented to the issuance of such Additional Bonds despite the existence of an Event of Default.

DESCRIPTION OF REVENUE SOURCES

Discussion Of Revenues

Research Activities. The University continues to have a significant involvement in research. The University places a high priority upon basic and applied research and expects a beneficial effect upon graduate and undergraduate education. Original scientific research is an essential requirement in many of the University's graduate programs. The University administration feels that integration of teaching and research at the University is a substantial benefit to the faculty, students and the State. Research is an inextricable part of the academic process at the University and is essential to its goals and objectives. The University believes that research (i) contributes significantly to the advancement and preservation of knowledge and (ii) facilitates the learning process and better prepares students as useful citizens and faculty members as informed professionals. For the past five years, extramural research and training funds expended annually at the University have ranged from 33.7% to 39.8% of total University annual operating expenditures.

Research at the University stems from studies performed by the Agricultural Experiment Station established on the present site of the University campus in 1888. Following many years of development and growth, the University has evolved into a major research university, achieving The Carnegie Foundation Research University I status in 1994. Research at the University centers around land, water, plants and animals (and the management of these resources), and the atmosphere and space. The University's research draws upon the specific talents, interests and assignments of the current faculty. Research at the University responds to present and future needs by developing practical, innovative means to implement research results to the benefit of local, state, national and world communities.

During the past 35 years, the University has achieved international acclaim for its research in the following major areas: water and other natural resources; agriculture; space engineering and science; education of disabled persons; and biotechnology. These research programs are interdisciplinary for the most part and are administered through eight major research centers: Space Dynamics Laboratory; Utah Water Research Laboratory; Agriculture Experiment Station; Center for Space Engineering; Center for Atmospheric and Space Science; Center for Persons with Disabilities; Ecology Center; and Center for Biotechnology.

During the last decade, the University ranked among the top 20% of all U.S. colleges and universities in federal research and development dollars. In Fiscal Years 2015 through 2019, the University was able to attract contracts and grant awards ranging from approximately $227 million to approximately $384 million. About 93% of the funds are for federally sponsored research and training programs; the remainder is a combination of state and private funds. See "Contracts and Grants" below.

Contracts and grant awards cover direct costs such as staff salaries, travel, laboratory equipment, supplies, direct computer charges and many other direct costs. Contracts and grants also provide funds to the University for indirect costs.

Research contracts and grants entered by the University have an average life of approximately three to five years. Furthermore, many contracts and grants entered between the University and the United States government or other governmental sponsors are subject to annual appropriation of funds. *The University understands that the term of the Bonds are significantly longer than three to five years; consequently, if sufficient Revenues will be available in future years to pay debt service on the Bonds depends upon the University's ability to attract and obtain additional contracts and grants in future years. Based on historical performance, the University believes that sufficient Revenues will be available to pay debt service on the Bonds in future years; however, it cannot predict with certainty the University's ability to attract and obtain additional contracts and grants in future years*.

USU Research Foundation. The USU Research Foundation is a nonprofit Scientific Research and Development IRS 501(c)(3) corporation, which is wholly–owned by the University. Major research projects are focused in sensor and infrared measurements systems. The USU Research Foundation is involved in state–of–the–art research in this area and is recognized as a world leader. The USU Research Foundation has other research projects in many related areas of interest. Research funding consists primarily of federal funds.

Since the early 1960's, the University has developed a key research role in the United States space program. The USU Research Foundation's Space Dynamics Laboratory occupies an essential position in critical space research, as well as being a recognized leader in space science and engineering education. This combined intellectual and "hands–on" practical education is a modern application of the University's role as the land grant institution for the State.

In recognition that the USU Research Foundation's Space Dynamics Laboratory is a national resource in its area of expertise, the federal government suggested that an identifiable organization be established to focus on national space needs. As a result, the Space Dynamics Laboratory became the major research unit under the USU Research Foundation. The increased responsiveness and flexibility has resulted in substantial growth of the University's space research effort.

Contracts and Grants. The University has consistently been successful in its efforts to receive funding from external sources. In the most recently completed National Science Foundation survey of "Higher Education R.&D. Expenditures, Fiscal Year 2017", the University was ranked number 116 in total research and development expenditures at all universities and colleges and number 80 for total research and development expenditures at public universities and colleges. In Fiscal Year 2019 the University received approximately $384.3 million in research and student aid funding from all external sources.

Revenues for debt service on the Bonds are dependent on the University's ability to maintain the flow of contracts and grants to the University. The following table sets forth the awards received by the various colleges within the University for each of the Fiscal Years indicated.

Schedule of Contracts and Grants Awards

	Fiscal Year				
	2019	2018	2017	2016	2015
Engineering	$248,337,241	$163,963,581	$100,063,964	$111,586,175	$ 87,096,339
Miscellaneous	56,813,912	60,733,895	52,696,909	51,103,439	61,613,552
Education	39,208,511	40,249,214	25,841,878	32,047,117	40,039,343
Agriculture	17,532,472	21,411,882	20,838,041	15,738,020	19,133,660
Natural Resources	10,655,904	7,094,044	14,038,210	17,761,161	7,669,091
Science	10,253,562	12,161,918	11,745,768	8,026,384	9,764,040
Humanities and Social Science	1,479,094	2,193,963	5,885,679	1,827,820	1,843,958
Arts	31,183	74,490	99,640	38,000	186,000
Business	10,000	–	75,000	99,931	–
Totals	$384,321,879	$307,879,987	$231,285,089	$238,228,047	$227,345,983
% change from prior year	24.8%	33.1%	(2.9)%	4.8%	4.8%

(Source: The University.)

The following table sets forth the amounts of contracts and grants expenditures by source for each of the Fiscal Years indicated.

Schedule of Contracts and Grants Expenditures

	Fiscal Year				
	2019	2018	2017	2016	2015
Federal sources:					
Department of Defense	$143,930,362	$ 90,664,109	$ 69,825,458	$ 64,279,740	$ 54,785,682
Department of Education	60,415,451	59,978,761	52,371,636	55,655,073	55,637,201
Other federal agencies	28,576,765	23,740,356	18,824,562	14,306,391	13,749,462
Department of Agriculture	20,085,230	21,785,030	15,843,105	16,146,863	16,260,374
Department of Health and Human Services	19,427,397	18,387,537	20,547,673	17,492,585	17,296,624
National Aerospace and Space Administration	17,076,074	11,448,312	18,184,003	13,096,640	15,451,781
National Science Foundation	9,037,535	10,077,139	12,811,697	12,452,361	14,456,691
Department of Interior	4,586,694	5,419,415	5,090,830	4,258,941	3,727,497
Total federal agencies	303,135,508	241,500,659	213,498,964	197,688,594	191,365,312
Other sources:					
Business and industry	11,471,719	8,774,360	9,815,920	10,221,666	10,622,647
State	7,584,399	8,491,568	6,885,528	6,073,426	7,263,790
Other non–federal agencies	4,234,919	3,839,283	5,099,680	6,056,627	6,557,307
Total non–federal agencies	23,291,037	21,105,211	21,801,128	22,351,719	24,443,744
Total expenditures all sources (1)	$326,426,545	$262,605,870	$235,300,092	$220,040,313	$215,809,056
% change from prior year	24.3%	11.6%	6.9%	2.0%	5.3%

(1) Dollar differences between the Schedule of Contracts and Grants Awards and the Schedule of Contracts and Grants Expenditures represent timing differences between the award and expenditure of funds.

(Source: The University.)

Management Discussion of Revenues

Generally. Revenues from indirect cost recovery increased 95% during the 10–year period ending Fiscal Year 2019. During this time, the University has been successful in increasing its direct cost base and improving its recovery of indirect costs on contracts and grants.

There are there are three divisions that comprise the Space Dynamics Lab.

The C4ISR division has increased capabilities in mission data processing and synthetic aperture radar. Additionally, visualization software capability is providing a foundation for continued revenue growth.

The Civil and Commercial Space division has contracted work for the next two to three–years. This division recently won important contracts such as research on atmospheric waves. Additionally, the division known as "System Calibration and Test" was merged into the Civil and Commercial Space division in Fiscal Year 2019.

The Strategic and Military Space division has experienced unprecedented growth in small satellite and associated ground systems.

Indirect cost recovery is a function of three elements: (i) the negotiated facilities and administrative costs rate ("F&A rate") used to allocate indirect costs to contracts and grants; (ii) the direct cost base to which the F&A rate is applied; and (iii) the success of the University in negotiating facilities and administrative costs recovery on each individual contract and grant.

The University's F&A rate has remained fairly constant over the past five Fiscal Years, not fluctuating more than 3.2% in a given year.

Under the Indenture the University is pledging those revenues from facilities and administrative costs recovery generated through contracts and grants held by the University (including the USU Research Foundation).

HISTORICAL REVENUES AND DEBT SERVICE COVERAGE

The following table shows the past 10 Fiscal Years historical contracts, Direct Cost Expenditures, F&A Cost Recovery amounts, the debt service requirements for the Outstanding Parity Bonds and the debt service coverage amounts.

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Summary of Contracts and Grants Expenditures and Historical Debt Service Coverage—Utah State University

For Fiscal Years Ending June 30

	2010			2011			2012			2013			2014		
	Number of active contracts	Direct Costs Ex-penditures	F&A Costs Recovery	Number of active contracts	Direct Costs Ex-penditures	F&A Costs Recovery	Number of active contracts	Direct Costs Ex-penditures	F&A Costs Recovery	Number of active contracts	Direct Costs Ex-penditures	F&A Costs Recovery	Number of active contracts	Direct Costs Ex-penditures	F&A Costs Recovery
Federal															
Department of Defense……………………	117	$ 29,992,845	$10,426,694	117	$ 38,419,748	$10,500,140	134	$ 37,215,089	$12,515,317	150	$ 35,048,033	$12,585,486	150	$ 38,216,974	$13,738,623
Other federal agencies……………………	159	14,200,318	3,914,817	154	18,201,356	4,889,749	155	20,739,812	5,808,277	187	13,687,235	3,900,974	174	13,562,969	3,525,109
National Aero. & Space Administration….	77	5,675,411	1,899,910	81	4,401,175	1,193,695	71	2,508,385	933,632	215	5,784,248	1,639,749	75	6,904,910	1,819,435
Department of HHS………………………	147	12,535,620	2,624,555	131	14,112,696	3,415,941	145	16,330,409	2,669,986	188	11,395,151	2,254,445	188	11,867,534	2,408,069
National Science Foundation…………….	115	5,051,286	1,238,925	115	4,627,883	1,294,982	124	4,477,527	1,486,964	141	7,252,157	1,964,449	172	9,172,105	2,482,056
Department of Agriculture……………….	282	16,531,241	696,710	258	16,705,279	724,174	272	16,453,634	937,468	39	18,459,486	1,352,730	223	13,995,508	1,018,861
Department of Education…………………	123	39,615,101	864,393	137	55,604,876	1,228,795	136	48,187,192	1,034,805	153	54,734,987	1,799,544	141	56,015,488	1,663,876
Department of Interior……………………	179	3,099,677	476,178	166	3,828,146	663,750	182	3,701,317	584,290	253	3,279,426	487,563	150	3,137,329	488,831
Total federal…………………………	1,199	126,701,499	22,142,182	1,159	155,901,159	23,911,226	1,219	149,613,365	25,970,739	1,326	149,640,723	25,984,940	1,273	152,872,817	27,144,860
Other															
Business and industry……………………	244	6,160,543	1,128,732	253	6,781,238	1,230,697	239	7,848,598	1,657,511	329	8,776,032	2,007,972	266	8,103,125	1,859,565
Other non–federal agencies………………	254	7,716,117	562,142	257	7,495,399	307,870	272	7,395,328	493,855	215	7,796,636	475,965	249	7,463,155	437,426
State………………………………………	280	6,987,711	469,065	315	11,342,245	1,126,978	301	8,627,744	1,044,245	264	7,076,417	700,077	260	6,546,735	449,352
Total other……………………………	778	20,864,371	2,159,939	825	25,618,882	2,665,545	812	23,871,670	3,195,611	808	23,649,085	3,184,014	775	22,113,015	2,746,343
Totals federal and other…………….	1,977	$147,565,870	$24,302,121	1,984	$181,520,041	$26,576,771	2,031	$173,485,035	$29,166,350	2,134	$173,289,808	$29,168,954	2,048	$174,985,832	$29,891,203
Debt service (research revenue bonds):															
2002A Bonds………………………………			$ 2,415,613			$ 1,917,477			$ 1,880,598			$ 1,879,594			$ –
2003 Bonds………………………………			69,077			69,013			68,800			69,415			68,872
2009 Bonds………………………………			1,040,772			1,052,888			1,682,421			1,651,796			1,658,671
2010 Bonds………………………………			–			490,027			457,942			461,583			2,337,521
Total debt service (1)………………….			$ 3,525,462			$ 3,529,405			$ 4,089,761			$ 4,062,388			$ 4,065,064
Debt service coverage……………			**6.9X**			**7.5X**			**7.1X**			**7.2X**			**7.4X**

(1) Total debt service includes principal and interest, on the accrual basis of accounting, as reported on the University's annual financial reports.

ary of Contracts and Grants Expenditures and Historical Debt Service Coverage—Utah State University (continued)

For Fiscal Years Ending June 30

	2015			2016			2017			2018			2019		
	Number of active contracts	Direct Costs Ex-penditures	F&A Costs Recovery	Number of active contracts	Direct Costs Ex-penditures	F&A Costs Recovery	Number of active contracts	Direct Costs Ex-penditures	F&A Costs Recovery	Number of active contracts	Direct Costs Ex-penditures	F&A Costs Recovery	Number of active contracts	Direct Costs Ex-penditures	F&A Costs Recovery
Federal															
Department of Defense……………………	157	$ 41,327,341	$13,458,341	163	$ 50,173,980	$14,105,760	203	$ 54,278,120	$15,547,338	256	$ 71,027,707	$19,636,402	245	$117,183,885	$26,746,477
Other federal agencies……………………	187	10,548,566	3,200,896	152	10,949,197	3,357,193	184	14,575,386	4,249,176	195	19,183,713	4,556,643	168	22,460,947	6,115,818
National Aero. & Space Administration….	71	12,108,121	3,343,660	94	9,743,181	3,353,459	106	14,258,756	3,925,247	100	8,719,724	2,728,588	100	13,610,570	3,465,504
Department of HHS………………………	176	14,503,672	2,792,952	170	14,948,707	2,543,878	192	17,466,187	3,081,486	205	15,720,485	2,667,052	130	16,711,815	2,715,582
National Science Foundation…………….	179	11,565,482	2,891,209	190	9,868,654	2,583,707	192	10,095,734	2,715,963	183	7,844,306	2,232,833	168	7,020,704	2,016,831
Department of Agriculture……………….	268	15,127,230	1,133,144	274	15,244,033	902,830	267	14,919,479	923,626	294	20,172,898	1,612,132	263	18,572,945	1,512,285
Department of Education…………………	139	54,565,400	1,071,801	139	54,706,513	948,561	133	51,655,866	715,771	142	58,420,233	1,558,528	150	59,518,368	897,083
Department of Interior……………………	138	3,198,233	529,264	187	3,658,322	600,619	152	4,376,015	714,814	165	4,633,292	786,123	150	3,916,234	670,460
Total Federal………………………..	1,315	162,944,045	28,421,267	1,369	169,292,587	28,396,007	1,429	181,625,543	31,873,421	1,540	205,722,358	35,778,301	1,374	258,995,468	44,140,040
Other															
Business and industry……………………	291	8,626,521	1,996,126	319	8,018,350	2,203,316	450	7,795,502	2,020,418	280	7,091,972	1,682,388	292	9,138,633	2,333,086
Other non–federal agencies………………	266	6,263,784	293,523	372	5,626,773	429,854	188	4,652,108	447,572	394	3,444,911	394,372	355	3,665,549	569,370
State…………………………………….	315	6,939,579	324,211	218	5,808,196	265,230	246	6,616,002	269,526	288	8,298,951	192,617	284	7,342,893	241,506
Total other…………………………	872	21,829,884	2,613,860	909	19,453,319	2,898,400	884	19,063,612	2,737,516	962	18,835,834	2,269,377	931	20,147,075	3,143,962
Totals federal and other…………….	2,187	$184,773,929	$31,035,127	2,278	$188,745,906	$31,294,407	2,313	$200,689,155	$34,610,937	2,502	$224,558,192	$38,047,678	2,305	$279,142,543	$47,284,002
Debt service (research revenue bonds):															
2003 Bonds………………………………			$ 69,157			$ 69,247			$ –			$ –			$ –
2009 Bonds………………………………			1,636,337			1,300,170			963,583			953,000			965,833
2010 Bonds………………………………			2,334,354			2,359,833			2,312,625			2,338,333			–
2015 Bonds………………………………			–			68,803			–			1,112,705			1,187,981
2015B Bonds………………………………			–			307,178			585,100			585,100			585,100
2016 Bonds………………………………			–			–			347,764			566,377			568,887
2018A Bonds………………………………			–			–			–			68,100			721,420
2018B Bonds………………………………			–			–			–			34,951			69,903
2019A Bonds………………………………			–			–			–			–			–
2019B Bonds………………………………			–			–			–			–			–
Total debt service (1)………………….			$ 4,039,848			$ 4,105,231			$ 4,209,072			$ 5,658,566			$ 4,099,124
Debt service coverage……………			**7.7X**			**7.6X**			**8.2X**			**6.7X**			**11.5X**

(1) Total debt service includes principal and interest, on the accrual basis of accounting, as reported on the University's annual financial reports.

(Source: The University.)

THE 2019 PROJECT

Proceeds of the 2019 Bonds will be used for the new construction of two additional buildings for the Space Dynamics Laboratory located at the Innovation Campus area within the main campus of the University in Logan City, Utah (the "2019 Project"). The University does not anticipate the need to issue Additional Bonds to complete the 2019 Project.

STATE BOARD OF REGENTS OF THE STATE OF UTAH

The Board of Regents was formed in 1969 as a governing body for the Utah System of Higher Education. Pursuant to legislation effective May 9, 2017, the Board of Regents is to consist of 17 residents of the State appointed by the Governor of the State (the "Governor"), (i) eight of whom are appointed at large, (ii) eight of whom are selected from three nominees presented to the Governor by each State higher education institution's board of trustees who are current or former members of such board of trustees, and (iii) the remaining one member who is selected from three nominees presented by student body presidents of the State institutions of higher education. Members of the Board of Regents appointed prior to May 8, 2017 may continue to serve notwithstanding the newly enabled selection requirements.

The Board of Regents oversees the establishment of policies and procedures, executive appointments, master planning, budget and finance, and 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 eight public colleges and universities governed by the Board of Regents, assisted by local boards of trustees. The Utah System of Higher Education includes two Doctorate-granting Universities, three Master's Colleges and Universities, one Baccalaureate College and University, and two Comprehensive Community or Associate's Colleges.

The Board of Regents appoints a Commissioner of Higher Education, who serves as the chief executive officer of the Board of Regents and is responsible for, among other things, proper execution of the policies and programs established by the Board of Regents. The Board of Regents, in consultation with the respective Board of Trustees of each institution of higher education, appoints a President for each institution of higher education in the State. The President of each such institution, including the University, is responsible to the Board of Regents for the governance and administration of his or her institution.

Board of Regents

Board Member/Vocation/Location		Current Term Expires
Harris H. Simmons	Chair, Businessperson, Salt Lake City	June 2021
Nina Barnes	Vice Chair, Businessperson, Cedar City	June 2021
Jesselie Anderson	Member, Businessperson, Salt Lake City	June 2025
Lisa–Michele Church	Member, Businessperson, Salt Lake City	June 2025
Wilford Clyde	Member, Businessperson, Springville City	June 2023
Sanchaita Datta	Member, Businessperson, Salt Lake City	June 2025
Alan Hall	Member, Businessperson, Ogden City	June 2025
Marlin K. Jensen	Member, Businessperson, Salt Lake City	June 2021
Ronald W. Jibson	Member, Businessperson, Salt Lake City	June 2023
Patricia Jones	Member, Businessperson, Salt Lake City	June 2021
Steven J. Lund	Member, Businessperson, Provo City	June 2021
Sheva Mozafari	Student Member	June 2020
Cristina Ortega	Member, Attorney, Salt Lake City	June 2023
Robert W. Prince	Member, Orthodontist, St. George City	June 2023
Mark Stoddard	Member, Businessperson, Nephi City	June 2023
Crystal Maggelet	Member, Community Leader, Logan City	June 2025
Thomas Wright	Member, Businessperson, Salt Lake City	June 2023

(Source: The Board of Regents.)

The Board of Regents owns its own office building located in Salt Lake City, Utah and maintains a website that may be accessed at http://www.higheredutah.org.

UTAH STATE UNIVERSITY

General

The University was established as part of the public educational system of the State by the Legislature in 1888. The University is a land grant institution authorized under the Morrill Act of 1862. It was first named the Agricultural College of Utah and was later renamed Utah State Agricultural College. In 1965, the Legislature changed the name of the University to "Utah State University of Agriculture and Applied Science." Additionally, the University can legally be known and do business as "Utah State University."

The University's main campus is in Logan City, Utah, approximately 85 miles north of Salt Lake City, Utah and includes more than 100 buildings located on 400 acres (with an additional 7,000 acres used for agricultural and other forms of research located in various parts of the State).

The University is well known for its statewide reach. The office of Regional Campuses and Distance Education allows the University to provide courses and degrees in formats that make higher education accessible to students throughout the State and around the world. With distance classes that date back before 1900, the University's distance education program has grown to offer over 70 degrees and programs, including a distance–delivered doctoral degree (PhD). The University has three regional campuses (Vernal City (Uintah County), Utah; Tooele City (Tooele County), Utah; and Brigham City (Box Elder County), Utah); and nearly 40 education centers located throughout the State. On July 1, 2010 the College of Eastern Utah (currently USU Eastern), located in Price, Utah merged with the University as the State's only comprehensive regional college. Additionally, a campus of USU Eastern is located in Blanding City (San Juan County), Utah. USU Eastern has expanded and enhanced the educational opportunities for people residing in this region of the State. Additionally, the University is the State's only land–grant institution, providing "Extension" units in all of the State's 29 counties.

The University also offers a virtual campus through USU Online ("USU Online"), which offers instruction over the internet. In Fall 2018, approximately 4,900 students were taking on–line only courses through USU Online.

The University maintains a website that may be accessed at http://www.usu.edu.

The University's combined student head count enrollment for Academic Year 2018–2019 (2018 Fall semester (third week)) was 27,932 students (educating approximately 15.2% of the students in the Board of Regent's Utah Systems of Higher Education). The University is one of the units of the State system of higher education which is comprised of the following institutions which had 2018 Fall semester (third week) student head count enrollments (including satellite campuses) as listed below:

Name	Location	Student Head Count Enrollment	% of Total Student Enrollment
Utah Valley University	Orem, Utah	39,931	21.7%
University of Utah	Salt Lake City, Utah	33,023	18.0
Salt Lake Community College	Salt Lake City, Utah	29,156	15.9
Weber State University	Ogden, Utah	28,247	15.4
Utah State University	*Logan/Price, Utah*	*27,932*	*15.2*
Southern Utah University	Cedar City, Utah	10,196	5.5
Dixie State University	City of St. George, Utah	9,950	5.4
Snow College	Ephraim, Utah	5,514	3.0
Total		183,949	100.0%

(Source: Utah System of Higher Education. Compiled by the Municipal Advisor.)

The largest private institutions of higher education in the State include Brigham Young University (approximate head count of 30,250) in the City of Provo, Utah; Westminster College (approximate head count of 3,100) in Salt Lake City, Utah; and L.D.S. Business College (approximate head count of 2,200) in Salt Lake City, Utah.

University 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 Board of Regents, facilitating communication between the University and the community and assisting in fund–raising and development projects. The Board of Trustees has 10 members, including eight persons appointed by the Governor with the consent of the State Senate for staggered four–year terms, the president of the University’s alumni association, the president of the Associated Students of the University, and a Chief of Staff and Secretary. The current members of the Board of Trustees are as follows:

University Board of Trustees

Board Member	Current Term Expires
Jody K. Burnett, Chair	June 2021
Kent K. Alder, Vice Chair	June 2021
Sami I. Ahmed, Student Body President	June 2020
Laurel Cannon Alder, Alumni President	June 2021
John Y. Ferry	June 2021
Gina Gagon	June 2023
David H. Huntsman	June 2023
Wayne L. Niederhauser	June 2023
David A. Peterson	June 2023
Jacey Skinner.	June 2023
Terryl Warner	June 2023
Sydney M. Peterson (Secretary)	–

(Source: The University.)

University Executive Officers

The President of the University is appointed by and serves at the pleasure of the Board of Regents. Executive officers, vice presidents and other officers of the University include:

Office	Person	Years of of Service
President	Noelle E. Cockett	28
Executive Vice President and Provost	Francis D. Galey	2
Vice President for Academic and Instructional Services	Robert Wagner	12
Vice President for Advancement	Matthew T. White	2
Vice President and Director of Athletics	John H. Hartwell	4
Vice President for Business and Finance	David T. Cowley	23
Vice President Government Relations	Neil N. Abercrombie	8
Vice President Legal Affairs	Mica Mckinney	4
Vice President for Marketing and Communications	William Plate	1
Vice President for Student Affairs	James D. Morales	10
Vice President for Extension and Dean of the College of Agriculture and Applied Sciences	Kenneth L. White	28

Office	Person	Years of Service
Interim Vice President for Research	Lisa Berreau	21
Interim Vice President Statewide Campuses	Laurens H. Smith	16
President, USU Research Foundation	H. Scott Hinton	17
Associate Vice President for Business and Finance	Dwight Davis	13
Controller	Dan Christensen	13
Manager of Financial Reporting	Glen R. Schmidt	13

(Source: The University.)

Other executive offices include: Chief Audit Executive; Chief Information Officer; Dean, Emma Eccles Jones College of Education and Human Services; Dean, Caine College of the Arts; Dean, College of Engineering; Dean, College of Humanities and Social Sciences; Dean, S.J. & Jessie E. Quinney College of Natural Resources; Dean, College of Science; Dean, Jon M. Huntsman School of Business; Dean, Libraries; Director, Analysis , Assessment & Accreditation; Dean, School of Graduate Studies; President, Faculty Senate; and Secretary to the Board of Trustees.

Accreditation

The University is a Carnegie (Research I) Doctoral University and is fully accredited by the Commission on Colleges of the Northwest Association of Schools and Colleges. In addition, many of the professional schools and departments have the approval of appropriate accrediting organizations in such areas as architecture, business and business administration, chemistry, engineering, forestry, psychology, speech pathology and audiology, social work, teacher education, and vocational education.

Faculty And Staff

The number of full–time equivalent ("FTE") faculty, teaching assistants, executives, staff and part–time employees at the University for the indicated years were as follows:

	Fall Semester				
	2018	2017	2016	2015	2014
Staff	2,337	2,303	2,284	2,231	2,121
Part–time	1,675	1,611	1,619	1,551	1,569
Faculty:					
Full–time	1,244	1,192	1,158	1,109	1,086
Part–time	201	210	211	175	222
Total faculty	1,445	1,402	1,369	1,284	1,308
Teaching assistants	552	545	522	507	505
Executive	58	55	58	62	64
Total employees	6,067	5,914	5,852	5,635	5,567
% change from prior year	2.6%	1.1%	3.9%	1.2%	0.5%

(Source: Utah System of Higher Education. Compiled by the Municipal Advisor.)

Currently, approximately 52% of the University's full–time faculty is tenured.

Student Enrollment

The University's annualized full–time equivalent enrollment for Academic Year 2017–2018 (budget related and self–support) was 23,513 students while the headcount enrollment for 2018 Fall Semester (end of term/budget related and self–support) enrollment was 29,367. Enrollment periods based on Academic Years do not correspond to the University's Fiscal Years and should not be used for comparison purposes.

Enrollment Statistics

	Academic Year (annualized FTE)				
	2017–18	2016–17	2015–16	2014–15	2013–14
Resident enrollment	18,989	18,915	18,886	18,283	18,668
Nonresident enrollment	4,525	4,669	4,663	4,321	3,397
Annualized FTE total (budget related and self–support)	23,513	23,584	23,549	22,604	22,065
% change from prior year	(0.3)%	0.1%	4.2%	2.4%	0.0%
	Fall Semester (headcount end of term)				
	2018	2017	2016	2015	2014
Total headcount (budget related and self–support)	29,367	29,026	28,986	29,319	28,707
% change from prior year	1.2%	0.1%	(1.1)%	2.1%	0.0%
Resident enrollment	24,139	23,815	23,508	23,696	23,471
Nonresident enrollment	5,228	5,211	5,478	5,623	5,236
Undergraduate enrollment	26,300	25,960	25,634	25,835	25,208
Graduate enrollment	3,067	3,066	3,352	3,484	3,499
Full–time enrollment	19,032	18,820	18,436	18,419	17,193
Part–time enrollment	10,335	10,206	10,550	10,900	11,514

(Source: From reports of the Utah System of Higher Education compiled by the Municipal Advisor.)

Estimated Enrollment Projections

No projections of future enrollments can be assured or guaranteed. Possible changes in student aid programs and in the general economy, as well as potential actions by the Board of Regents or the Legislature, could affect future enrollment.

The Administration has attempted to develop realistic predictions by reviewing historical trends and seeking a consensus on various, non–quantifiable factors. The resulting long–term enrollment estimates are as follows:

Projected Annualized FTE Enrollments

	Academic Year				
	2017–18	2018–19	2019–20	2020–21	2021–22
Total enrollment	23,820	24,058	24,299	24,663	25,156
% change from prior year	1.0%	1.0%	1.0%	1.5%	2.0%

(Source: Utah System of Higher Education. May 2018. Compiled by the Municipal Advisor.)

Admissions

General. University admission is based on successful completion in high school of a core curriculum consisting of the following units: four English, three advanced mathematics, three sciences, two social studies and two foreign languages (recommended) and four other academic areas. An admissions index is based on high school grade point average and an Academic College Test "ACT" score which determines admission eligibility.

The table below sets forth the total number of new degree seeking student applications received and accepted, and the number of students enrolled for the fall semester indicated for the University Logan campus.

Fall Semester	Applications Received	Applicants Accepted	Percent Accepted	Applicants Enrolled	Percent Enrolled
2018	15,099	13,446	89%	4,429	33%
2017	15,555	13,857	89	4,242	31
2016	15,401	13,899	90	4,466	32
2015	16,158	15,620	97	4,751	30
2014	12,835	12,557	98	4,071	32

(Source: The University.)

Tuition And Fees

General. Payment in full of all tuition and fees is required by the third week of class of each semester. *Tuition and other fees are not pledged for the repayment of Bonds.* Students taking certain courses offered by the College of the Arts, the College of Business, the College of Engineering, the College of Education and the College of Natural Resources are assessed tuition at a different rate and may have additional fees associated with such courses. However, for purposes of this OFFICIAL STATEMENT, those tuitions and additional fees are not shown.

The schedule set forth below shows resident and non–resident tuition and fees per credit hour for Academic Year 2019.

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Tuition And Fees

The schedule set forth below shows resident and non–resident tuition and fees per credit hour for Academic Year 2019.

Tuition and Fees Schedule 2019—2020
Per Semester (effective Fall 2019 Semester)

	Tuition					Fees						Total				
	Undergraduate (1)			Graduate (1)		Student Building Fee (2)						Undergraduate (1)			Graduate (1)	
Cr. Hrs.	Resident Students	Non-Resident Students U.S.A.	Non-Resident Students International	Resident Students	Non-Resident Students	Pledged for Debt Service Under Student Building Fee Indenture	Pledged for Debt Service Under Student Fee/Housing Resolution	Taggart Student Center	Total Student Building Fee	Other Fees	Total Fees	Resident Students	Non-Resident Students U.S.A.	Non-Resident Students International	Resident Students	Non-Resident Students
1	$584.83	$1,883.11	$1,992.39	$690.06	$2,415.29	$111.30	$19.78	$5.43	$136.51	$229.54	$366.05	$950.88	$2,249.16	$2,358.44	$1,056.11	$2,781.34
2	829.33	2,670.41	2,825.33	978.58	3,425.09	116.53	20.71	5.68	142.92	240.32	383.24	1,212.57	3,053.65	3,208.57	1,361.82	3,808.33
3	1,073.83	3,457.71	3,658.26	1,267.10	4,434.89	121.76	21.64	5.93	149.33	251.10	400.43	1,474.26	3,858.14	4,058.69	1,667.53	4,835.32
4	1,318.33	4,245.01	4,491.21	1,555.62	5,444.69	126.98	22.57	6.19	155.74	261.88	417.62	1,735.95	4,662.63	4,908.83	1,973.24	5,862.31
5	1,562.83	5,032.31	5,324.15	1,844.14	6,454.49	132.20	23.50	6.45	162.15	272.66	434.81	1,997.64	5,467.12	5,758.96	2,278.95	6,889.30
6	1,807.33	5,819.61	6,157.09	2,132.66	7,464.29	137.44	24.43	6.70	168.57	283.43	452.00	2,259.33	6,271.61	6,609.09	2,584.66	7,916.29
7	2,051.83	6,606.91	6,990.03	2,421.18	8,474.09	142.67	25.35	6.96	174.98	294.21	469.19	2,521.02	7,076.10	7,459.22	2,890.37	8,943.28
8	2,296.33	7,394.21	7,822.97	2,709.70	9,483.89	147.90	26.28	7.21	181.39	304.99	486.38	2,782.71	7,880.59	8,309.35	3,196.08	9,970.27
9	2,540.83	8,181.51	8,655.91	2,998.22	10,493.69	153.12	27.21	7.47	187.80	315.77	503.57	3,044.40	8,685.08	9,159.48	3,501.79	10,997.26
10	2,785.33	8,968.81	9,488.85	3,286.74	11,503.49	158.35	28.14	7.72	194.21	326.55	520.76	3,306.09	9,489.57	10,009.61	3,807.50	12,024.25
11	3,029.83	9,756.10	10,321.79	3,575.26	12,513.29	163.58	29.07	7.97	200.62	337.33	537.95	3,567.78	10,294.05	10,859.74	4,113.21	13,051.24
12	3,274.33	10,543.41	11,154.73	3,863.78	13,523.09	168.80	30.00	8.23	207.03	348.11	555.14	3,829.47	11,098.55	11,709.87	4,418.92	14,078.23
13	3,274.33	10,543.41	11,154.73	3,863.78	13,523.09	168.80	30.00	8.23	207.03	348.11	555.14	3,829.47	11,098.55	11,709.87	4,418.92	14,078.23
14	3,274.33	10,543.41	11,154.73	3,863.78	13,523.09	168.80	30.00	8.23	207.03	348.11	555.14	3,829.47	11,098.55	11,709.87	4,418.92	14,078.23
15	3,274.33	10,543.41	11,154.73	3,863.78	13,523.09	168.80	30.00	8.23	207.03	348.11	555.14	3,829.47	11,098.55	11,709.87	4,418.92	14,078.23
16	3,274.33	10,543.41	11,154.73	3,863.78	13,523.09	168.80	30.00	8.23	207.03	348.11	555.14	3,829.47	11,098.55	11,709.87	4,418.92	14,078.23
17	3,274.33	10,543.41	11,154.73	3,863.78	13,523.09	168.80	30.00	8.23	207.03	348.11	555.14	3,829.47	11,098.55	11,709.87	4,418.92	14,078.23
18	3,274.33	10,543.41	11,154.73	3,863.78	13,523.09	168.80	30.00	8.23	207.03	348.11	555.14	3,829.47	11,098.55	11,709.87	4,418.92	14,078.23
19	3,518.83	11,330.71	11,987.67	4,152.30	14,532.89	174.03	30.93	8.48	213.44	358.89	572.33	4,091.16	11,903.04	12,560.00	4,724.63	15,105.22
20	3,763.33	12,118.01	12,820.61	4,440.82	15,542.69	179.26	31.86	8.73	219.85	369.67	589.52	4,352.85	12,707.53	13,410.13	5,030.34	16,132.21
21	4,007.83	12,905.31	13,653.55	4,729.34	16,552.49	184.48	32.79	8.99	226.26	380.45	606.71	4,614.54	13,512.02	14,260.26	5,336.05	17,159.20
22	4,252.33	13,692.61	14,486.49	5,017.86	17,562.29	189.71	33.71	9.25	232.67	391.23	623.90	4,876.23	14,316.51	15,110.39	5,641.76	18,186.19
23	4,496.83	14,479.91	15,319.43	5,306.38	18,572.09	194.94	34.64	9.50	239.08	402.01	641.09	5,137.92	15,121.00	15,960.52	5,947.47	19,213.18
24	4,741.33	15,267.21	16,152.37	5,594.90	19,581.89	200.16	35.57	9.76	245.49	412.79	658.28	5,399.61	15,925.49	16,810.65	6,253.18	20,240.17
25	4,985.83	16,054.51	16,985.31	5,883.42	20,591.69	205.40	36.50	10.01	251.91	423.56	675.47	5,661.30	16,729.98	17,660.78	6,558.89	21,267.16

(1) Students taking certain courses offered by the Colleges of Agriculture, Arts, Business, Engineering, Education, and Natural Resources are assessed at a higher rate.
(2) Approximately 81.5% of the Student Building Fee is pledged to the Building Bonds, approximately 14.5% is pledged to the Housing Bonds and approximately 4% is earmarked for Taggart Student Center maintenance.

(Source: The University.)

Annual Semester Tuition and Fees. The following table sets forth the annual tuition and fees for full–time (undergraduate credit hours of 15; and graduate credit hours of 10) University students for the Academic Years indicated.

	Two Academic Semesters				
	2019–20	2018–19	2017–18	2016–17	2015–16
Undergraduate, resident	$ 7,659	$ 7,424	$ 7,175	$ 6,866	$ 6,664
Undergraduate, nonresident	22,197	21,505	20,727	19,772	19,134
Graduate, resident	7,615	7,382	7,131	6,822	6,620
Graduate, nonresident	24,049	23,298	22,450	21,412	20,716

(Source: The University.)

Estimated Student Costs. The following student budget is being used by the University's Financial Aid Office and represents estimated average resident and nonresident undergraduate student costs (exclusive of tuition and fees as shown above) at the University for the past five Academic Years:

	Estimated Student Costs				
Category	2019–20	2018–19	2017–18	2016–17	2015–16
Room and board	$ 8,616	8,324	$ 8,020	$ 7,880	$ 7,780
Miscellaneous	2,204	2,152	2,088	2,050	2,020
Transportation	1,848	1,844	1,752	1,720	1,700
Books and supplies	868	850	824	810	800
Total	$13,536	$13,170	$12,684	$12,460	$12,300

(Source: The University.)

Student Tuition and Fee Revenues. The total amount of student tuition and fee revenues of the University including instructional fees, Student Building Fees and other fees assessed during the past five Fiscal Years are as follows:

	Fiscal Year				
	2019	2018	2017	2016	2015
Tuition and fee revenues (1)	$243,127,234	$232,145,251	$223,008,084	$211,943,654	$190,990,025
% increase from prior year	4.7%	4.1%	5.2%	11.0%	9.4%

(1) Includes scholarship allowances.

(Source: The University's audited financial reports.)

Student Financial Aid

Approximately 69% of the students of the University receive financial aid through various programs administered by the University. The primary responsibility for this function is placed with the University Office of Financial Aid. A substantial portion of funds provided are 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 University offers students a full range of fellowships, assistantships, scholarships, grants, loans, work study, and employment opportunities. All part–time and temporary jobs on campus are offered first to student applicants.

The following table summarizes the financial aid provided by the University for the years indicated.

	Fiscal Year				
	2019	2018	2017	2016	2015
Scholarships and Grants (1):					
University Funds	$ 87,311,464	$ 80,848,701	$ 78,384,743	$ 69,568,734	$ 58,438,040
Pell Grants	40,510,633	41,703,559	35,731,280	37,407,946	38,009,508
Federal /State SEOG	982,306	981,505	777,355	920,956	921,088
Utah Career Teaching	363,713	401,561	404,371	381,502	420,849
HESSP (UCOPE)	266,322	424,275	177,220	109,500	80,675
TEACH	133,148	150,143	176,219	194,385	280,549
UHEAA	7,727	17,361	23,360	17,419	25,946
Subtotal	129,575,313	124,527,105	115,674,548	108,600,442	98,176,655
Loans:					
Federal GSL/direct loans	55,046,349	55,803,430	57,662,024	59,198,348	61,847,720
Private loans	6,733,492	5,769,159	4,293,437	4,412,169	3,795,810
Federal/Perkins	–	1,083,945	2,074,945	2,001,043	1,394,947
Subtotal	61,779,841	62,656,534	64,030,406	65,611,560	67,038,477
Student Employment:					
Federal Work Study	722,714	718,605	800,655	697,307	592,927
University/Departments	504,190	393,624	213,029	318,425	488,755
State Work Study	97,018	151,906	182,729	144,236	149,983
HESSP (UCOPE) Work Study	–	–	138,724	233,499	240,564
Subtotal	1,323,922	1,264,135	1,335,137	1,393,467	1,472,229
Total assistance	$192,679,076	$188,447,774	$181,040,091	$175,605,469	$166,687,361

(1) Scholarships includes all on/off campus awards (including waivers and athletics).

(Source: The University.)

Scope Of Education Programs

The programs offered at the University are segregated into eight academic colleges, 43 departments, a School of Graduate Studies, numerous research centers and institutes, the Extension Service, Regional Campuses and Distance Education, and the Agricultural and Engineering Experiment Stations. The University's academic colleges are:

> College of Agriculture and Applied Sciences; Jon M. Huntsman School of Business; Emma Eccles Jones College of Education and Human Services; College of Engineering; College of Humanities and Social Sciences; Caine College of the Arts; S.J. & Jessie E. Quinney College of Natural Resources; and College of Science.

The University's diversified curriculum offers 155 Bachelor's degrees, 22 Associate degrees, 22 Certificates, 96 Master's degrees and 40 Doctoral degrees.

As a land grant institution, the University supports basic and applied research, which is conducted in every college at the University and in the following centers:

> Utah Agricultural Experiment Station; Engineering Experiment Station; Utah Water Research Laboratory; Ecology Center; Center for Atmospheric and Space Sciences; Space Dynamic Laboratories; Utah State University Research Foundation; Center for Persons with Disabilities; Institute for Outdoor Recreation and Tourism; Utah Center for Productivity and Quality; Institute for Political

Economy; Center for Environmental Toxicology; National Center for Design of Molecular Function; Biotechnology Center; International Irrigation Center; Remote Sensing Geographical Information Systems Laboratory; Center for Self–Organizing and Intelligent Systems; Utah Science, Technology, and Research Initiative (USTAR); United States Department of Agriculture ("USDA") Agricultural Research Service; and USDA Forestry Sciences Laboratory.

Funding for research and training, gifts, grants and contracts, is received from federal, state, local and private sources. For Fiscal Year 2019, the University received approximately $384.3 million in research and student financial aid funding from all external sources.

The University's Cooperative Extension Service is sponsored jointly by federal, State, and county governments. Its programs provide leadership throughout the State for solving peoples' problems in varied facets of life. In the State, these programs focus on (i) agriculture, (ii) marketing, (iii) international extension, (iv) safety and disaster, (v) 4–H youth programs, (vi) human nutrition, (vii) family living, (viii) health, (ix) community development, and (x) natural resources and environment.

The University is a National Collegiate Athletic Association Division 1 University and a member of the Mountain West Conference. The University sponsors 16 varsity sports, nine for women and seven for men. In addition to intercollegiate athletics, the University sponsors an extensive and active intramural sports program and recreational opportunities for students, faculty and the community.

Budget Process

State Appropriations. That portion of the University's operating budget request supporting the general academic, student service, institutional support, and plant fund that includes State General Fund appropriations is approved annually by the Board of Regents and transmitted to the Governor for his or her consideration and inclusion in the Executive Budget.

Other Funds. The budget for other University funds, such as auxiliary enterprises (bookstore, student housing), federal funds, loan funds, etc., are approved annually by the University and are not subject to legislative appropriation.

The University adopts an operating budget each fiscal year for each University department. These departmental budgets are reviewed by the President and senior administrative officers. Those budgets funded with State appropriations are then submitted to the Board of Trustees and the Board of Regents. The State appropriation includes various components for operations, maintenance, instruction, research, public service and other special functions. For more information, see "State Appropriation To The University" in this section below. The Board of Regents considers the amount of appropriation, when determined, along with the University's budget requirements and other revenue sources in establishing student tuition and fees and other fees for each academic year.

Capital Improvement Program

Each year, the University prepares and updates its five–year capital improvement program. This provides the basis for a capital appropriation request which the University submits to the Board of Regents, the Governor, and the Legislature. The request identifies the projects, purpose, priority and the amount and source of funds. The Legislature may approve or decline, in its capital appropriation program for the University, each project and may stipulate the source of funding and amount.

Capital improvement projects (also known as alterations, repairs and improvements) help maintain existing facilities. Utah statute requires the Legislature to annually provide funding equal to 1.1% of the replacement value of state–owned facilities for state–wide capital improvement projects. In Fiscal Year 2019 the Legislature appropriated $119,068,800 for state–wide capital improvement projects and the State's Building Board allocated $12,821,000 to the University. For Fiscal Year 2020 the Legislature appropriated $138,339,100 for state–wide capital improvement projects, with the State Building Board allocating $13,467,000 to the University.

State Appropriations To The University

The University has annually received and anticipates receiving appropriations from the Legislature which are to be applied to the educational and general expenditures of the University, as well as for capital construction and facilities maintenance.

Annual State appropriations to the University are not pledged for the repayment of Bonds.

The State's General Fund appropriations for operations to the University for the indicated years are set forth below:

Fiscal Year Ended June 30	General Operating	% Change From Prior Period	Restricted	% Change From Prior Period	Total Appropriations	% Change From Prior Period
2019	$149,572,400	8.8%	$70,877,832	7.7%	$220,450,232	8.5%
2018	137,461,200	2.9	65,796,455	3.0	203,257,655	2.9
2017	133,552,800	7.3	63,884,733	0.5	197,437,533	5.0
2016	124,493,600	3.2	63,570,002	3.3	188,063,602	3.2
2015	120,628,000	2.9	61,565,753	12.0	182,193,753	5.8

(Source: The University.)

Appropriations for New Facilities, Renovations and Repairs. In addition to the appropriations set forth above, the University receives an appropriation for new facilities, renovation and major repairs. These appropriations are project specific and the amount of funding will fluctuate from year to year depending on the availability of funds at the State level and the demand for those funds State wide.

The following table sets forth State appropriations to the University for new facilities, renovations, and major repairs for Fiscal Years shown. State appropriations for new facilities, renovations, and major repairs are directed through the State of Utah Division of Facilities Construction and Management ("DFCM"). The timing of the recognition of the appropriations depends on the project's type. Certain projects, that are State funded, are delegated by DFCM to be managed by the University. The University pays the contractors associated with these projects. Appropriations for these projects are booked when the University periodically invoices DFCM for reimbursements of amounts expended during the construction periods. Certain projects, that are State funded, are managed by DFCM. DFCM pays the contractors during the construction periods. The University does not book expenses or appropriations for these projects until they are completed. The appropriations are booked and considered final in the Fiscal Year in which the project on which appropriated amounts were spent is completed.

Fiscal Year	State Appropriations for Building	% Change From Prior Period
2019	$49,536,533	135.6%
2018	21,028,230	43.9
2017	14,608,885	(72.4)
2016 (1)...	52,990,082	563.5
2015	7,985,988	9.8

(1) Most of this appropriation is for the Business Building addition on the Logan campus and the USU Eastern Central Instructional Building renovation.

(Source: The University's audited financial reports.)

Annual Fund Raising

The University conducts an ongoing, annual fund–raising campaign as well as special development programs to raise funds for scholarship funds and other special projects and programs.

The amount of funds raised will vary from year to year depending on the nature of the special projects and programs. Annual fund–raising amounts are not pledged to the payment of Bonds and the University does not rely on such amounts in its annual operating budgets.

The following table summarizes the annual private gifts, capital grants and gifts and additions to permanent endowments received by the University for the following Fiscal Years:

Fiscal Year	Receipts	% Change From Prior Period
2019	$33,425,065	8.6%
2018	30,776,239	(16.5)
2017	36,847,683	(4.3)
2016	38,510,175	(0.8)
2015	38,803,989	(9.3)

(Source: The University's audited financial reports.)

Investment Of University Funds

Investment of Operating Funds; The State Money Management Act. The State Money Management Act, Title 51, Chapter 7, Utah Code (the "Money Management Act") governs the investment of all public funds held by public treasurers in the State. The Money Management Act establishes a limited list of approved investments, including the Utah Public Treasurers' Investment Fund ("PTIF"), and establishes a five–member State Money Management Council to exercise oversight of public deposits and investments.

The University is currently complying with all provisions of the Money Management Act for all University operating funds.

The Utah Public Treasurers' Investment Fund. A portion of the University's cash and cash equivalent funds are invested in PTIF. PTIF is a local government investment fund established in 1981 and managed by the State Treasurer. PTIF invests to ensure safety of principal, liquidity and a competitive rate of return. All moneys transferred to the PTIF are promptly invested in securities authorized by the Money Management Act. Safekeeping and audit controls for all investments owned by the PTIF must comply with the Money Management Act. PTIF is not rated.

See "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2019–Notes to Financial Statements–Note B. Cash and Cash Equivalents and Short–Term Investments" (audit page 28) "–Note C. Investments" (audit page 29) and "–Note D. Deposits and Investments" (audit page 29).

Risk Management; Cybersecurity

Risk Management. The University insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage through policies administered by the Utah State Risk Management Fund. This all–risk insurance coverage, that includes earthquake insurance, provides for repair or replacement of damaged property at a replacement cost basis subject to a $1,000 per occurrence deductible.

The approximate amount of property insurance currently in force for the University's buildings, contents (including fine art and valuable papers), data processing, boiler and machinery is $1.4 billion.

All revenues from University operations, rental income for its residence halls, and tuition are insured against loss due to business interruption caused by fire or other insurable perils with the Utah State Risk Management Fund.

The Utah State Risk Management Fund provides coverage to the University for general, automobile, personal injury, errors and omissions, employee dishonesty and malpractice liability at up to $10 million per occurrence. The University qualifies as a "governmental body" under the Utah Governmental Immunity Act which limits applicable claim settlements to the amounts specified in that act.

All University employees are covered by worker's compensation insurance, including employer's liability coverage by the Worker's Compensation Fund of Utah.

Cybersecurity. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the University's systems technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage by cybersecurity incidents or cyber–attacks, the University invests in multiple forms of cybersecurity and operational safeguards. The University is covered by policies of insurance for cyber and technology risks.

See "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2019–Notes to Financial Statements–Note M. Risk Management" (audit page 49).

Employee Workforce; Retirement System; No Post–Employment Benefits; Termination Benefits

Employee Workforce; Retirement System. The University employs (as of Fall 2018) 4,191 full–time equivalent employees and 1,876 part–time equivalent employees for a total employment of 6,067 employees. The University participates in two retirement plans covering substantially all employees. The University is a participant of the Utah State Retirement Systems ("URS"), the Teacher's Insurance and Annuity Association and Fidelity Investments. The University also participates in several deferred compensation plans, which are administered by an unrelated third–party financial institution.

For a detailed discussion regarding retirement benefits and contributions see "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2019–Notes to Financial Statements–Note K. Pension Plans and Retirement Benefits" (audit page 43).

No Post–Employment Benefits. The University does not provide any post–employment benefits to its employees and has no post–employment liability costs.

Termination Benefits. The University offers early retirement benefits to qualified employees that are approved by the Board of Trustees where there accrues a benefit to the University for such early termination. Under this policy, the early retirement benefit liability is limited to the net present value of the cost of providing this benefit to those who have been allowed to early retire.

Benefits include a monthly stipend equal to the agreed upon percent of the retiree's salary at the time of active employment along with medical and dental insurance. The projected future cost of these stipends and the medical and dental insurance benefits have been calculated based on the known amount to be paid out in the next Fiscal Year plus projected annual increases for stipends and for medical and dental premiums. These increases are based on historical data. The program is funded on a pay–as-you–go basis from current funds. Payments for the stipends and insurance benefits for Fiscal Year 2019 totaled $1,814,389 and $1,237,280, respectively.

At the end of Fiscal Year 2019, the liability for those on early retirement was equal to $15,832,960. This amount reflects the net present value of the retirement payments and the associated liability of providing health insurance to those on early retirement and is recognized in the financial statements as the liability for early retirement. For a detailed discussion of termination benefits see "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2019–Notes to Financial Statements–Note L. Termination Benefits" (audit page 48). *The University currently does not expect its current or future policies regarding early retirement benefits to have a material negative financial impact on the University.*

DEBT STRUCTURE OF UTAH STATE UNIVERSITY

Outstanding Debt Of The University

The University has the following debt outstanding.

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
Research (1)				
2019B (a) (2)	Building/refunding	$61,865,000	December 1, 2051	$ 61,865,000
2019A (3)	Refunding	5,745,000	December 1, 2027	5,745,000
2018B (2) (4)	Building	32,210,000	December 1, 2049	32,210,000
2016 (2) (5) (6)	Building	10,135,000	December 1, 2026 (12)	1,680,000
2015B (2)	Refunding	13,145,000	December 1, 2030	13,145,000
2015 (2) (4) (5)	Building	19,500,000	December 1, 2046	18,765,000
Totals				133,410,000
Student Fee/Housing (7)				
2019 (2) (8)	Building/parking	54,995,000	April 1, 2052	54,995,000
2016 (2) (4)	Building acquisition	19,540,000	April 1, 2046	18,280,000
2015 (2) (4)	Building	24,455,000	April 1, 2038	22,850,000
2007 (2) (9)	Refunding	39,155,000	April 1, 2035	34,045,000
Totals				130,170,000
Student Fee Building (10)				
2017 (2) (4)	Refunding	38,825,000	December 1, 2044	38,675,000
2015 (2) (4)	Building	23,900,000	June 1, 2046	22,570,000
2013B (2) (11)	Building	43,310,000	December 1, 2022 (13)	3,540,000
2013 (2)	Refunding	8,405,000	April 1, 2026	5,280,000
Totals				70,065,000
Total all outstanding debt				$333,645,000

(a) For purposes of this OFFICIAL STATEMENT the 2019B Bonds will be considered to be issued and outstanding and the 2016 Refunded Bonds refunded.
(1) The Research Bonds are issued on a parity basis with each other.
(2) Rated "AA" by S&P Global Ratings ("S&P").
(3) *Direct placement, not rated, no rating applied for. The 2019A Research Bonds are not issued under the State's agreement to consider appropriation to restore the debt service reserve account or to meet a projected shortfall of principal and interest payments on the 2019A Research Bonds.*
(4) These bonds are insured by AGM.
(5) Federally taxable bond.
(6) Portions of this bond are expected to be refunded by the 2019B Bonds.
(7) These Student Fee/Housing Bonds are issued on a parity basis with each other.
(8) These bonds are insured by Build America Mutual.
(9) These bonds are insured by National Public Finance Guarantee Corp.
(10) These Student Fee Building Bonds are issued on a parity basis with each other.
(11) Principal portions of this bond were refunded by the 2017 Student Fee Building Bonds.
(12) Final maturity date after a portion of these bonds has been refunded by the 2019B Bonds.
(13) Final maturity date after a portion of these bonds has been refunded by the 2017 Student Fee Building Bonds.

(Source: Municipal Advisor.)

Debt Service Schedule Of Outstanding Debt Of The University By Fiscal Year

Fiscal Year Ending June 30	Research Bonds (a) Series 2019B $61,865,000 Principal	Interest	Series 2019A $5,745,000 Principal	Interest	Series 2018B $32,210,000 Principal	Interest	Series 2018A (g) $6,231,000 Principal	Interest	Series 2016 $10,135,000 Principal	Interest	Series 2015B $13,145,000 Principal	Interest	Series 2015 $19,500,000 Principal	Interest	Series 2009 (g) $22,000,000 Principal	Interest	Totals Total Principal	Total Interest	Total Debt Service
2019…………	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0 (e)	$ 541,000	$ 181,795	$ 220,000	$ 349,111	$ 0	$ 585,100	$ 370,000	$ 818,465	$ 950,000	$ 19,000	$ 2,081,000	$ 1,953,471	$ 4,034,471
2020…………	0	129,861 (b)	625,000 (4)	61,629	0	629,125 (f)	0	0 (h)	220,000	193,144	875,000	563,225	380,000	811,728	0	0 (j)	2,100,000	2,388,711	4,488,711
2021…………	15,000	284,685 (c)	600,000 (4)	90,616	535,000	1,244,875	0	0 (h)	225,000	36,641	920,000	518,350	385,000	803,427	0	0 (j)	2,680,000	2,978,594	5,658,594
2022…………	15,000	1,198,253 (d)	610,000 (4)	79,242	575,000	1,217,125	0	0 (h)	230,000	32,660	965,000	471,225	395,000	793,898	0	0 (j)	2,790,000	3,792,402	6,582,402
2023…………	960,000	2,088,195	620,000 (4)	67,680	600,000	1,187,750	0	0 (h)	235,000	28,130	1,005,000	421,975	405,000	783,131	0	0 (j)	3,825,000	4,576,862	8,401,862
2024…………	1,010,000	2,038,945	635,000 (4)	55,883	625,000	1,157,125	0	0 (h)	240,000	22,914	1,080,000	369,850	420,000	771,045	0	0 (j)	4,010,000	4,415,762	8,425,762
2025…………	1,055,000	1,987,320	645,000 (4)	43,851	650,000	1,125,250	0	0 (h)	245,000	17,028	1,105,000	315,225	435,000	757,523	0	0 (j)	4,135,000	4,246,197	8,381,197
2026…………	1,120,000	1,932,945	655,000 (4)	31,631	700,000	1,091,500	0	0 (h)	250,000	10,574	1,160,000	258,600	450,000	742,464	0	0 (j)	4,335,000	4,067,714	8,402,714
2027…………	1,175,000	1,875,570	670,000 (4)	19,176	725,000	1,055,875	0	0 (h)	255,000	3,611	1,235,000	198,725	465,000 (10)	724,798	0	0 (j)	4,525,000	3,877,755	8,402,755
2028…………	1,500,000	1,808,695	685,000 (4)	6,439	775,000	1,018,375	0	0 (h)	0	0 (i)	1,280,000	142,250	485,000 (10)	704,891	0	0 (j)	4,725,000	3,680,650	8,405,650
2029…………	1,580,000	1,731,695	–	–	800,000	979,000	–	–	0	0 (i)	1,335,000	96,625	505,000 (10)	684,145	0	0 (j)	4,220,000	3,491,465	7,711,465
2030…………	1,660,000	1,650,695	–	–	850,000	937,750	–	–	0	0 (i)	1,080,000	60,400	530,000 (10)	662,457	0	0 (j)	4,120,000	3,311,302	7,431,302
2031…………	1,745,000	1,565,570	–	–	900,000	894,000	–	–	0	0 (i)	1,105,000	22,100	550,000 (10)	639,825	0	0 (j)	4,300,000	3,121,495	7,421,495
2032…………	1,825,000	1,485,445	–	–	925,000 (5)	857,625	–	–	0	0 (i)	–	–	575,000 (11)	615,147	–	–	3,325,000	2,958,217	6,283,217
2033…………	1,895,000	1,411,045	–	–	950,000 (5)	829,500	–	–	0	0 (i)	–	–	600,000 (11)	588,269	–	–	3,445,000	2,828,814	6,273,814
2034…………	1,965,000	1,343,670	–	–	1,000,000	799,625	–	–	0	0 (i)	–	–	630,000 (11)	560,133	–	–	3,595,000	2,703,428	6,298,428
2035…………	2,025,000	1,283,820	–	–	1,025,000	767,984	–	–	0	0 (i)	–	–	660,000 (11)	530,624	–	–	3,710,000	2,582,428	6,292,428
2036…………	2,085,000	1,222,170	–	–	1,050,000	734,906	–	–	0	0 (i)	–	–	690,000 (11)	499,743	–	–	3,825,000	2,456,819	6,281,819
2037…………	2,150,000	1,158,645	–	–	1,075,000	700,375	–	–	0	0 (i)	–	–	725,000 (12)	466,831	–	–	3,950,000	2,325,851	6,275,851
2038…………	2,220,000	1,093,095	–	–	1,125,000 (6)	663,922	–	–	0	0 (i)	–	–	760,000 (12)	431,748	–	–	4,105,000	2,188,764	6,293,764
2039…………	2,280,000	1,030,155	–	–	1,150,000 (6)	625,531	–	–	0	0 (i)	–	–	795,000 (12)	395,011	–	–	4,225,000	2,050,697	6,275,697
2040…………	3,345,000	968,858	–	–	1,200,000 (6)	585,875	–	–	0	0 (i)	–	–	835,000 (12)	356,502	–	–	5,380,000	1,911,235	7,291,235
2041…………	2,410,000 (1)	901,050	–	–	1,250,000 (7)	540,625	–	–	0	0 (i)	–	–	875,000 (13)	315,994	–	–	4,535,000	1,757,669	6,292,669
2042…………	2,480,000 (1)	827,700	–	–	1,300,000 (7)	489,625	–	–	0	0 (i)	–	–	915,000 (13)	273,481	–	–	4,695,000	1,590,806	6,285,806
2043…………	2,560,000 (1)	752,100	–	–	1,350,000 (7)	436,625	–	–	0	0 (i)	–	–	960,000 (13)	228,950	–	–	4,870,000	1,417,675	6,287,675
2044…………	2,630,000 (1)	674,250	–	–	1,400,000 (8)	381,625	–	–	0	0 (i)	–	–	1,010,000 (13)	182,163	–	–	5,040,000	1,238,038	6,278,038
2045…………	2,710,000 (1)	594,150	–	–	1,475,000 (8)	324,125	–	–	0	0 (i)	–	–	1,055,000 (13)	133,119	–	–	5,240,000	1,051,394	6,291,394
2046…………	2,800,000 (2)	511,500	–	–	1,525,000 (8)	264,125	–	–	0	0 (i)	–	–	1,110,000 (13)	81,700	–	–	5,435,000	857,325	6,292,325
2047…………	2,880,000 (2)	426,300	–	–	1,575,000 (9)	206,063	–	–	0	0 (i)	–	–	1,165,000 (13)	27,669	–	–	5,620,000	660,031	6,280,031
2048…………	2,405,000 (2)	347,025	–	–	1,650,000 (9)	149,625	–	–	–	–	–	–	–	–	–	–	4,055,000	496,650	4,551,650
2049…………	2,475,000 (2)	273,825	–	–	1,700,000 (9)	91,000	–	–	–	–	–	–	–	–	–	–	4,175,000	364,825	4,539,825
2050…………	2,550,000 (2)	198,450	–	–	1,750,000 (9)	30,625	–	–	–	–	–	–	–	–	–	–	4,300,000	229,075	4,529,075
2051…………	2,630,000 (3)	120,750	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2,630,000	120,750	2,750,750
2052…………	2,710,000 (3)	40,650	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2,710,000	40,650	2,750,650
Totals…………	$ 62,865,000	$ 34,957,081	$ 5,745,000	$ 456,147	$ 32,210,000	$ 22,017,156	$ 541,000	$ 181,795	$ 2,120,000	$ 693,813	$ 13,145,000	$ 4,023,650	$ 19,135,000	$ 15,384,875	$ 950,000	$ 19,000	$ 136,711,000	$ 77,733,518	$ 214,444,518

(a) These Research Bonds are issued on a parity with each other.
(b) Actual interest due is $962,905.50. Payment in the amount of $833,044.83 to be made from capitalized interest from bond proceeds of the 2019B Bonds.
(c) Actual interest due is $2,113,320. Payment in the amount of $1,828,635 to be made with capitalized interest from bond proceeds of the 2019B Bonds.
(d) Actual interest due is $2,112,570. Payment in the amount of $914,317.50 to be made with capitalized interest from bond proceeds of the 2019B Bonds.
(e) Actual interest due is $1,188,347.22. Payment to be made from capitalized interest from bond proceeds of the 2018B Research Bonds.
(f) Actual interest due is $1,258,250. Payment in the amount of $629,125 to be made with capitalized interest from bond proceeds of the 2018B Research Bonds.
(g) This bond issue is included in this table because final principal and interest payments occurred in Fiscal Years 2018 and 2019.
(h) Principal and interest have been refunded by the 2019A Research Bonds.
(i) Principal and interest have been refunded by the 2019B Bonds.
(j) Principal and interest have been refunded by the 2015B Research Bonds.
(1) Mandatory sinking fund principal payments from a $12,790,000, 3.00% term bond due December 1, 2044.
(2) Mandatory sinking fund principal payments from a $13,110,000, 3.00% term bond due December 1, 2049.
(3) Mandatory sinking fund principal payments from a $5,340,000, 3.00% term bond due December 1, 2051.
(4) Mandatory sinking fund principal payments from a $5,745,000, 1.88% term bond due December 1, 2027.
(5) Mandatory sinking fund principal payments from a $1,875,000, 3.00% term bond due December 1, 2032.
(6) Mandatory sinking fund principal payments from a $3,475,000, 3.375% term bond due December 1, 2039.
(7) Mandatory sinking fund principal payments from a $3,900,000, 4.00% term bond due December 1, 2042.
(8) Mandatory sinking fund principal payments from a $4,400,000, 4.00% term bond due December 1, 2045.
(9) Mandatory sinking fund principal payments from a $6,675,000, 3.50% term bond due December 1, 2049.
(10) Mandatory sinking fund principal payments from a $2,535,000, 4.191% term bond due December 1, 2030.
(11) Mandatory sinking fund principal payments from a $3,155,000, 4.575% term bond due December 1, 2035.
(12) Mandatory sinking fund principal payments from a $3,115,000, 4.725% term bond due December 1, 2039.
(13) Mandatory sinking fund principal payments from a $7,090,000, 4.750% term bond due December 1, 2046.

(Source: Municipal Advisor)

Debt Service Schedule Of Outstanding Debt Of The University By Fiscal Year–continued

Fiscal Year Ending June 30	Student Fee/Housing Bonds (a) Series 2019 $54,995,000 Principal	Interest	Series 2016 $19,540,000 Principal	Interest	Series 2015 $24,455,000 Principal	Interest	Series 2007 $39,155,000 Principal	Interest	Totals Total Principal	Total Interest	Total Debt Service
2019	$ 0	$ 0	$ 380,000	$ 626,788	$ 815,000	$ 860,706	$ 1,365,000	$ 1,778,613	$ 2,560,000	$ 3,266,106	$ 5,826,106
2020	0	0 (b)	400,000	607,788	840,000	836,256	1,435,000	1,710,363	2,675,000	3,154,406	5,829,406
2021	0	186,844 (c)	420,000	587,788	875,000	802,656	1,505,000	1,638,613	2,800,000	3,215,900	6,015,900
2022	195,000	373,688 (d)	440,000	566,788	910,000	767,656	1,575,000 (7)	1,563,363	3,120,000	3,271,494	6,391,494
2023	1,025,000	1,088,469 (e)	465,000	544,788	955,000	722,156	1,670,000 (7)	1,480,675	4,115,000	3,836,088	7,951,088
2024	1,075,000	1,761,750	485,000	521,538	985,000	693,506	1,745,000	1,393,000	4,290,000	4,369,794	8,659,794
2025	1,125,000	1,708,000	510,000	497,288	1,030,000	644,256	1,835,000	1,305,750	4,500,000	4,155,294	8,655,294
2026	1,175,000	1,651,750	535,000	471,788	1,060,000	618,506	1,930,000	1,214,000	4,700,000	3,956,044	8,656,044
2027	1,225,000	1,593,000	555,000	450,388	1,110,000	565,506	2,025,000 (8)	1,117,500	4,915,000	3,726,394	8,641,394
2028	1,300,000	1,531,750	580,000	428,188	1,165,000	510,006	2,120,000 (8)	1,016,250	5,165,000	3,486,194	8,651,194
2029	1,350,000	1,466,750	595,000	410,788	1,200,000	475,056	2,240,000 (9)	910,250	5,385,000	3,262,844	8,647,844
2030	1,425,000	1,399,250	615,000	392,938	1,240,000	439,056	2,365,000 (9)	798,250	5,645,000	3,029,494	8,674,494
2031	1,525,000	1,328,000	635,000	374,488	1,275,000	401,856	2,460,000 (10)	680,000	5,895,000	2,784,344	8,679,344
2032	1,575,000	1,251,750	650,000	355,438	1,315,000	362,013	2,580,000 (10)	557,000	6,120,000	2,526,200	8,646,200
2033	1,650,000	1,204,500	670,000	339,188	1,355,000	319,275	2,725,000 (10)	428,000	6,400,000	2,290,963	8,690,963
2034	1,675,000	1,169,438	690,000	319,088	1,405,000	273,544	2,845,000 (10)	291,750	6,615,000	2,053,819	8,668,819
2035	1,700,000	1,131,750	710,000	298,388	1,450,000	224,369	2,990,000 (10)	149,500	6,850,000	1,804,006	8,654,006
2036	1,725,000	1,093,500	730,000 (2)	279,750	1,505,000	173,619	–	–	3,960,000	1,546,869	5,506,869
2037	1,800,000	1,050,375	750,000 (2)	257,850	1,560,000	119,063	–	–	4,110,000	1,427,288	5,537,288
2038	1,825,000	996,375	770,000 (3)	235,350	1,615,000	60,563	–	–	4,210,000	1,292,288	5,502,288
2039	1,900,000	941,625	795,000 (3)	212,250	–	–	–	–	2,695,000	1,153,875	3,848,875
2040	1,950,000	891,750	820,000 (4)	188,400	–	–	–	–	2,770,000	1,080,150	3,850,150
2041	2,000,000	833,250	845,000 (4)	163,800	–	–	–	–	2,845,000	997,050	3,842,050
2042	2,050,000	773,250	870,000 (5)	138,450	–	–	–	–	2,920,000	911,700	3,831,700
2043	2,125,000	711,750	895,000 (5)	112,350	–	–	–	–	3,020,000	824,100	3,844,100
2044	2,175,000	648,000	920,000 (6)	85,500	–	–	–	–	3,095,000	733,500	3,828,500
2045	2,250,000	582,750	950,000 (6)	57,900	–	–	–	–	3,200,000	640,650	3,840,650
2046	2,300,000	515,250	980,000 (6)	29,400	–	–	–	–	3,280,000	544,650	3,824,650
2047	2,400,000	446,250	–	–	–	–	–	–	2,400,000	446,250	2,846,250
2048	2,450,000	374,250	–	–	–	–	–	–	2,450,000	374,250	2,824,250
2049	2,525,000	300,750	–	–	–	–	–	–	2,525,000	300,750	2,825,750
2050	2,625,000 (1)	225,000	–	–	–	–	–	–	2,625,000	225,000	2,850,000
2051	2,675,000 (1)	146,250	–	–	–	–	–	–	2,675,000	146,250	2,821,250
2052	2,200,000 (1)	66,000	–	–	–	–	–	–	2,200,000	66,000	2,266,000
Totals	$ 54,995,000	$ 29,443,063	$ 18,660,000	$ 9,554,438	$ 23,665,000	$ 9,869,625	$ 35,410,000	$ 18,032,875	$ 132,730,000	$ 66,900,000	$ 199,630,000

(a) These Student Fee/Housing Bonds are issued on a parity with each other.
(b) The actual interest due is $1,108,840. Payment to be made from capitalized interest from bond proceeds of the 2019 Bonds.
(c) The actual interest due is $1,822,750. Payment in the amount of $1,635,906 to be made with capitalized interest from bond proceeds of the 2019 Bonds.
(d) The actual interest due is $1,822,750. Payment in the amount of $1,449,063 to be made with capitalized interest from bond proceeds of the 2019 Bonds.
(e) The actual interest due is $1,813,000. Payment in the amount of $724,531 to be made with capitalized interest from bond proceeds of the 2019 Bonds.

(1) Mandatory sinking fund principal amounts from a $7,500,000, 3.00% term bond due April 1, 2052.
(2) Mandatory sinking fund principal amounts from a $1,480,000, 3.00% term bond due April 1, 2037.
(3) Mandatory sinking fund principal amounts from a $1,565,000, 3.00% term bond due April 1, 2039.
(4) Mandatory sinking fund principal amounts from a $1,665,000, 3.00% term bond due April 1, 2041.
(5) Mandatory sinking fund principal amounts from a $1,765,000, 3.00% term bond due April 1, 2043.
(6) Mandatory sinking fund principal amounts from a $2,850,000, 3.00% term bond due April 1, 2046.
(7) Mandatory sinking fund principal amounts from a $3,245,000, 5.25% term bond due April 1, 2023.
(8) Mandatory sinking fund principal amounts from a $4,145,000, 5.00% term bond due April 1, 2028.
(9) Mandatory sinking fund principal amounts from a $4,605,000, 5.00% term bond due April 1, 2030.
(10) Mandatory sinking fund principal amounts from a $13,600,000, 5.00% term bond due April 1, 2035.

(Source: Municipal Advisor.)

Debt Service Schedule Of Outstanding Debt Of The University By Fiscal Year–continued

Fiscal Year Ending June 30	Student Fee Building Bonds (a) Series 2017 $38,825,000 Principal	Interest	Series 2015 $23,900,000 Principal	Interest	Series 2013B $43,310,000 Principal	Interest	Series 2013 $8,405,000 Principal	Interest	Totals Total Principal	Total Interest	Total Debt Service
2019………	$ 150,000	$ 1,316,906	$ 460,000	$ 903,881	$ 800,000	$ 157,600	$ 650,000	$ 180,888	$ 2,060,000	$ 2,559,275	$ 4,619,275
2020………	150,000	1,313,906	475,000	885,481	830,000	125,000	675,000	154,888	2,130,000	2,479,275	4,609,275
2021………	150,000	1,310,906	500,000	861,731	870,000	91,000	700,000	127,888	2,220,000	2,391,525	4,611,525
2022………	150,000	1,307,906	525,000	836,731	900,000	55,600	735,000	99,888	2,310,000	2,300,125	4,610,125
2023………	150,000	1,304,906	550,000	810,481	940,000	18,800	765,000	70,488	2,405,000	2,204,675	4,609,675
2024………	1,125,000	1,275,281	580,000	782,981	0	0 (b)	780,000	55,188	2,485,000	2,113,450	4,598,450
2025………	1,200,000	1,217,156	610,000	753,981	0	0 (b)	805,000	38,613	2,615,000	2,009,750	4,624,750
2026………	1,250,000	1,155,906	640,000	723,481	0	0 (b)	820,000	20,500	2,710,000	1,899,888	4,609,888
2027………	1,325,000	1,091,531	660,000	704,281	0	0 (b)	–	–	1,985,000	1,795,813	3,780,813
2028………	1,400,000	1,023,406	680,000	684,481	0	0 (b)	–	–	2,080,000	1,707,888	3,787,888
2029………	1,450,000	966,656	700,000	663,231	0	0 (b)	–	–	2,150,000	1,629,888	3,779,888
2030………	1,500,000	922,406	720,000	640,481	0	0 (b)	–	–	2,220,000	1,562,888	3,782,888
2031………	1,550,000	876,656	745,000	616,181	0	0 (b)	–	–	2,295,000	1,492,838	3,787,838
2032………	1,575,000 (1)	829,781	770,000	591,038	0	0 (b)	–	–	2,345,000	1,420,819	3,765,819
2033………	1,625,000 (1)	781,781	800,000	564,088	0	0 (b)	–	–	2,425,000	1,345,869	3,770,869
2034………	1,675,000	732,281	825,000	536,088	0	0 (b)	–	–	2,500,000	1,268,369	3,768,369
2035………	1,750,000	680,906	855,000	506,181	0	0 (b)	–	–	2,605,000	1,187,088	3,792,088
2036………	1,800,000	627,656	885,000	475,188	0	0 (b)	–	–	2,685,000	1,102,844	3,787,844
2037………	1,850,000	572,906	920,000 (3)	442,000	0	0 (b)	–	–	2,770,000	1,014,906	3,784,906
2038………	1,900,000	515,469	960,000 (3)	405,200	0	0 (b)	–	–	2,860,000	920,669	3,780,669
2039………	1,950,000	455,313	995,000 (3)	366,800	0	0 (b)	–	–	2,945,000	822,113	3,767,113
2040………	2,025,000	393,203	1,035,000 (3)	327,000	0	0 (b)	–	–	3,060,000	720,203	3,780,203
2041………	2,075,000	327,844	1,075,000 (3)	285,600	0	0 (b)	–	–	3,150,000	613,444	3,763,444
2042………	2,150,000	259,188	1,120,000 (4)	242,600	0	0 (b)	–	–	3,270,000	501,788	3,771,788
2043………	2,225,000	188,094	1,165,000 (4)	197,800	0	0 (b)	–	–	3,390,000	385,894	3,775,894
2044………	2,300,000 (2)	114,563	1,210,000 (4)	151,200	0	0 (b)	–	–	3,510,000	265,763	3,775,763
2045………	2,375,000 (2)	38,594	1,260,000 (4)	102,800	0	0 (b)	–	–	3,635,000	141,394	3,776,394
2046………	–	–	1,310,000 (4)	52,400	–	–	–	–	1,310,000	52,400	1,362,400
Totals………	$ 38,825,000	$ 21,601,110	$ 23,030,000	$ 15,113,388	$ 4,340,000	$ 448,000	$ 5,930,000	$ 748,338	$ 72,125,000	$ 37,910,835	$ 110,035,835

(a) These Student Fee Building Bonds are issued on a parity with each other.
(b) Principal and interest was refunded by the 2017 Student Fee Building Bonds.
(1) Mandatory sinking fund principal amounts from a $3,200,000, 3.00% term bond due December 1, 2032.
(2) Mandatory sinking fund principal amounts from a $4,675,000, 3.25% term bond due December 1, 2044.
(3) Mandatory sinking fund principal amounts from a $4,985,000, 4.00% term bond due June 1, 2041.
(4) Mandatory sinking fund principal amounts from a $6,065,000, 4.00% term bond due June 1, 2046.

(Source: Municipal Advisor.)

For the University's Fiscal Year 2019 debt information (absent the issuance of the 2019 Bonds and the refunding of the 2016 Refunded Bonds) see "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2019—Notes to Financial Statements–Note H. Bonds, Notes, Contracts and Other Noncurrent Liabilities" (audit page 38) and "–Note I. Pledged Bond Revenue" (audit page 41).

Other Financial Considerations

As of Fiscal Year 2019, the University had approximately $9.2 million in principal outstanding in notes and capital leases.

Amounts due on bonds, notes and contracts payable in future Fiscal Years 2019 through 2050 (absent the issuance of the 2019B Bonds) may be found in "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2019—Notes to Financial Statements–Note H. Bonds, Notes, Contracts and Other Noncurrent Liabilities" (audit page 38).

Proposed Revenue Debt Of The Board of Regents And The University

The Board of Regents may issue from time to time various debt for student loan programs and debt for projects for colleges and universities.

As of the date of this OFFICIAL STATEMENT, the Board of Regents and the University do not plan to issue Additional Bonds under the Indenture. However, in the future the University may issue additional bonds for student building projects, housing projects, and research revenue projects as needed.

No Defaulted Obligations

The University has never failed to pay principal of and interest on its financial obligations when due. Also see "SECURITY FOR THE 2019 BONDS—No Historical Request For Legislative Appropriation On Higher Education Bonds Or Debt Service Reserve Accounts" above.

FINANCIAL INFORMATION REGARDING UTAH STATE UNIVERSITY

Management's Discussion And Analysis

Economic Outlook. The State continues to be among the top states for growth. The State gained 45,100 jobs between March 2018 and March 2019, an increase of 3% (ranking the State 2nd nationally in job growth). Unemployment rates in the State was 3% in March 2019 while the national unemployment rate was 3.8% (with the State ranking 11th lowest in the nation in unemployment rates). Due in part to expanding State revenues due to growth, the University has received new ongoing and one–time appropriations during the previous legislative sessions, and the forecast for sustained economic growth improves the opportunity for increased legislative funding support for the University going forward.

Enrollment across all the University's campuses and delivery methods remained essentially flat or with some slight increases. For the Fall 2018 semester, increases in online, broadcast, and international sites were combined with small increases across most all the University's campuses. Headcount on the main campus continues to be at just under 18,000 students with overall University headcount enrollment near 29,350. The University expects modest but steady student enrollment growth moving forward.

The University's financial strengths include a diverse source of revenues, including those from the State, student tuition and fees, sponsored research programs, private support, and self–supporting enterprises. These diversified sources of revenue continue to provide financial stability and reduce the impact of potentially difficult future economic times.

Management believes that the University's financial position will continue to enable the University to move forward and accomplish its mission of being one of the nation's premier student–centered, land–grant, and space–grant universities.

Management's Discussion and Analysis of the University's Financial Statements for Fiscal Year 2019. The administration of the University prepared a narrative discussion, overview, and analysis of the financial activities of the University for Fiscal Year 2019. For the complete discussion see "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2019–Management's Discussion and Analysis" (audit page 6). *The Management's Discussion and Analysis for Fiscal Year 2020 is not available. Under State law the University must complete its annual financial report for Fiscal Year 2020 by December 31, 2020.*

Financial Summaries

The financial statements reflect the financial reporting standards as outlined by the Governmental Accounting Standards Board. The financial statements are prepared with a focus on the financial condition of the University, the results of operations, and cash flows of the University as a whole. The following comparative summaries are unaudited.

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Utah State University

Statement of Net Position

(This summary has not been audited)

	As of June 30				
	2019	2018	2017	2016	2015
Assets and deferred outflows of resources					
Assets					
Current assets					
Accounts receivable–net of allowances	$ 65,981,183	$ 53,914,958	$ 46,760,029	$ 44,204,039	$ 42,726,562
Cash and cash equivalents	53,914,087	41,382,130	42,509,138	61,650,546	81,995,711
Short–term investments	37,832,205	56,002,183	75,861,084	66,658,839	44,041,040
Prepaid expenses	4,294,350	5,655,856	4,484,268	3,288,613	4,125,275
Inventories	4,001,388	3,697,951	4,076,461	4,051,841	4,197,562
Accounts receivable from primary government	3,289,163	6,262,470	9,661,498	10,314,196	13,178,082
Notes receivable–net of allowances	2,234,449	2,471,057	2,072,945	1,143,771	1,361,874
Credits receivable	115,086	182,488	300,666	100,992	572,406
Total current assets	171,661,911	169,569,093	185,726,089	191,412,837	192,198,512
Noncurrent assets					
Property, plant and equipment–net	956,964,463	911,459,445	857,392,014	810,654,913	709,458,580
Investments	387,800,575	329,033,666	301,768,087	245,466,452	256,876,214
Restricted					
Investments	212,609,243	190,567,485	176,600,456	156,256,963	158,295,245
Cash and cash equivalents	26,151,809	40,709,486	31,766,707	67,383,825	3,134,141
Accounts receivable	8,186,750	11,593,675	20,344,399	18,294,689	25,913,130
Short–term investments	2,893,950	1,397,678	3,344,975	2,791,447	2,410,879
Split–interest agreements	1,678,082	1,928,082	–	–	–
Real estate held for resale	385,031	385,031	395,551	420,766	445,520
Notes receivable	48,698	52,220	55,402	58,621	61,533
Accounts receivable	15,167,657	15,761,706	17,179,082	19,789,569	13,824,199
Notes receivable	7,273,682	9,364,315	10,355,000	10,682,445	10,337,642
Other noncurrent assets	31,946	103,340	120,673	182,578	131,726
Net pension asset	–	370	60	3,204	46,288
Total noncurrent assets	1,619,191,886	1,512,356,499	1,419,322,406	1,331,985,472	1,180,935,097
Total assets	1,790,853,797	1,681,925,592	1,605,048,495	1,523,398,309	1,373,133,609
Deferred outflows of resources					
Resources related to pensions	20,411,257	20,677,761	20,519,667	18,891,633	5,826,112
Unamortized refunding losses on bonds	7,090,171	7,481,148	3,011,896	3,369,686	2,036,600
Total deferred outflows of resources	27,501,428	28,158,909	23,531,563	22,261,319	7,862,712
Total assets and deferred outflows of resources	$ 1,818,355,225	$ 1,710,084,501	$ 1,628,580,058	$ 1,545,659,628	$ 1,380,996,321
Liabilities, deferred inflows of resources and net position					
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities to others	$ 71,692,933	$ 60,577,442	$ 55,750,390	$ 53,262,367	$ 48,413,887
Unearned revenue and deposits	23,484,140	25,282,113	20,835,671	21,749,364	23,246,052
Liability for compensated absences	15,087,413	13,914,114	13,240,783	12,454,124	11,837,156
Bonds, notes, and contracts payable	9,043,419	9,079,809	10,898,187	8,785,321	8,673,131
Liability for early retirement	5,482,822	5,845,181	5,135,508	5,378,092	4,444,441
Accounts payable and accrued liabilities to primary government	5,264,215	6,796,754	8,388,440	15,447,526	16,858,029
Other current liabilities	4,447,245	483,255	458,141	212,830	183,334
Funds held for others	108,291	108,830	76,605	75,868	57,245
Notes payable to primary government	49,472	49,472	149,351	139,474	146,557
Total current liabilities	134,659,950	122,136,970	114,933,076	117,504,966	113,859,832
Noncurrent liabilities					
Bonds, notes, and contracts payable	233,068,167	242,607,683	210,121,802	190,220,367	130,800,695
Net pension liability	53,846,155	35,354,433	49,248,898	48,304,628	37,273,380
Liability for early retirement	10,350,138	10,065,438	8,434,243	7,828,047	7,076,988
Other noncurrent liabilities	7,749,504	1,367,011	1,378,401	1,242,607	1,156,880
Liability for compensated absences	6,674,236	5,801,928	5,433,502	5,389,043	5,662,414
Unearned revenue and deposits	1,264,567	698,072	769,062	–	–
Notes payable to primary government	135,741	197,581	–	149,351	288,825
Deposit due to primary government	–	–	465,000	465,000	465,000
Total noncurrent liabilities	313,088,508	296,092,146	275,850,908	253,599,043	182,724,182
Total liabilities	447,748,458	418,229,116	390,783,984	371,104,009	296,584,014
Deferred inflows of resources					
Split–interest agreements	3,673,096	1,928,082	–	–	–
Resources related to pensions	2,695,188	19,539,272	6,653,065	4,746,402	3,548,725
Deferred gift revenue	558,865	1,006,987	1,703,325	–	–
Total deferred inflows of resources	6,927,149	22,474,341	8,356,390	4,746,402	3,548,725
Net position					
Invested in capital assets	742,503,197	707,397,179	670,334,903	682,638,200	585,148,796
Restricted					
Expendable					
Research, instruction and public service	210,877,745	203,834,650	189,272,618	168,461,019	177,173,317
Capital projects	25,041,728	22,080,583	43,171,221	31,955,815	57,549,252
Nonexpendable					
Scholarships and fellowships (1)	94,126,523	90,665,839	87,426,844	82,639,798	110,991,067
Instruction	37,315,552	22,668,392	22,391,364	22,200,052	–
Other	15,277,807	15,430,996	14,196,439	11,700,163	–
Loans	2,722,531	12,879,491	12,956,157	13,048,266	13,163,145
Unrestricted	235,814,535	194,423,914	189,690,138	157,165,904	136,838,005
Total net position	1,363,679,618	1,269,381,044	1,229,439,684	1,169,809,217	1,080,863,582
Total liabilities, deferred inflows of resources and net position	$ 1,818,355,225	$ 1,710,084,501	$ 1,628,580,058	$ 1,545,659,628	$ 1,380,996,321

(1) Includes "Instruction" and "Other" in Fiscal Year 2015.

(Source: Compiled from the audited financial statements of the Municipal Advisor.)

Utah State University

Statement of Revenues, Expenses, and Changes in Net Position

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2019	2018	2017	2016	2015
Operating revenues					
Federal contracts and grants	$ 254,667,445	$ 192,980,831	$ 169,095,228	$ 152,432,980	$ 145,282,788
Tuition and fees	150,248,218	145,663,113	142,666,323	128,022,348	120,604,507
Auxiliary enterprises–net of scholarship allowances	54,434,140	51,957,537	50,171,033	49,044,250	46,676,670
Sales and service of education departments	31,149,573	16,564,204	13,425,182	11,921,710	12,516,265
Other operating revenues	15,652,697	14,325,741	20,408,490	18,053,053	15,619,485
Private contracts and grants	14,590,453	13,041,353	15,232,981	15,151,201	14,470,872
State contracts and grants	10,084,623	9,616,088	9,343,135	8,699,685	10,045,701
Federal appropriations	4,919,540	5,000,800	4,563,242	5,010,324	5,132,187
Local contracts and grants	1,262,790	1,162,836	1,380,272	2,342,218	2,805,012
Service departments	812,930	1,332,214	1,557,209	1,937,361	2,215,933
Conferences and institutes (noncredit)	–	9,393,781	8,086,966	8,684,006	7,332,858
Total operating revenues	537,822,409	461,038,498	435,930,061	401,299,136	382,702,278
Operating expenses					
Salaries and wages	354,956,030	327,128,027	308,442,700	292,692,198	278,044,304
Other operating expenses	232,115,278	190,616,131	180,427,652	178,855,343	158,263,562
Employee benefits	135,393,806	124,651,572	110,300,288	99,525,982	95,656,845
Depreciation	51,165,284	48,888,124	45,590,704	43,260,346	41,709,640
Scholarships and fellowships	34,454,937	33,417,025	35,416,632	29,283,293	32,920,131
Actuarial calculated pension expenses	12,313,453	9,019,501	11,642,905	9,937,079	7,098,347
Total operating expenses	820,398,788	733,720,380	691,820,881	653,554,241	613,692,829
Operating loss	(282,576,379)	(272,681,882)	(255,890,820)	(252,255,105)	(230,990,551)
Nonoperating revenues (expenses)					
State appropriations	220,450,232	203,257,655	197,437,533	188,063,602	182,193,753
Financial aid grants	42,554,071	44,328,330	38,175,758	39,835,220	40,726,907
Investment income	42,530,261	21,129,366	29,422,923	18,225,629	14,848,005
Private gifts	24,964,629	19,165,660	14,845,508	20,605,485	14,398,439
State grants	8,756,630	9,654,279	7,538,545	10,427,507	8,250,501
State land grant revenues	212,559	197,378	137,453	483,909	420,650
Interest on capital asset related debt	(8,710,766)	(6,539,164)	(7,468,881)	(5,343,156)	(4,076,093)
Other	(11,879,632)	(11,209,071)	(1,178,612)	(1,992,228)	(3,141,103)
Net nonoperating revenues	318,877,984	279,984,433	278,910,227	270,305,968	253,621,059
Income before other revenues (expenses)	36,301,605	7,302,551	23,019,407	18,050,863	22,630,508
Other revenues					
Capital appropriations	49,536,533	21,028,230	14,608,885	52,990,082	7,985,988
Capital grants and gifts	4,654,726	7,168,369	14,331,728	13,258,982	19,285,840
Additions to permanent endowments	3,805,710	4,442,210	7,670,447	4,645,708	5,119,710
Total other revenues	57,996,969	32,638,809	36,611,060	70,894,772	32,391,538
Increase in net position	94,298,574	39,941,360	59,630,467	88,945,635	55,022,046
Net position–beginning of year as previously reported	1,269,381,044	1,229,439,684	1,169,809,217	1,080,863,582	1,063,052,211
Prior period adjustment	–	–	–	–	(37,210,675) (1)
Net position–beginning of year (as restated)	1,269,381,044	1,229,439,684	1,169,809,217	1,080,863,582	1,025,841,536
Net position–end of year	$1,363,679,618	$1,269,381,044	$1,229,439,684	$1,169,809,217	$1,080,863,582

(1) Net adjustment for the Governmental Accounting Standard Board ("GASB") Statement 68 requirement to record the University's share of the unfunded liability associated with participation in a defined benefit pension plan of $38,160,754 and the reclassification of some Agency funds as University funds of $950,079. (Source: The University.)

(Source: Compiled from the audited financial statements of the Municipal Advisor.)

Additional Financial Information Regarding The University

See "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2019" below for additional financial information regarding the University.

LEGAL MATTERS

Absence Of Litigation Concerning The 2019B Bonds

There is no litigation pending or threatened against the Board of Regents or the University questioning or in any matter relating to or affecting the validity of the 2019B Bonds.

On the date of the execution and delivery of the 2019B Bonds, certificates will be delivered by the Board of Regents and the University to the effect that, to the best knowledge of the Board of Regents and the University, respectively, there is no action, suit, proceeding or litigation pending or threatened against the Board of Regents and the University, which in any way materially questions or affects the validity or enforceability of the 2019B Bonds or any proceedings or transactions relating to their authorization, execution, authentication, marketing, sale or delivery or which materially adversely affects the existence or powers of the Board of Regents or the University, respectively.

A non–litigation opinion of the Attorney General of the State, counsel to the Board of Regents and the University, dated the date of closing, will be provided stating, among other things, there is not now pending, or to his knowledge threatened, any action, suit, proceeding, inquiry or any other litigation or investigation, at law or in equity, before or by any court, public board or body, which is pending or threatened against the Board of Regents or the University challenging the creation, organization or existence of the Board of Regents or the University, or the performance of any of the covenants contained in the Indenture, or the titles of the officers of the Board of Regents or the University to their respective offices, or the adoption or performance of the Indenture.

Miscellaneous Legal Matters

The Board of Regents and the University, their respective officers, agencies, and departments, are parties to numerous routine legal proceedings, many of which normally occur in governmental operations.

See "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2019—Notes to Financial Statements–Note M. Risk Management–Contingencies" (audit page 49).

Based on discussions with representatives of the Board of Regents and the University, the Attorney General is of the opinion that the miscellaneous legal proceedings against the Board of Regents and the University, individually or in the aggregate, are not likely to have a materially adverse impact on the Board of Regents' and the University's ability to make its payments of the principal of and interest on the 2019B Bonds as those payments come due.

General

The authorization and issuance of the 2019B Bonds are subject to the approval of the 2019B Bonds by Gilmore & Bell, P.C., Bond Counsel to the Board of Regents in connection with the issuance of the 2019B Bonds. Certain legal matters regarding this OFFICIAL STATEMENT will be passed on for the Board of Regents and the University by Gilmore & Bell, P.C., Disclosure Counsel to the Board of Regents. Certain legal matters will be passed on for the Board of Regents and the University by the Attorney General of the State. The approving opinion of Bond Counsel will be delivered with the 2019B Bonds. A copy of the opinion of Bond Counsel in substantially the form set forth in "APPENDIX C—PROPOSED

FORM OF OPINION OF BOND COUNSEL" of this OFFICIAL STATEMENT will be made available upon request from the contact person for the University as indicated under "INTRODUCTION—Contact Persons" above.

The various legal opinions to be delivered concurrently with the delivery of the 2019B Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

The following is a summary of the material federal and State of Utah income tax consequences of holding and disposing of the 2019B 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 2019B 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 2019B 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 2019B Bonds.

Opinion Of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Board of Regents, under the law currently existing as of the issue date of the 2019B Bonds:

Federal Tax Exemption. The interest on the 2019B Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the 2019B 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 2019B Bonds, subject to the condition that the Board of Regents 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 2019B Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Board of Regents 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 2019B Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the 2019B Bonds.

State of Utah Tax Exemption. The interest on the 2019B Bonds is exempt from State of Utah individual income taxes.

Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the 2019B Bonds but has reviewed the discussion under this heading "TAX MATTERS."

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a 2019B Bond over its issue price. The issue price of a 2019B Bond is generally the first price at which a substantial amount of the 2019B Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax–exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a 2019B Bond during any accrual period generally equals (1) the issue price of that 2019B Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that 2019B Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that 2019B Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that 2019B Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a 2019B Bond over its stated redemption price at maturity. The issue price of a 2019B Bond is generally the first price at which a substantial amount of the 2019B 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 2019B Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the 2019B 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 2019B 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 Bonds. Upon the sale, exchange or retirement (including redemption) of a 2019B Bond, an owner of the 2019B 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 received on the sale, exchange or retirement of the 2019B Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the 2019B Bond. To the extent a 2019B 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 2019B 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 2019B Bonds, and to the proceeds paid on the sale of the 2019B 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 2019B Bonds should be aware that ownership of the 2019B Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, 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 2019B Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of 2019B 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 2019B Bonds, including the possible application of state, local, foreign and other tax laws.

MISCELLANEOUS

Bond Ratings

S&P has assigned its municipal bond rating of "AA" to the 2019B Bonds. An explanation of the rating may be obtained from S&P. The Board of Regents has not directly applied to Fitch Ratings, Inc. or Moody's Investors Service Inc. for a rating on the 2019B Bonds.

Such rating does not constitute a recommendation by the rating agency to buy, sell or hold the 2019B Bonds. Such rating reflects only the views of S&P and any desired explanation of the significance of such rating should be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own.

There is no assurance that the rating given the 2019B Bonds will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward change or withdrawal of such rating may have an adverse effect on the market price of the 2019B Bonds.

Escrow Verification

Public Finance Partners LLC, Minneapolis, Minnesota, will verify the accuracy of the mathematical computations concerning the adequacy of the maturing principal amounts of and interest earned on the obligations of the United States of America, together with other escrowed moneys to be placed in the Escrow Account to pay when due pursuant to prior redemption the redemption price of, and interest on the 2016 Refunded Bonds and the mathematical computations of the yield on the 2019B Bonds and the yield on the government obligations purchased with a portion of the proceeds of the sale of the 2019B Bonds.

Trustee

The obligations and duties of the Trustee are described in the Indenture and the Trustee has undertaken only those obligations and duties that are expressly set out in the Indenture. The Trustee has not independently passed upon the validity of the 2019B Bonds, the security therefore, the adequacy of the provisions for payment thereof or the exclusion from gross income for federal tax purposes of the interest on the 2019B Bonds. The Trustee may resign or be removed or replaced as provided in the Indenture. The Trustee is not required to take any action with respect to any Event of Default (as defined in the Indenture) or otherwise unless indemnified to its satisfaction. See "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE OF TRUST–Provisions from General Indenture of Trust–Events of Default" (page A–12) and "–Remedies; Rights of Registered Owners" (page A–13).

Municipal Advisor

The Board of Regents and the University have entered into an agreement with the Municipal Advisor where under the Municipal Advisor provides financial recommendations and guidance to the Board of Regents and the University with respect to preparation for sale of the 2019B Bonds, timing of sale, bond market conditions, costs of issuance and other factors related to the sale of the 2019B Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this OFFICIAL STATEMENT and has supervised the completion and editing thereof. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the OFFICIAL STATEMENT, or any other related information available to the Board of Regents and the University, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT.

Independent Auditors

The financial statements of the University as of June 30, 2019 and for the year then ended, included in "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2019" to this OFFICIAL STATEMENT, have been audited by the office of the Utah State Auditor, as stated in its report thereon (audit page 4). The Board of Regents or the University has neither requested nor has been obligated to obtain the consent of the State Auditor to include its report in this OFFICIAL STATEMENT and therefore the State Auditor has not performed any procedures with respect to such financial statements subsequent to the date of its report.

Additional Information

All quotations contained herein from and summaries and explanations of the State Constitution, statutes, programs, laws of the State, court decisions and the Indenture, do not purport to be complete, and reference is made to said State Constitution, statutes, programs, laws, court decisions and the Indenture for full and complete statements of their respective provisions.

Any statements in this OFFICIAL STATEMENT involving matters of opinion, whether or not expressly so stated, are intended as such and not as representation of fact.

The Appendices attached hereto are an integral part of this OFFICIAL STATEMENT and should be read in conjunction with the foregoing material.

This OFFICIAL STATEMENT and its distribution and use have been duly authorized by the Board of Regents and the University.

State Board of Regents of the State of Utah

Utah State University

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE OF TRUST

The following excerpts briefly outline certain provisions and definitions contained in the General Indenture and the Twelfth Supplemental Indenture and are not to be considered as a full statement thereof. Reference is made to the General Indenture and the Twelfth Supplemental Indenture for full details of all the terms of the 2019B Bonds and the security provisions appertaining thereto.

As used in the Indenture and for the purposes of this summary, unless the context shall otherwise clearly indicate, the following terms shall have the following meanings:

DEFINITIONS

Definitions from the General Indenture

"Act" means, collectively, the Utah Industrial Facilities and Development Act, Chapter 17, Title 11, Utah Code Annotated, 1953, as amended; the Utah Refunding Bond Act, Chapter 27, Title 11, Utah Code Annotated 1953, as amended; and Title 53B, Chapter 21, Utah Code Annotated 1953, as amended.

"Additional Bonds" means all Bonds issued under the Indenture other than the Initial Bonds.

"Aggregate Annual Debt Service Requirement" means the total principal, interest and premium payments due and payable on all Series of Bonds Outstanding, or if applicable, all Bonds of a Series, for any one year, less capitalized interest but only to the extent capitalized interest is invested in Government Obligations.

"Authorized Representative" means the President, Vice President for Administrative Services or the Associate Vice President for Administrative Affairs/Controller or any other person at the time designated to act on behalf of USU by a written instrument furnished to the Trustee containing the specimen signature of such person or persons and signed on behalf of USU by its President or Vice President for Administrative Affairs. The written instrument may designate an alternate or alternates.

"Bond Fund" means the State Board of Regents USU Reimbursed Overhead Revenues Bond Fund created in the Indenture to be held by the Trustee.

"Bondholder," "Bondowner," "Registered Owner" or "Owner" means the registered owner of any Bonds.

"Bond Insurer" means the issuer of any Municipal Bond Insurance Policy insuring the payment when due of debt service on any Bonds.

"Bonds" means Initial Bonds and any Additional Bonds.

"Business Day" means a day on which banking business is transacted, but not including any day on which banks are authorized to be closed, in New York City and in the city in which the Trustee has its principal corporate trust office.

"Code" means the Internal Revenue Code of 1986, as amended.

"Construction Fund" means the State Board of Regents USU Reimbursed Overhead Construction Fund created in the Indenture to be held by the Trustee.

"Cost" or "Costs" or "Cost of Completion," 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, including, without limiting the generality of the foregoing:

(a) amounts payable to contractors and costs incident to the award of contracts;

(b) cost of labor, facilities and services furnished by USU and its employees or others, materials and supplies purchased by USU or others and permits and licenses obtained by USU or others;

(c) engineering, architectural, legal, planning, underwriting, accounting and other professional and advisory fees;

(d) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;

(e) interest expenses, including interest on the Series of Bonds relating to a Project;

(f) printing, engraving and other expenses of financing, including premiums for municipal bond insurance, fees of financial rating services and fees for issuance of bank letters of credit, surety bonds or similar arrangements and costs of issuing the Series of Bonds relating to a Project;

(g) costs, fees and expenses in connection with the acquisition of real and personal property or rights therein, including premiums for title insurance:

(h) costs of equipment and furnishings purchased by USU and necessary to the completion and proper operation of a Project;

(i) amounts required to repay temporary or bond anticipation loans or notes made to finance the costs of a Project;

(j) cost of site improvements performed by USU in anticipation of a Project;

(k) moneys necessary to fund the Funds created under the Indenture;

(l) costs of the capitalization with proceeds of a Series of Bonds issued under the Indenture of any operation and maintenance expenses and other working capital appertaining to any facilities to be acquired for a Project and of any interest on a Series of Bonds for any period not exceeding the period estimated by the Issuer to effect the construction of a Project plus one year, as provided in the Indenture, of any discount on Bonds or other securities, and of any reserves for the payment of the principal of and interest on a Series of Bonds, of any replacement expenses and of any other cost of issuance of a Series of Bonds or other securities, and Reserve Instrument Costs;

(m) costs of amending any indenture or other instrument authorizing the issuance of or otherwise appertaining to a Series of Bonds;

(n) all other expenses necessary or desirable and appertaining to a Project, as estimated or otherwise ascertained by USU, including costs of contingencies for a Project; and

(o) payment to USU of such amounts, if any, as shall be necessary to reimburse USU in full for advances and payments theretofore made or costs theretofore incurred by USU for any item of Costs.

In the case of any Project for refunding or redeeming any Series of Bonds, "Cost" includes, without limiting the generality of the foregoing, the items listed in (c), (e), (f) and (k) above, advertising and other expenses related to the redemption of such Bonds to be redeemed and the redemption price of such Bonds (and the accrued interest payable on redemption to the extent not otherwise provided for).

"Debt Service Reserve Fund" means the State Board of Regents USU Reimbursed Overhead Debt Service Reserve Fund created in the Indenture to be held by the Trustee.

"Debt Service Reserve Requirement," for each Series of Bonds, means an amount equal to the lesser of (i) the maximum Aggregate Annual Debt Service Requirement of such Series of Bonds, (ii) 125% of the average Aggregate Annual Debt Service Requirement of such Series of Bonds, or (iii) 10% of the amount of such Series of Bonds determined in accordance with the Code and the Regulations applicable to such a determination. The Debt Service Reserve Requirement may be funded by a Reserve Instrument.

"Event of Default" means with respect to any default or event of default under the Indenture any occurrence or event specified and defined as such by the Indenture.

"Fiscal Year" means the 12–month period beginning July 1 of each year and ending June 30 of the following year.

"Foundation" means the Utah State University Foundation and its successors and assigns.

"Government Obligations" has the meaning set forth in paragraph (a) of the definition of "Permitted Investments."

"Indenture" means the General Indenture of Trust as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms of the Indenture.

"Initial Bonds" means the first Series of Bonds issued under the Indenture.

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

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

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

"Municipal Bond Insurance Policy" means any policy of insurance issued by a Bond Insurer insuring the payment of the principal of and interest on all or any Bonds in accordance with the terms thereof.

"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 the Indenture;

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

"Paying Agent" means the Trustee, appointed as the initial paying agent for the Bonds pursuant to the Indenture, and any additional or successor paying agent appointed pursuant to the Indenture.

"Permitted Investments" means:

(a) 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 principal of and interest on which are unconditionally guaranteed by the United States of America;

(b) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export–Import Bank ("Eximbank")

   Direct obligations or fully guaranteed certificates of beneficial ownership

2. Farmers Home Administration ("FmHA")

   Certificates of beneficial ownership

3. Federal Financing Bank

4. Federal Housing Administration Debentures ("FHA")

5. General Services Administration Participation certificates

6. Government National Mortgage Association (“GNMA” or “Ginnie Mae”)

   GNMA—guaranteed mortgage–backed bonds

   GNMA—guaranteed pass–through obligations

7. U.S. Maritime Administration

   Guaranteed Title XI financing

8 U.S. Department of Housing and Urban Development (“HUD”)

   Project Notes

   Local Authority Bonds

   New Communities Debentures—U.S. government guaranteed debentures

   U.S. Public Housing Notes and Bonds—U.S. governmental guaranteed public housing notes and bonds;

(c) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non–full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System

   Senior debt obligations

2. Federal Home Loan Mortgage Corporation (“FHLMC” or “Freddie Mac”)

   Participation Certificates

   Senior debt obligations

3. Federal National Mortgage Association (“FNMA” or “Fannie Mae”)

   Mortgaged–backed securities and senior debt obligations

4. Student Loan Marketing Association (“SLMA” or “Sallie Mae”)

   Senior debt obligations

5. Resolution Funding Corp. (“REFCORP”) obligations

6. Farm Credit System

   Consolidated systemwide bonds and notes;

(d) money market funds registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and having a rating by S&P of “AAAm G,” “AAAm” or “AAm;”

(e) certificates of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the Bondholders must have a perfected first security interest in the collateral;

(f) certificates of deposit, savings accounts, deposit accounts or money market deposits that are fully insured by the Federal Deposit Insurance Corporation;

(g) investment agreements, including guaranteed investment contracts, acceptable to the Bond Insurer;

(h) commercial paper rated, at the time of purchase, “Prime–1” by Moody’s and “A–1” or better by S&P;

(i) bonds or notes issued by any state or municipality that are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies;

(j) federal funds or bankers acceptances with a maximum term of one year of any bank that has an unsecured, uninsured and unguaranteed obligation rating of "Prime–1" or "A3" or better by Moody's and "A–1" or "A" or better by S&P;

(k) repurchase agreements that satisfy the following criteria or are approved by the Bond Insurer:

1. repurchase agreements must be entered into between the Issuer or USU and a dealer bank or securities firm

    a. Primary dealers on the Federal Reserve reporting dealer list that are rated "A" or better by S&P and Moody's or

    b. Banks rated "A" or above by S&P and Moody's.

2. the written repurchase agreement must include the following:

    a. Securities which are acceptable for transfer are:

        (1) Direct U.S. governments or

        (2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA and FHLMC)

    b. The term of the repurchase agreement may be up to 30 days

    c. The collateral must be delivered to the Issuer or USU, the Trustee (if the Trustee is not supplying the collateral) or a third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before/simultaneously with payment (perfection by possession of certificated securities).

    d. Valuation of Collateral

        (1) The securities must be valued weekly, marked–to–market at current market price plus accrued interest

        (2) The value of collateral must be equal to 104% of the amount of cash transferred by the Issuer or USU to the dealer bank or security firm under the repurchase agreement plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by the Issuer or USU, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

3. Legal opinion must be delivered to the Issuer or USU:

The repurchase agreement must meet guidelines under State law for legal investment of public funds;

(l) investments in the Utah State Treasurer's investment pool; and

(m) any other investment that may be approved from time to time by the Bond Insurer.

"Project" means the acquisition or construction of facilities or buildings for use as, or improvements to or equipment or furnishings for, the Research Facilities.

"Registrar" means the Trustee (or other party designated as Registrar by a 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 the fifteenth day of the calendar month (whether or not a Business Day) next preceding each Interest Payment Date.

“Regulations” means the Treasury Regulations issued or proposed under Section 103, Section 148 or Section 149 of the Code (26 CFR Part 2) or other Sections of the Code relating to “arbitrage bonds,” rebate, or “private activity” bonds as the same may be applicable and includes amendments thereto or successor provisions.

“Research Facilities” means those facilities, buildings, equipment, furnishings and other improvements owned and operated by USU for research and development purposes, together with any additions, repairs, renewals, replacements, expansions, extensions and improvements thereof, hereafter acquired or constructed.

“Reserve Instrument” means a device or instrument issued by a Reserve Instrument Provider to satisfy all or any portion of the Debt Service Reserve Requirement applicable to a Series of Bonds. The term “Reserve Instrument” includes, by way of example and not of limitation, letters of credit, bond insurance policies, surety bonds, standby bond purchase agreements, lines of credit and other devices.

“Reserve Instrument Agreement” means any agreement entered into by the Issuer and a Reserve Instrument Provider pursuant to a Supplemental Indenture and providing for the issuance by such Reserve Instrument Provider of a Reserve Instrument.

“Reserve Instrument Costs” means all fees, premiums, expenses and similar costs, other than Reserve Instrument Repayment Obligations, required to be paid to a Reserve Instrument Provider pursuant to a Reserve Instrument Agreement. Each Reserve Instrument Agreement shall specify the fees, premiums, expenses and costs constituting Reserve Instrument Costs.

“Reserve Instrument Coverage” means, as of any date of calculation, the aggregate amount available to be paid to the Trustee pursuant to the Indenture under all Reserve Instruments.

“Reserve Instrument Fund” means the State Board of Regents USU Reimbursed Overhead Reserve Instrument Fund created in the Indenture to be held by the Trustee.

“Reserve Instrument Limit” means, as of any date of calculation and with respect to any Reserve Instrument, the maximum aggregate amount available to be paid under such Reserve Instrument into the Debt Service Reserve Fund assuming for purposes of such calculation that the amount initially available under each Reserve Instrument has not been reduced or that the amount initially available under each Reserve Instrument has only been reduced as a result of the payment of principal of the applicable Series of Bonds.

“Reserve Instrument Provider” means any bank, savings and loan association, savings bank, thrift institution or credit union, insurance company or surety company or other entity issuing a reserve instrument.

“Reserve Instrument Repayment Obligations” means, as of any date of calculation and with respect to any Reserve Instrument Agreement, those outstanding amounts payable by the Issuer under such Reserve Instrument Agreement to repay the Reserve Instrument Provider for payments previously made by it pursuant to a Reserve Instrument. There shall not be included in the calculation of Reserve Instrument Repayment Obligations any Reserve Instrument Costs. Each Reserve Instrument Agreement and the Supplemental Indenture authorizing the execution and delivery of such Reserve Instrument Agreement shall specify the amounts payable under it which, when outstanding, shall constitute Reserve Instrument Repayment Obligations and the Reserve Instrument Agreement shall specify the portions of such amounts that are allocable as principal of and as interest on such Reserve Instrument Repayment Obligations.

“Revenue Fund” means the USU Overhead Reimbursement Research Development Fund Group created in the Indenture in the hands of USU.

“Revenues” means all net reimbursed overhead revenues within the meaning of Section 53B–7–104, Utah Code Annotated 1953, as amended, received or to be received by USU (including those to be received by or through the Foundation) with respect to all current research and training contracts and grants, and all future research and training contracts to be entered into and grants to be received by USU as long as any Bonds remain Outstanding.

“S&P” means Standard & Poor’s Ratings Group.

"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 therefore.

"Sinking Fund Installment" means the amount of money which is required to be deposited into the Bond Fund in each Fiscal Year as specified in the Supplemental Indenture authorizing the Bonds of a Series for the retirement of Term Bonds of such Series, if any (whether at maturity or by redemption), and including the redemption premium, if any.

"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.

"Term Bonds" means the Bonds which shall be subject to retirement by operation of mandatory sinking fund redemptions from the Bond Fund.

"Trustee" means U.S. Bank, National Association, 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 under the Indenture.

"USU" means Utah State University of Agriculture and Applied Science.

Definitions from the Twelfth Supplemental Indenture

"2019B Reserve Instrument" means the municipal bond debt service reserve insurance policy issued by the 2019B Reserve Instrument Issuer with respect to the 2019B Bonds.

"2019B Reserve Instrument Provider" means Assured Guaranty Municipal Corp. The 2019B Reserve Instrument Provider constitutes a Reserve Instrument Provider under the Indenture.

"Policy Costs" means draws under the 2019B Reserve Instrument and payment of expenses and accrued interest thereon at the Late Payment Rate (as defined in the Twelfth Supplement Indenture).

PROVISIONS FROM GENERAL INDENTURE OF TRUST

Creation of Funds and Accounts

The following funds and accounts are created in the Indenture:

1. Construction Fund, to be held by the Trustee. Separate accounts within the Construction Fund are to be established for each Project to be designated by the name of the applicable Project.

2. Revenue Fund, established with USU.

3. Bond Fund, to be held by the Trustee.

4. Debt Service Reserve Fund, to be held by the Trustee. Separate accounts in the Debt Service Reserve Fund will be established for each Series of Bonds to be designated by the name of the applicable Series of Bonds.

5. Reserve Instrument Fund, to be held by the Trustee. Separate accounts in the Reserve Instrument Fund will be established for each Series of Bonds to be designated by the name of the applicable Series of Bonds.

Application of Bond Proceeds and Other Moneys

Unless otherwise provided in a Supplemental Indenture, the proceeds, including accrued interest and premium, if any, received from the sale of each Series of Bonds, shall be applied by the Issuer simultaneously with the delivery of such Bonds by the Trustee to the purchaser thereof, as follows:

(a) The accrued interest, if any, shall be deposited in the Bond Fund;

(b) With respect to Additional Bonds, the amount, if any, specified in the Supplemental Indenture authorizing the issuance of such Bonds shall be deposited into the Bond Fund;

(c) The amount, if any, required to make the amount in the Debt Service Reserve Fund after such deposit equal to the Debt Service Reserve Requirement, less the Reserve Instrument Coverage of all Reserve Instruments which are then in effect, shall be deposited into the applicable account in the Debt Service Reserve Fund or as otherwise specified in the Supplemental Indenture authorizing the issuance of the Bonds; and

(d) The balance of the moneys remaining after making all the deposits and payments provided for in paragraphs (a) through (c), inclusive, shall be paid into the appropriate account in the Construction Fund or as otherwise specified in the Supplemental Indenture authorizing the issuance of the Bonds.

Pledge of Revenues; Lien

The Bonds are special obligations of the Issuer payable from and secured by the Revenues and funds pledged therefore. The Revenues are pledged to the payment of the Bonds subject to the condition that the Revenues are to be applied in the order of priority described below under the caption "Use of Revenue Fund" below. Except for the pledge of Revenues to secure payment of the Bonds, the Issuer and USU covenant that the Revenues are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto; provided, however, that nothing contained in the Indenture shall prevent the Issuer from issuing, if and to the extent permitted by law, indebtedness having a lien on Revenues subordinated to that of the Bonds.

The Issuer covenants that the Bonds and any parity securities hereafter authorized to be issued and from time to time Outstanding are equitably and ratably secured by a lien on the Revenues and shall not be entitled to any priority one over the other in the application of the Revenues regardless of the time or times of the issuance of the Bonds and any other such securities, it being the intention of the Issuer that there shall be no priority among the Bonds and any such additional parity lien securities regardless of the fact that they may be actually issued and delivered at different times.

Use of Revenue Fund

All Revenues shall be accounted for and maintained by USU in the Revenue Fund, which Fund shall be kept separate and apart from all other accounts of USU and which shall be expended and used by USU only in the manner and order of priority specified below:

(a) USU shall transfer and deposit into the Bond Fund, at such times and in such manner described by Supplemental Indenture, such amounts as shall be necessary to pay the principal of, premium, if any, and interest on the Bonds promptly on each such payment date as the same become due and payable, whether at maturity or by redemption.

(b) USU shall make deposits at the times and in the manner described by the Supplemental Indenture:

(i) Equally and ratably to the Reserve Instrument Fund, with respect to all Reserve Instruments which are in effect and are expected to continue in effect, such amount of the remaining Revenues, or a ratable portion (taking into account the amount to be transferred pursuant to subparagraph (ii) of this paragraph) of the amount so remaining if less than the amount necessary, that is required to be paid, including all Reserve Instrument Repayment Obligations, on or before the next such transfer or deposit of Revenues into the Reserve Instrument Fund, to the Reserve Instrument Provider pursuant to any Reserve Instrument Agreement, other than Reserve Instrument Costs, in order to cause the Reserve Instrument Coverage to equal the Reserve Instrument Limit, such that the Reserve Instrument Coverage shall equal the Reserve Instrument Limit within one year from the draw date under the Reserve Instrument.

(ii) To the Trustee for deposit in accounts in the Debt Service Reserve Fund on a pro rata basis any amounts required by the Indenture and by any Supplemental Indenture to accumulate therein the Debt Service Reserve Requirement at the times and in the amounts provided in the Indenture and in any Supplemental Indenture, or a ratable portion (taking into account the amount to be transferred pursuant to subparagraph (i) of this paragraph) of remaining Revenues if less than the amount necessary. Moneys in each account in the Debt Service Reserve Fund shall be used only to prevent deficiencies in the payment of the principal of or interest on the applicable Series of Bonds for which such account was created.

(c) Subject to making the foregoing deposits, USU may use the balance of the Revenues accounted for in the Revenue Fund for:

(i) redemption of Bonds for cancellation prior to maturity by depositing the same into the Bond Fund;

(ii) refinancing, refunding, or advance refunding of any Bonds; or

(iii) application for any other lawful purposes as determined by USU.

Bond Fund

The Trustee shall make deposits, as and when received, as follows:

(a) all accrued interest and, with respect to Additional Bonds, the amount, if any, specified in the related Supplemental Indenture to be deposited into the Bond Fund shall be deposited into the Bond Fund;

(b) all moneys payable by USU for principal of, premium, if any, and interest on, Bonds shall be deposited into the Bond Fund;

(c) any amount remaining in the Construction Fund upon completion of a Project shall be transferred to the Bond Fund to the extent required by the Indenture;

(d) all moneys transferred to the Bond Fund from the Debt Service Reserve Fund or from a Reserve Instrument or Instruments then in effect as provided in the Indenture; and

(e) 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.

Except as otherwise provided in the Indenture, moneys in the Bond Fund shall be expended solely for the following purposes and in the following order of priority:

(a) the payment of principal of and interest on the Bonds as the same become due; and

(b) the payment of principal, premium, if any, and interest accrued, if any, on the Bonds as the same become due upon redemption prior to maturity and redemption of Bonds in advance of their maturity shall be accounted for separately by the Trustee from the payments made by the Trustee pursuant to subparagraph (a) above.

Debt Service Reserve Fund

Except as otherwise provided in the Indenture and subject to the immediately following sentence, moneys in each account in the Debt Service Reserve Fund shall at all times be maintained in an amount not less than the applicable Debt Service Reserve Requirement. In calculating the amount on deposit in each account in the Debt Service Reserve Fund, the amount, if any, of the related Reserve Instrument Coverage will be treated as an amount on deposit in such account in the Debt Service Reserve Fund. Each Supplemental Indenture authorizing the issuance of a Series of Bonds shall specify that the incremental increase in the Debt Service Reserve Requirement resulting from the issuance of such Series shall be deposited immediately upon the issuance and delivery of such Series from (a) proceeds from the sale thereof or from any other legally available source, or (b) by a Reserve Instrument or Instruments, or (c) any combination thereof. Funds on deposit in each account in the Debt Service Reserve Fund shall be used solely to make up any deficiencies in the Bond Fund relating to the payment of debt service on the applicable Series of Bonds. If amounts on deposit in an account in the Debt Service Reserve Fund shall, at any time, be less than the applicable Debt Service Reserve Fund Requirement, all Bond Insurers shall be notified immediately of such deficiency, and such deficiency shall be made up at the time and in the manner indicated in the Indenture.

In the event funds on deposit in an account in the Debt Service Reserve Fund are needed to make up any deficiencies in the Bond Fund as aforementioned, and there is insufficient cash available in such account in the Debt Service Reserve Fund to make up such deficiency and Reserve Instruments applicable to such Series of Bonds are in effect, the Trustee shall immediately make a demand for payment on such Reserve Instruments, to the maximum extent authorized by such Reserve Instruments, in the amount necessary to make up such deficiency, and immediately deposit such payment upon receipt thereof into the Bond Fund. Thereafter, the Issuer shall be obligated to reinstate the Reserve Instrument as provided in the Indenture.

In the event a Reserve Instrument is terminated in accordance with its terms, the Issuer shall be required either (i) to fund the Debt Service Reserve Requirement in substantially equal semiannual installments over a period not longer than 60 months, or (ii) to provide a substitute Reserve Instrument which provides the same Reserve Instrument Coverage, and which is acceptable to the Reserve Instrument Provider of the terminating Reserve Instrument.

Funds at any time on deposit in the Debt Service Reserve Fund in excess of the amount required to be maintained therein (taking into account the amount of Reserve Instrument Coverage) may at any time be transferred to the Bond Fund. Moneys held in the Debt Service Reserve Fund shall be invested, at the direction of the Issuer, in Permitted Investments.

Accounts for each Series of Bonds shall be maintained within the Debt Service Reserve Fund, and a Reserve Instrument for a Series of Bonds shall only be drawn upon with respect to the Series of Bonds to which such Reserve Instrument applies.

Reserve Instrument Fund

There shall be paid into the Reserve Instrument Fund the amounts required by the Indenture and by a Supplemental Indenture to be so paid. The amounts in the Reserve Instrument Fund shall, from time to time, be applied by the Trustee on behalf of the Issuer to pay the amounts which are due and payable to any Reserve Instrument Provider under any applicable Reserve Instrument Agreement.

Construction Fund

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 Trustee in order to pay the Cost of a Project, in each case within three Business Days (or within such longer period as is reasonably required to liquidate investments in the Construction Fund if required to make such payment) after the receipt by the Trustee of a written requisition from USU, requesting that the Trustee disburse sums as specified by USU to the person or entity designated in such written requisition, stating that the amount set forth therein is justly due and owing and constitutes a Cost of a Project, and stating certain information regarding the sufficiency of the amount remaining in the applicable account in the Construction Fund after such disbursement is made. Upon receipt of such requisition, the Trustee shall pay the obligation set forth in such requisition out of moneys in the applicable account in the Construction Fund.

An Authorized Representative of USU shall deliver to the Trustee, within 90 days after the completion of a Project, a certificate stating that such Project has been fully completed in accordance with the plans and specifications therefor, and stating the date of completion for such Project, and that USU is of the opinion that such Project has been fully paid for and no claim or claims (except claims to be contested) exist against USU or against such Project out of which a lien based on furnishing labor or material exists or might ripen.

Upon completion of a Project and payment of all costs and expenses incident thereto and the filing with the Trustee of documents required by the Indenture, any balance remaining in the applicable account in the Construction Fund relating to such Project shall, without further authorization, be deposited in the Bond Fund, to be applied toward the redemption of the Series of Bonds issued to finance such Project.

Investments

Any revenue surpluses or moneys in the Revenue Fund, the Bond Fund, the Reserve Instrument Fund, the Construction Fund or the Debt Service Reserve Fund may, at the discretion and authorization of an Authorized Representative of USU, be invested in Permitted Investments. All income derived from the investment of the Revenue Fund, the Construction Fund, Bond Fund, the Reserve Instrument Fund and the Debt Service Reserve Fund shall be maintained in said respective Funds and disbursed along with the other moneys on deposit therein as herein provided. So long as a Municipal Bond Insurance Policy is in effect for a Series of Bonds Outstanding, investments of moneys in the Debt Service Reserve Fund account with respect to such Series shall have maturities not exceeding five years.

In computing the amount in any fund or account, Permitted Investments shall be valued at the market price thereof. With respect to all funds and accounts except the Debt Service Reserve Fund, valuation shall occur annually. The Debt Service Reserve Fund shall be valued semiannually and marked–to–market at least annually, except in the event of a withdrawal from the Debt Service Reserve Fund, whereupon it shall be valued immediately after such withdrawal and monthly thereafter until the Debt Service Reserve Fund is at its required level. If amounts on deposit in the Debt Service Reserve Fund shall, at any time, be less than the applicable Debt Service Reserve Fund Requirement, the Bond Insurer, if any, shall be notified immediately of such deficiency, and such deficiency shall be made up from first available Revenues after required deposits to the Bond Fund (i) over a period of not more than four months, in four (4) substantially equal payments in the event such deficiency results from a decrease of 10% or more in the market value of the Permitted Investments on deposit in the Debt Service Reserve Fund and (ii) over a 12–month period, in 12 substantially equal payments, in the event such deficiency results from a withdrawal from such Fund.

All amounts representing accrued and capitalized interest shall be held by the Trustee, pledged solely to the payment of interest on the Bonds and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

Punctual Payment

The Issuer covenants in the Indenture 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 Reserve Instrument Repayment Obligations, in strict conformity with the terms of the Bonds, the Indenture and any Reserve Instrument Agreement. The principal of and interest on the Bonds and any Reserve Instrument Repayment Obligations are payable solely from the Revenues (except to the extent paid out of moneys attributable to Bond proceeds or other funds created under the Indenture or the income from the temporary investment thereof), which Revenues are specifically pledged and assigned to the payment thereof, and nothing should be considered as pledging any other funds or assets of the Issuer or USU for the payment of the Bonds or any Reserve Instrument Repayment Obligations except for the Revenues pledged for such purpose. The Issuer covenants in the Indenture to faithfully perform any and all covenants and provisions contained in the Indenture.

Expeditious Construction

USU shall complete the acquisition and construction of each Project with all practical dispatch and will cause all construction to be effected in a sound and economical manner.

Management of Research Facilities

USU, in order to assure the efficient management and operation of its Research Facilities, will employ competent and experienced management, will use its best efforts to see that its Research Facilities are at all times operated and maintained in first–class repair and condition and in such manner that the operating efficiency thereof shall be of the highest character. USU will also use its best efforts to continue to develop its research and development activities so as to fully utilize such Research Facilities.

Payments from Other Available Funds

Notwithstanding any other provisions of the Indenture, nothing in the Indenture shall be construed to prevent USU from (i) depositing any funds available to USU for such purpose in any account in the Bond Fund for the payment of the interest on, premium, if any, or the principal of any Bonds or for the redemption of any such Bonds, or (ii) depositing any funds available to the Issuer in the Reserve Instrument Fund for the payment of any amounts payable under any applicable Reserve Instrument Agreement.

Payment of Taxes

USU covenants that all taxes and assessments or other municipal or governmental charges lawfully levied or assessed upon its Research Facilities or upon any part thereof or upon any income therefrom will be paid when the same shall become due, that no lien or charge upon its Research Facilities or any part thereof or upon any Revenues thereof, except for the lien and charge thereon created under the Indenture and securing the Bonds, will be created or permitted to be created ranking equally with or prior to the Bonds (except for the parity lien thereon of Additional Bonds issued from time to time under the Indenture and under Supplemental Indentures), and that all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon its Research Facilities or any part thereof will be paid or discharged, or adequate provision will be made for the payment or discharge of such claims and demands within 60 days after the same shall accrue; provided, however, that nothing in the Indenture shall require any such lien or charge to be paid or discharged or provision made there for so long as the validity of such lien or charge shall be contested in good faith and by appropriate legal proceedings.

Insurance

USU, in the operation of its Research Facilities, will self–insure or carry insurance, including, but not limited to, workmen's compensation insurance and public liability insurance, in such amounts and to such extent as is normally carried by others operating facilities of the same type. In the event of loss or damage, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged.

Instruments of Further Assurance

The Issuer, USU and the Trustee mutually covenant that they will, from time to time, each upon the written request of the other, execute and deliver such further instruments and take or cause to be taken such further actions as may be reasonable and as may be required by the other to carry out the purposes of the Indenture; provided, however, that no such instruments or action shall involve any personal liability of the Trustee or members of the governing body of the Issuer or USU or any official thereof.

Covenant Not to Sell

USU will not sell, lease, mortgage, encumber, or in any manner dispose of its Research Facilities or any part thereof, including any and all extensions and additions that may be made thereto, until all principal of and interest on the Bonds, and all Reserve Instrument Repayment Obligations, have been paid in full, except that USU may sell any portion of said property (i) if USU and an independent consultant acceptable to the Bond Insurer certify to the Trustee that such property shall cease to be necessary for the efficient operation of its Research Facilities, or (ii) if, based on a written certification of an independent accountant, the Revenues in the Fiscal Year preceding the Fiscal Year in which the sale occurs were at least 250% of the maximum Aggregate Annual Debt Service Requirement of all Bonds then Outstanding, the book value of the property sold does not exceed 5% of the book value of the Research Facilities at such time and such sale would not adversely affect the ability of USU to pay principal and interest on the Bonds when due.

Reporting Requirements

So long as any Bonds are Outstanding, records and accounts will be kept by USU separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to its Revenue Fund. Each Registered Owner, or any duly authorized agent or agents thereof, shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect the Research Facilities. Except as otherwise provided in the Indenture, USU further agrees that it will within one hundred eighty (180) days following the close of each Fiscal Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants or the Utah State Auditor, showing the receipts and disbursements of Revenues of USU, and that such audit will be delivered to the Trustee and to each Bond Insurer and will be available for inspection by each Registered Owner.

Events of Default

Each of the following events constitutes an "Event of Default" under the Indenture:

(a) if payment of any installment of interest on any of the Bonds is not made by or on behalf of the Issuer (other than pursuant to a Municipal Bond Insurance Policy) when the same becomes due and payable, or

(b) if payment of the principal of or the redemption premium, if any, on any of the Bonds is not made by or on behalf of the Issuer (other than pursuant to a Municipal Bond Insurance Policy) when the same becomes 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 is entered, with the consent or acquiescence of the Issuer, appointing a receiver or custodian for any of the Revenues, or approving a petition filed against the Issuer or USU seeking reorganization of the Issuer or USU 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, is not vacated or discharged or stayed on appeal within 30 days after the entry thereof; or

(d) if any proceeding is instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer or USU and its creditors 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 Revenues; or

(e) if (i) the Issuer or USU is adjudged insolvent by a court of competent jurisdiction, or (ii) an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the Issuer, a receiver, trustee or custodian of the Issuer or USU or of the whole or any part of their property and any of the aforesaid adjudications, orders, judgments or decrees is not vacated or set aside or stayed within 60 days from the date of entry thereof; or

(f) if the Issuer or USU files 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 assumes custody or control of the Issuer or USU or of the whole or any substantial part of the property of the Issuer or USU, and such custody or control is not terminated within 30 days from the date of assumption of such custody or control; or

(h) if the Issuer or USU defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Indenture or any Supplemental Indenture on the part of the Issuer or USU to be performed, other than as set forth in (a) through (g) above, and such default continues for 60 days after written notice specifying such Event of Default and requiring the same to be remedied has been given to the Issuer and USU 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.

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 USU under the Indenture.

If an Event of Default shall have occurred, and if requested so to do by Registered Owners of 51% in aggregate principal amount of the Bonds then Outstanding 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.

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the Registered Owners) 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 or to the Registered Owners under the Indenture 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 or by the Registered Owners, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Rights of Registered Owners to Direct Proceedings

Anything in the Indenture to the contrary notwithstanding, unless a Supplemental Indenture provides otherwise, the Registered Owners of a majority in aggregate principal amount of the Bonds then 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, the 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

All moneys received by the Trustee pursuant to any right given or action taken under the default provisions of the Indenture shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund shall be applied in the following order:

To the payment of the principal of, premium, if any, and interest then due and payable on the Bonds 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, 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 which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions hereof), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due, and, if the amount available shall not be sufficient to a in full Bonds due on any particular date, together with such interest, 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, 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 over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

(iii) To the payment of all obligations then due and payable to any Bond Insurer or any Reserve Instrument Provider under any applicable agreement related to any Municipal Bond Insurance Policy or any Reserve Instrument Agreement.

Whenever moneys are to be applied pursuant to the provisions above, 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 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 51% in aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers granted 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, 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 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 thereof, or for the appointment of a receiver or for any other remedy thereunder; it being understood and intended that no one or more Registered Owner of the Bonds 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 therein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner therein provided and for the equal benefit of the Registered Owners of all Bonds then Outstanding. Nothing contained in the Indenture shall, however, affect or impair the right of any Registered Owner to enforce the covenants of the Issuer to pay the principal of, premium, if any, and interest on each of the Bonds held by such Registered Owner at the time, place, from the source and in the manner in said Bonds expressed.

Termination of Proceedings

In case the Trustee shall have proceeded to enforce any right under the Indenture by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, 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

Subject to the provisions of the Indenture, the Trustee may in its discretion, and with the prior written consent of all Bond Insurers, waive any Event of Default 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 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 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 and the Registered Owners 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; and provided further that there shall be no waiver with respect to any Series of Bonds insured by a Municipal Bond Insurance Policy without the consent of the Bond Insurer which has issued such policy.

Supplemental Indentures

The Issuer and the Trustee may, without the consent of, or notice to, any of the Registered Owners or Reserve Instrument Providers, but with notice to any Bond Insurer, enter into an indenture or indentures supplemental to the Indenture, as shall not be inconsistent with the terms and provisions thereof, for any one or more of the following purposes: (a) to provide for the issuance of Additional Bonds; (b) to cure any ambiguity or formal defect or omission in the Indenture with the prior written consent of any Bond Insurer; (c) to grant to or confer upon the Trustee for the benefit of the Registered Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owners or any of them which shall not adversely affect the interests of any Reserve Instrument Providers; (d) to subject to the Indenture additional Revenues or other revenues, properties, collateral or security; and (e) to make any other change which, in the judgment of the Trustee, is not prejudicial to the interests of the Registered Owners, the Trustee or any Reserve Instrument Provider with the prior written consent of the Bond Insurer.

Exclusive of Supplemental Indentures covered by the preceding paragraph and subject to the terms and provisions contained in this paragraph, and not otherwise, the Registered Owners of 66 2/3% 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 thereto 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 therein 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 thereto; provided, however, that nothing contained in the Indenture 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 Reserve 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 immediately preceding paragraph, 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 Reserve Instrument Provider. If a Municipal Bond Insurance Policy 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 immediately preceding paragraph, 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 Bond Insurer. Copies of any such modifications or amendments for which Bond Insurer consent is required shall be sent to S&P.

If a Municipal Bond Insurance Policy is in effect with respect to any Series of Bonds Outstanding, the Bond Insurer must have consented to the execution of any Supplemental Indenture or other supplemental legal documents (other than a Supplemental Indenture entered into pursuant to the second preceding paragraph above) pursuant to the Indenture.

Discharge of Indenture

If USU shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made except pursuant to any Municipal Bond Insurance Policy, 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 Reserve Instrument Providers all sums of money due or to become due accordingly to the provisions of any Reserve Instrument Agreements, then the Indenture and the estate and rights thereby granted shall cease, determine and be void, whereupon the Trustee shall cancel and discharge the lien thereof, 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 or the payment of amounts pursuant to any Reserve 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 at maturity, upon redemption, or otherwise) together with all amounts required to be paid to the United States in respect of such Bond pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, either (a) shall have been made or caused to have been made in accordance with the terms of the Indenture, 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, (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 hereof, except for the purposes of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing, in the case of Bonds, which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Issuer shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions: (i) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted by the Indenture); (ii) to instruct the Trustee to call for redemption any Bonds to be redeemed prior to maturity pursuant to (i) above; and (iii) to instruct the Trustee to mail, as soon as practicable, a notice to the Registered Owners of such Bonds that such deposit has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds as specified in (i) above. If the redemption date for all Bonds, payment for which is to be provided by deposit of moneys or Government Obligations or both, shall fall within 120 days of the mailing of the notice of redemption, then the notices referred to in (ii) above and (iii) hereof may be combined.

Any moneys so deposited with the Trustee as described in the second preceding paragraph may at the direction of the Issuer also be invested and reinvested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Trustee pursuant to this paragraph 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 of the Indenture to the contrary, all moneys or Government Obligations set aside and held in trust pursuant to the above provisions 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.

PROVISIONS FROM TWELFTH SUPPLEMENTAL INDENTURE

Limited Obligation

The 2019B Bonds, together with interest thereon, shall be limited obligations of the Issuer payable solely from the Revenues (except to the extent paid out of moneys attributable to the 2019B Bond proceeds or other funds created under the Indenture or the income from the temporary investment thereof). The 2019B Bonds do not constitute general obligations of the Issuer or USU within the meaning of any state constitutional or statutory limitation. The issuance of the 2019B Bonds shall not, directly, indirectly or contingently, obligate the Issuer, USU 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 their payment. The Indenture does not pledge any USU properties other than the revenues as herein described.

Transfers from Revenue Fund

On or before the fifteenth day prior to each May and November, commencing November 15, 2019B, USU shall transfer and deposit into the Bond Fund an amount equal to the interest payable on the 2019B Bonds on the next succeeding Interest Payment Date. On or before the fifteenth day of each November, commencing November 1, 2019B, USU shall transfer and deposit into the Bond Fund an amount equal to the principal payable on the 2019B Bonds on the next succeeding November 1. In addition, all deficiencies in required deposits to the Bond Fund from the next preceding Interest Payment Date or December 1, as applicable, shall also be supplied. Said deposits shall be reduced by (x) any income derived from the investment of the Bond Fund and (y) any other deposits made to the Bond Fund pursuant to the Indenture.

On or before the fifteenth day of each May and November, and subsequent to the transfers to the Bond Fund, USU shall transfer from the Revenue Fund for deposit in the Debt Service Reserve Fund and the Reserve Instrument Fund those amounts required to be paid pursuant to the General Indenture such that the Debt Service Reserve Fund shall have accumulated therein moneys (taking into account any Reserve Instruments) equal to the Debt Service Reserve Requirement and to repay all Reserve Instrument Repayment Obligations.

Special Provisions Relating to the 2019B Reserve Instrument

Upon a failure to pay Policy Costs when due or any other breach of the provisions contained in the Indenture relating to the 2019B Reserve Instrument, the 2019B Reserve Instrument Provider shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture other than (i) acceleration of the maturity of the Outstanding Bonds or (ii) remedies that would adversely affect owners of the Outstanding Bonds.

The 2019B Reserve Instrument Provider is expressly made a third–party beneficiary of the Indenture and each other related document.

APPENDIX B

FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2019

The financial report of the University for Fiscal Year 2019 are contained herein.

The University's financial report for Fiscal Year 2020 must be completed under State law by December 31, 2020.

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2019
ANNUAL FINANCIAL REPORT

Utah State University

2019
ANNUAL FINANCIAL REPORT

UtahStateUniversity

A COMPONENT UNIT OF THE STATE OF UTAH

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LETTER FROM THE PRESIDENT

As the land-grant institution of Utah, Utah State University is fortunate to have dedicated faculty with diverse areas of expertise in learning, discovery, and outreach. Specific to our education mission, our faculty provides excellence in teaching not only on our main campus in Logan, but also at our statewide campuses and through our many online degree offerings. Our dedication to education and learning continues to provide accolades as the University was ranked as the No. 5 public university in "National Universities Rankings 2018" by Washington Monthly and No. 15 "Best Online Bachelor's Program" in the nation by Forbes in 2019.

We have worked hard at Utah State University to ensure that we are not only known as a high quality land-grant institution that delivers research and outreach, but one that is also affordable for our students. In 2014, we made updates to our tuition plateau that dramatically affected the number of students who currently take advantage of the savings. Those taking anywhere from 12 to 18 credits only pay tuition and fees for 12 credits, essentially receiving up to six credits for free. This not only applies to our on-campus classes, but to our many online classes as well. This resulted in an overall $8.3 million savings for our students in 2018-19.

The financial statements that follow are prepared according to generally accepted accounting principles established by the Governmental Accounting Standards Board. These principles are recommended by the American Institute of Certified Public Accountants and the National Association of College and University Business Officers.

The Office of the State Auditor has audited the financial statements for the year ending June 30, 2019. Their opinion is included with this report. The annual financial report is intended to establish the University's financial position as of the end of June. It is also intended to reflect the flow of financial resources to the University during the fiscal year 2018-19, while disclosing how these resources are applied in accomplishing our mission.

We are pleased to share this report with you.

Noelle E. Cockett

NOELLE E. COCKETT
President
Utah State University

OFFICE OF THE
STATE AUDITOR

INDEPENDENT STATE AUDITOR'S REPORT

To the Board of Trustees, Audit Committee
and
Noelle E. Cockett, President
Utah State University

Report on the Financial Statements

We have audited the accompanying financial statements of Utah State University (University), a component unit of the State of Utah, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Utah State University Research Foundation, a blended component unit foundation, which represents 8.0 percent, 3.0 percent, and 19.3 percent, respectively, of total assets, net position, and total revenues of the University. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Utah State University Research Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Utah State Capitol Complex, East Office Building, Suite E310 • Salt Lake City, Utah 84114-2310 • Tel: (801) 538-1025 • auditor.utah.gov

Opinion

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the University as of June 30, 2019, and the changes in its financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of the University's Proportionate Share of Net Pension Liabilities, and the Schedule of the University's Defined Benefit Pension Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the University's basic financial statements. The Letter from the President and the listing of the Executive Officers and Board of Trustees have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on this other information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2019 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Office of the State Auditor

Office of the State Auditor
October 21, 2019

MANAGEMENT'S DISCUSSION & ANALYSIS

This section provides an overview of the University's financial activities in the current year compared to the prior year. Total assets and liabilities are presented as well as the change in net position from the prior year. Revenues, expenses, appropriations from the state, contributions, etc., are analyzed and discussed. The cash activity is also summarized to show the change in cash from the prior year to the current year.

INTRODUCTION

The following unaudited Management's Discussion and Analysis (MD&A) includes an analysis of the financial condition and results of activities of Utah State University (University) for the fiscal year (FY) ended June 30, 2019. The analysis includes the University's condensed and comparative Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows along with related graphs and comparative data. Also included is management's perspective of the University's economic outlook.

The University is a component unit of the State of Utah. The financial statements include the accounts of Utah State University Agricultural Experiment Station, Utah State University Cooperative Extension Service, Utah State University Water Research Laboratory, Utah State University Brigham City Regional Campus, Utah State University Tooele Regional Campus, Utah State University Uintah Basin Regional Campus, Utah State University Southeast Region, and Utah State University Eastern (USU Eastern), which are separately funded by state appropriations.

The Utah State University Research Foundation (USU Research Foundation) and the Utah State University Foundation (Foundation) are blended component units of the University and have been consolidated in these financial statements. USU Research Foundation is governed by a Board of Trustees appointed by the president of Utah State University, under the direction of the University's Board of Trustees. USU Research Foundation is a dependent foundation of Utah State University and is reported as a part of the University because its primary purpose is to support the mission of Utah State University in regards to research. The Utah State University Foundation is also governed by a Board of Trustees appointed by the president of the University. The Utah State University Foundation is a dependent foundation of Utah State University and serves as a fund-raising arm of the University.

The USU Research Foundation annually publishes audited financial statements. A copy of the audited financial statements can be obtained from USU Research Foundation, 1695 North Research Parkway, North Logan, Utah 84341.

OVERVIEW OF FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS

The Management's Discussion and Analysis is designed to provide an easily readable analysis of the University's financial activities based on facts, decisions, and conditions known at the date of the auditor's report. The University's financial statements for fiscal year 2019 are presented beginning on page 16. The financial statements, note disclosures, and this discussion are the responsibility of management. This annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis – for Public Colleges and Universities.* These financial statements focus on the operations, cash flows, and the main condition of the University as a whole. There are three financial statements presented: Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows.

STATEMENT OF NET POSITION

The Statement of Net Position outlines the University's financial condition at fiscal year end. This statement reflects the various assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University as of the fiscal year ended June 30, 2019.

From the data presented, readers of the Statement of Net Position have the information to determine the assets available to continue the operations of the University. They can also determine how much the University owes vendors, investors, and lending institutions. Finally, the Statement of Net Position outlines the net position (assets plus deferred outflows of resources minus liabilities minus deferred inflows of resources) available to the University and defines that availability.

Net position is divided into three major categories. The first category, Net Investment in Capital Assets, reflects the University's equity in property, plant, and equipment owned by the University. The second category, Restricted, is further divided into two subcategories: Nonexpendable and Expendable. The corpus of restricted nonexpendable resources as it pertains to endowments is only available for investment purposes. Donors have primarily restricted income derived from these investments to fund scholarships and fellowships. The corpus of restricted nonexpendable resources as it pertains to loan funds is only available for the purpose of issuing loans to students under the terms of the various donor and federal government agreements. Restricted expendable resources are available for expenditure by the University but must be expended for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The last category, Unrestricted, discloses the resources available to the University to be used for any lawful purpose of the University.

CONDENSED STATEMENT OF NET POSITION

As of June 30

	2019	2018	Change	% Change
ASSETS				
Current assets	$171,661,911	$169,569,093	$2,092,818	1.23 %
Noncurrent assets				
Net capital assets	956,964,463	911,459,445	45,505,018	4.99 %
Other noncurrent assets	662,227,423	600,897,054	61,330,369	10.21 %
Total assets	1,790,853,797	1,681,925,592	108,928,205	6.48 %
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized losses on bonds	7,090,171	7,481,148	(390,977)	(5.23)%
Resources related to pensions	20,411,257	20,677,761	(266,504)	(1.29)%
Total deferred outflows of resources	27,501,428	28,158,909	(657,481)	(2.33)%
LIABILITIES				
Current liabilities	134,659,950	122,136,970	12,522,980	10.25 %
Noncurrent liabilities	313,088,508	296,092,146	16,996,362	5.74 %
Total liabilities	447,748,458	418,229,116	29,519,342	7.06 %
DEFERRED INFLOWS OF RESOURCES				
Split-interest agreements	3,673,096	1,928,082	1,745,014	90.51 %
Deferred gift revenue	558,865	1,006,987	(448,122)	(44.50)%
Resources related to pensions	2,695,188	19,539,272	(16,844,084)	(86.21)%
Total deferred inflows of resources	6,927,149	22,474,341	(15,547,192)	(69.18)%
NET POSITION				
Net investment in capital assets	742,503,197	707,397,179	35,106,018	4.96 %
Restricted – nonexpendable	149,442,413	141,644,718	7,797,695	5.51 %
Restricted – expendable	235,919,473	225,915,233	10,004,240	4.43 %
Unrestricted	235,814,535	194,423,914	41,390,621	21.29 %
Total net position	$1,363,679,618	$1,269,381,044	$94,298,574	7.43 %

In fiscal year 2019, the University's total net position increased $94.3 million (7.4%) to $1.36 billion. The increase reflects those revenues that were received during fiscal year 2019 but were not used for operations or payment of interest on capital asset related debt.

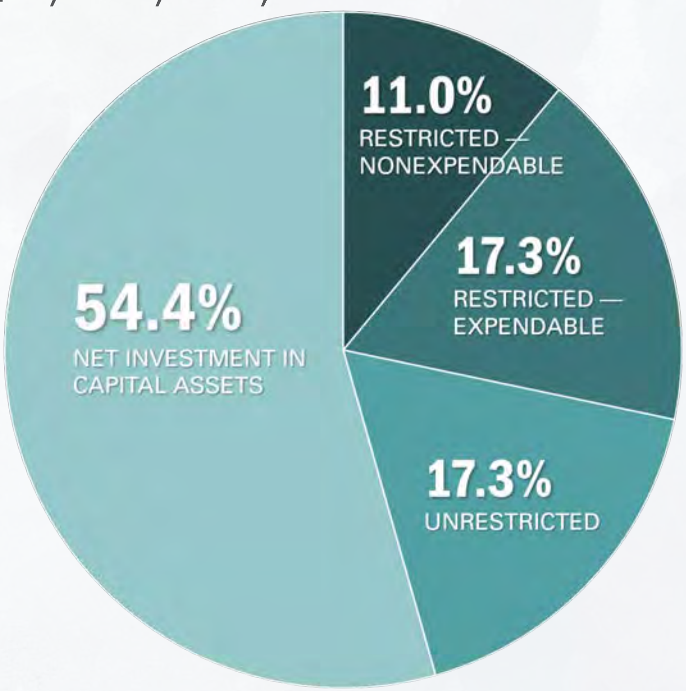
Total assets increased $108.9 million (6.5%) while total liabilities increased $29.5 million (7%). Current assets increased by $2.1 million (1.2%). Cash and cash equivalents increased $12.5 million largely due to the sale of investments. Short-term investments decreased $18.1 million largely due to purchases of long-term investments when short-term investments matured. Accounts receivable increased $9.1 million due to a $12.1 million increase in contracts and grants and a net decrease of $3 million from state agencies. Prepaid expenses decreased $1.4 million largely due to an effort to adjust more service contracts to coincide with our fiscal year. Noncurrent assets increased $106.8 million due to a net increase of $45.5 million in capital assets, an increase of $82.3 million in investments, a $14.6 million decrease in restricted cash and cash equivalents, a $6.1 million decrease in accounts receivable, and a $0.3 million decrease in split-interest agreements. The net increase in capital assets is comprised of construction projects completed or in progress, purchases of equipment, and offset by depreciation expense of all depreciable capital assets. Several large construction projects were completed or in progress including the Life Sciences Building, the Space Dynamics Laboratory Building, the Nora Eccles Harrison Museum of Art, and the Central Suites Residence Hall. The University capitalized $34.5 million, $17.8 million, $5.3 million, and $3.4 million, respectively, for these projects during fiscal year 2019. The decrease in restricted cash and cash equivalents is largely due to the spending of prior year bond construction proceeds as they were spent throughout the year for the Space Dynamics Laboratory

Building and the Central Suites Residence Hall. Current liabilities increased $12.5 million (10.3%), while noncurrent liabilities increased $17 million (5.7%). The majority of the increase is due to an increase of $5.3 million in salaries and benefits liability, an increase of $4.2 million payable to suppliers, an increase of $18.5 million in the net pension liability, the recognition of a $10.2 million liability for the discontinued portion of the Federal Perkins Student Loan program, and a decrease of $9.5 million in bonds, notes, and contracts payable.

The composition of the University's net position was:

BALANCE AT JUNE 30, 2019

$1,363,679,618



STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Changes in total net position as presented in the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of this statement is to present the revenues received by the University, both operating and nonoperating, and the expenses of the University, operating and nonoperating, and any other revenues, expenses, gains, and losses received or expended by the University.

Operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the University. Nonoperating revenues are revenues received for which goods and services are not provided; for example, state appropriations are nonoperating revenues because they are provided by the Legislature to the University without the Legislature directly receiving commensurate goods and services in return for those revenues. Without the nonoperating revenues, in particular the state appropriations, private gifts, and financial aid grants, the University would not be able to cover its costs of operations. These sources are critical to the University's financial stability and directly impact the quality of its programs. In fiscal year 2019, funding from these sources was adequate to cover all of the University's costs of operations.

The Statement of Revenues, Expenses, and Changes in Net Position shows the activity that resulted in a $94.3 million increase in net position for the fiscal year ended June 30, 2019.

The University experienced a net operating loss in fiscal year 2019 of $282.6 million. This operating loss highlights the University's dependency on nonoperating revenues such as state appropriations and private gifts to meet its costs of operations.

Total fiscal year 2019 operating revenues increased by $76.8 million (16.7%) over 2018. Tuition and fee revenues increased $4.6 million (3.2%) which reflects increases in tuition rates. Contracts, grants, and federal appropriations increased 28.7%, providing $63.7 million of the increase in operating revenues, reflecting the University's expanding research efforts, particularly at the Space Dynamics Lab.

Net nonoperating revenues increased $38.9 million (13.9%). State appropriations increased $17.2 million largely due to $6.1 million for compensation, $5 million for student growth, $2.7 million for cooperative extension, $1.6 million for regional campuses, and $1 million for performance funding. State grants decreased $0.9 million largely due to a reduction of the USTAR funding. Private gifts increased $5.8 million primarily due to a greater number of donors. Financial aid grants decreased $1.8 million as $0.7 million of state grants were reclassified to the state grant category, and fewer grants were issued. Investment income increased $21.4 million due to a significant increase in total investments, a significant increase in unrealized gains on investments, and an increased average rate of return on investments. The Federal Perkins Student Loan Program was discontinued this year, resulting in a nonoperating expense and a liability of $10.2 million was recognized.

Capital appropriations, capital grants, and gifts are helping to fund various capital projects that are discussed in the Capital Asset and Debt Administration section on page 14. Capital appropriations, managed through the Division of Facilities Construction and Management, were $49.5 million, consisting of $34.5 million for the Life Sciences Building, $4.8 million for the Fine Arts Center addition and renovation projects, and $10.2 million for various buildings and infrastructure upgrades and improvements. Capital grants and gifts decreased by $2.5 million as many construction projects have been completed.

Total operating expenses increased $86.7 million (11.8%) in fiscal year 2019. Salaries, wages, and benefits went up $41.9 million (9%) due to an increase of 262 benefited employees to a total of 4,427 benefited employees, salary increases, and a 4.1% increased cost of medical insurance. Other operating expenses increased $41.5 million (21.8%) mostly due to tremendous growth in the Space Dynamics Lab operations.

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended June 30

	2019	2018	Change	% Change
OPERATING REVENUES				
Tuition and fees (net of scholarship allowances of: FY 2019 – $91,968,747; FY 2018 – $85,743,959)	$150,248,218	$145,663,113	$4,585,105	3.15 %
Contracts, grants, and federal appropriations	285,524,851	221,801,908	63,722,943	28.73 %
Auxiliary enterprises (net of scholarship allowances of: FY 2019 – $910,269; FY 2018 – $738,179)	54,434,140	51,957,537	2,476,603	4.77 %
Other operating revenues	47,615,200	41,615,940	5,999,260	14.42 %
Total operating revenues	537,822,409	461,038,498	76,783,911	16.65 %
OPERATING EXPENSES				
Salaries and wages	354,956,030	327,128,027	27,828,003	8.51 %
Employee benefits	147,707,259	133,671,073	14,036,186	10.50 %
Other operating expenses	232,115,278	190,616,131	41,499,147	21.77 %
Scholarships and fellowships	34,454,937	33,417,025	1,037,912	3.11 %
Depreciation	51,165,284	48,888,124	2,277,160	4.66 %
Total operating expenses	820,398,788	733,720,380	86,678,408	11.81 %
Operating loss	(282,576,379)	(272,681,882)	(9,894,497)	(3.63)%
NONOPERATING REVENUES				
State appropriations	220,450,232	203,257,655	17,192,577	8.46 %
Private gifts	24,964,629	19,165,660	5,798,969	30.26 %
Financial aid grants	42,554,071	44,328,330	(1,774,259)	(4.00)%
Other	30,909,052	13,232,788	17,676,264	133.58 %
Net nonoperating revenues	318,877,984	279,984,433	38,893,551	13.89 %
Income before other revenues	36,301,605	7,302,551	28,999,054	397.11 %
OTHER REVENUES				
Capital appropriations	49,536,533	21,028,230	28,508,303	135.57 %
Capital grants and gifts	4,654,726	7,168,369	(2,513,643)	(35.07)%
Additions to permanent endowments	3,805,710	4,442,210	(636,500)	(14.33)%
Total other revenues	57,996,969	32,638,809	25,358,160	77.69 %
Increase in net position	94,298,574	39,941,360	54,357,214	136.09 %
NET POSITION – BEGINNING OF YEAR	1,269,381,044	1,229,439,684	39,941,360	3.25 %
NET POSITION – END OF YEAR	$1,363,679,618	$1,269,381,044	$94,298,574	7.43 %

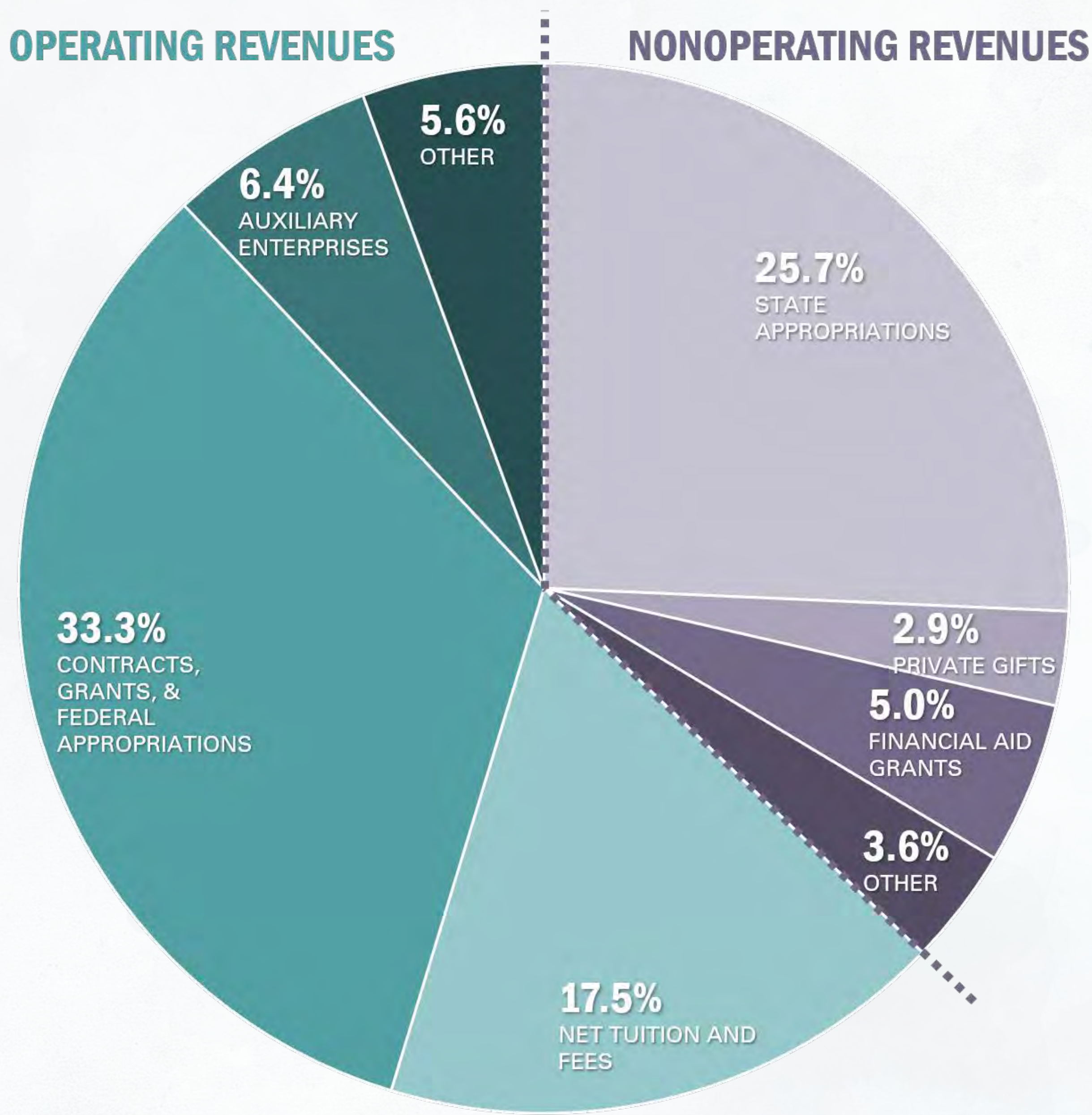
The University's sources of revenue available to meet current operating costs were:

REVENUES USED FOR OPERATING EXPENSES
For Fiscal Year 2019

OPERATING REVENUES **$537,822,409**

NONOPERATING REVENUES **$318,877,984**

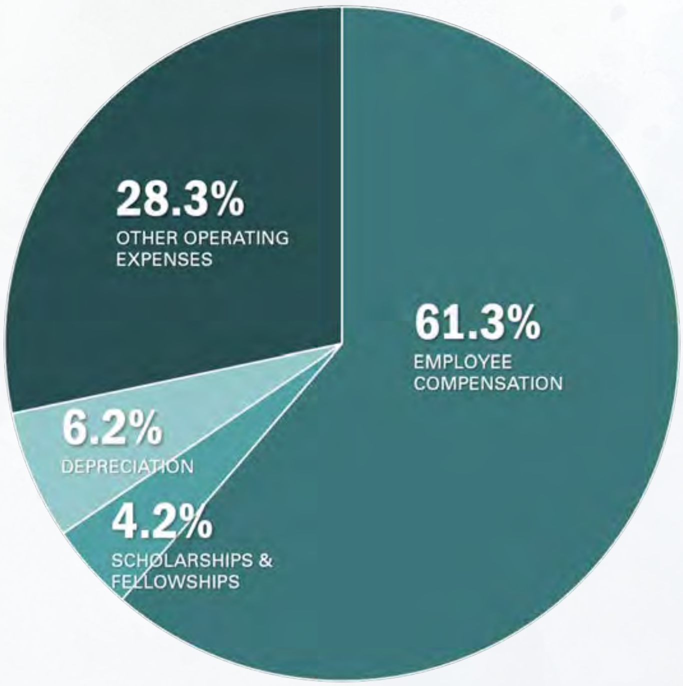
TOTAL **$856,700,393**



The University's operating expenses by classification were:

OPERATING EXPENSES
For Fiscal Year 2019

$820,398,788



STATEMENT OF CASH FLOWS

The final statement presented by Utah State University is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the University during the fiscal year. The statement is divided into five sections. The first section deals with operating cash flows and shows the net cash used by operating activities. The second section includes cash flows from noncapital financing activities. This section includes the cash received and spent for nonoperating, noninvesting, and noncapital financing purposes. The third section includes cash flows from capital and related financing activities. This section includes the cash used for the acquisition and construction of capital and related items. The fourth section includes the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. A condensed version of these first four sections is below. The fifth section of the Statement of Cash Flows is not included in the Condensed Statement of Cash Flows, which reconciles the net cash used for operations to the operating loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position. This reconciliation is available for review in the Statement of Cash Flows on page 23.

The University's cash and cash equivalents had a net decrease of $2,025,720 to a total of $80,065,896. Current cash and cash equivalents increased by $12.5 million largely due to the sale of investments. Noncurrent cash and cash equivalents decreased by $14.6 million

CONDENSED STATEMENT OF CASH FLOWS
For the Years Ended June 30

	2019	2018	Change	% Change
CASH PROVIDED (USED) BY:				
(1) Operating activities	($228,643,961)	($221,518,205)	($7,125,756)	(3.22)%
(2) Noncapital financing activities	303,004,876	280,710,451	22,294,425	7.94 %
(3) Capital and related financing activities	(56,722,307)	(55,559,303)	(1,163,004)	(2.09)%
(4) Investing activities	(19,664,328)	4,182,828	(23,847,156)	(570.12)%
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,025,720)	7,815,771	(9,841,491)	(125.92)%
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	82,091,616	74,275,845	7,815,771	10.52 %
CASH AND CASH EQUIVALENTS - END OF YEAR	$80,065,896	$82,091,616	($2,025,720)	(2.47)%

largely due to the net decrease of balances of bond construction proceeds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Construction of the Central Suites Residence Hall was substantially completed in August 2018. The project includes the demolition and replacement of an aging high rise residence hall on central campus. The new residence hall provides 378 beds and 124,400 square-feet for students living on campus and is sited on the central campus for maximum convenience. The project was funded with the proceeds of the University's $24,455,000 Student Fee and Housing System Revenue Bonds, Series 2015, that were issued in September of 2015.

Construction of a 78,893 square-foot, three story building for the Space Dynamics Laboratory located at the USU Innovation Campus began in July of 2018. The building will provide additional office and laboratory space to meet the growing demand for Space Dynamics Laboratory research projects. The project is funded with the proceeds of the University's $32,210,000 Research Revenue Bonds, Series 2018B, that were issued in June of 2018.

The expansion and renovation of the Nora Eccles Harrison Museum of Art was completed in September of 2018. It features a prominent new entrance and lobby on the northwest corner of the Fine Arts Center. The project was funded with private donations and state appropriations.

Construction of the Life Sciences Building was completed and opened for classes in January of 2019. The building is located on the former site of the Peterson Agricultural Building south of the Biology-Natural Resources Building and north of the Eccles Conference Center. The 96,820 square-foot, multi-level facility houses the Department of Biology, along with 13 teaching laboratories, a lecture hall, research laboratories, and student study spaces. The project was funded with $34.4 million in state appropriations and $7 million from University and donor funds.

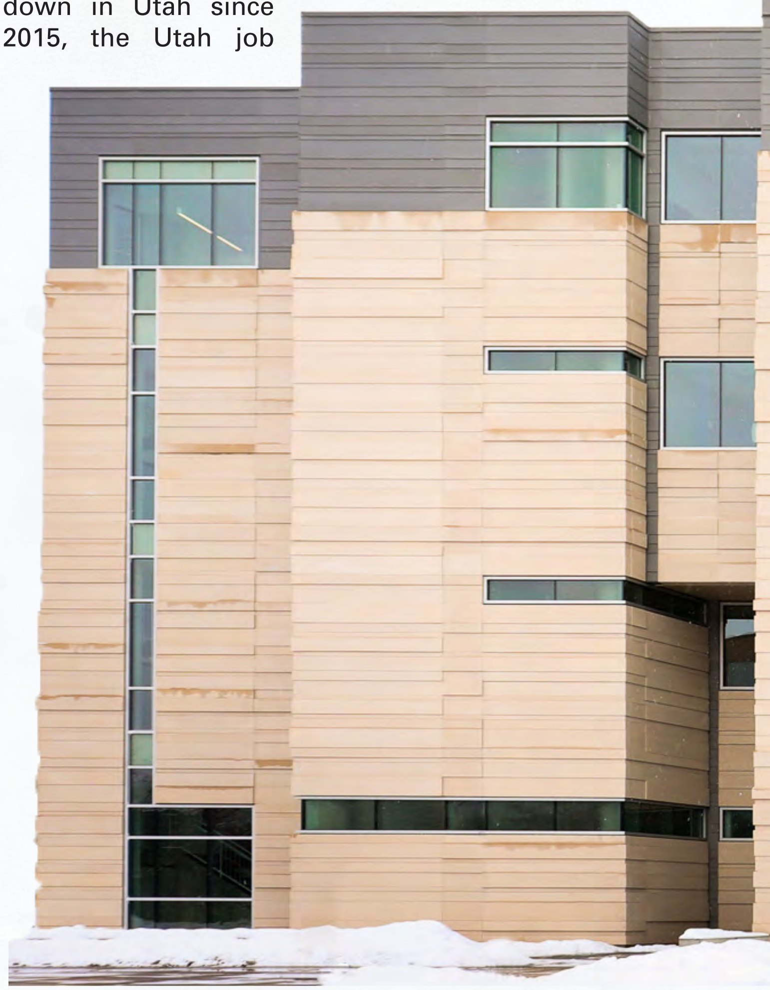
The $26 million renovation of the Biology Natural Resources Building began in May of 2019, following the appropriation from the state in the 2018 legislative session. The building is located adjacent to the newly constructed Life Sciences Building. The Biology and Natural Resources (BNR) renovation is currently in construction, and consists of 48,000 gross square-feet of renovated space and 7,000 gross square-feet of new space. The project includes a full renovation of the north wing and a partial renovation of the west wing. The renovated circulation core provides ADA restrooms, exit stairs, and elevator upgrades for the building. An addition to the west entrance will provide a lobby and student study space outside the existing 300 seat auditorium.

In FY19-20, the University's $54,995,000 Student Fee and Housing System Revenue Bonds, Series 2019, were issued for the purpose of financing the costs of constructing a six-story student apartment building (containing four to six units, housing 402 beds); a multi-level parking structure with 403 parking spaces; paying capitalized interest; funding a debt service reserve account; and paying the costs associated with the issuance of the 2019 bonds.

In FY19-20, the University's $5,745,000 Series 2019A Research Revenue Refunding Bonds were issued for the purpose of refunding the Series 2018A Research Revenue Bonds that were issued to provide funding for the acquisition of a building and associated land in Salt Lake County, Utah.

ECONOMIC OUTLOOK

The Utah economy continues to be strong with job growth consistently ranked among the top states in the nation. Although the rate of growth has been trending down in Utah since 2015, the Utah job



market anticipates another year of solid growth in 2019 and this would be the eighth consecutive year of job growth above 3.0 percent. Since 2010, no state has seen higher job growth than Utah. The state also ranks in the top tier in personal income growth reflecting rising wage rates. Due in part to expanding State revenues from a strong Utah economy, the University received new ongoing and one-time appropriations during the previous legislative session and the forecast for sustained economic growth improves the opportunity for increased legislative funding support for the University going forward.

State-wide projections for the Utah System of Higher Education (USHE) expect an additional 57,000 student enrollments to USHE institutions over the next decade, with many of those new students anticipated to enroll at Utah State University campuses. Modest growth has been and continues to be financially healthy for the institution and beneficial to the academic experience and success for students. Overall, headcount enrollment for Fall semester 2019 over all USU campuses was flat. Timely completion initiatives implemented over the past few years resulted in record numbers of graduates in 2019 and therefore a lower number of returning students but those enrollment losses were offset by a larger incoming freshmen class and improved retention rates of current students. Headcount on the main campus continues to hover at just under 20,000 students with overall USU enrollment near 28,000.

The University has a diverse source of revenues, including those from the State of Utah, student tuition and fees, sponsored research programs, private support, and self-supporting enterprises. This diversity of revenues continues to provide financial stability and significant protection against potentially difficult future economic times.

Management believes that USU's financial position will continue to enable the University to move forward and accomplish its mission of being one of the nation's premier student-centered, land-grant, and space-grant universities.

FINANCIAL STATEMENTS

The financial statements consist of the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. Each statement presents a different financial perspective of the University for the fiscal year ended June 30, 2019.

STATEMENT OF NET POSITION
June 30, 2019

ASSETS	
Current assets	
Cash and cash equivalents (Notes A, B, and D)	$53,914,087
Short-term investments (Notes B and D)	37,832,205
Accounts receivable from primary government (Note E)	3,289,163
Accounts receivable from others - net (Note E)	65,981,183
Credits receivable (Note E)	115,086
Notes receivable - net (Note E)	2,234,449
Inventories (Note A)	4,001,388
Prepaid expenses	4,294,350
Total current assets	171,661,911
Noncurrent assets	
Restricted	
Cash and cash equivalents (Notes A, B, and D)	26,151,809
Short-term investments (Notes B and D)	2,893,950
Investments (Notes C and D)	212,609,243
Accounts receivable - net (Note E)	8,186,750
Notes receivable - net (Note E)	48,698
Real estate held for resale	385,031
Split-interest agreements	1,678,082
Accounts receivable - net (Note E)	15,167,657
Notes receivable - net (Note E)	7,273,682
Investments (Notes C and D)	387,800,575
Other noncurrent assets	31,946
Property, plant, and equipment - net (Note F)	956,964,463
Total noncurrent assets	1,619,191,886
Total assets	1,790,853,797
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized refunding losses on bonds	7,090,171
Resources related to pensions (Note K)	20,411,257
Total deferred outflows of resources	27,501,428

Table continued on next page

STATEMENT OF NET POSITION (continued)
June 30, 2019

LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities to primary government (Note G)	5,264,215
Accounts payable and accrued liabilities to others (Note G)	71,692,933
Liability for compensated absences (Note H)	15,087,413
Liability for early retirement (Note H)	5,482,822
Unearned revenue and deposits	23,484,140
Other current liabilities (Note H)	4,447,245
Funds held for others	108,291
Notes payable to primary government (Note H)	49,472
Bonds, notes, and contracts payable (Notes H and I)	9,043,419
Total current liabilities	134,659,950
Noncurrent liabilities	
Liability for compensated absences (Note H)	6,674,236
Liability for early retirement (Note H)	10,350,138
Unearned revenue and deposits	1,264,567
Other noncurrent liabilities (Note H)	7,749,504
Notes payable to primary government (Note H)	135,741
Bonds, notes, and contracts payable (Notes H and I)	233,068,167
Net pension liability (Note K)	53,846,155
Total noncurrent liabilities	313,088,508
Total liabilities	447,748,458
DEFERRED INFLOWS OF RESOURCES	
Split-interest agreements	3,673,096
Deferred gift revenue (Notes C and D)	558,865
Resources related to pensions (Note K)	2,695,188
Total deferred inflows of resources	6,927,149
NET POSITION	
Net investment in capital assets	742,503,197
Restricted	
Nonexpendable	
Scholarships and fellowships	94,126,523
Instruction	37,315,552
Loans	2,722,531
Other	15,277,807
Expendable	
Research, instruction, and public service	210,877,745
Capital projects	25,041,728
Unrestricted	235,814,535
Total net position	$1,363,679,618

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2019

OPERATING REVENUES	
Tuition and fees - net (Note A)	$150,248,218
Federal appropriations	4,919,540
Federal contracts and grants	254,667,445
State contracts and grants	10,084,623
Local contracts and grants	1,262,790
Private contracts and grants	14,590,453
Sales and services	31,149,573
Service departments	812,930
Auxiliary enterprises - net (Note A)	54,434,140
Other	15,652,697
Total operating revenues	537,822,409
OPERATING EXPENSES	
Salaries and wages	354,956,030
Employee benefits	135,393,806
Actuarial calculated pension expense (Note K)	12,313,453
Other operating expenses	232,115,278
Scholarships and fellowships	34,454,937
Depreciation	51,165,284
Total operating expenses	820,398,788
Operating loss	(282,576,379)
NONOPERATING REVENUES (EXPENSES)	
State appropriations	220,450,232
State grants	8,756,630
State land grant revenues	212,559
Financial aid grants	42,554,071
Private gifts	24,964,629
Investment income	42,530,261
Interest on capital asset related debt	(8,710,766)
Other	(11,879,632)
Total nonoperating revenues (expenses)	318,877,984
Income before other revenues	36,301,605
OTHER REVENUES	
Capital appropriations	49,536,533
Capital grants and gifts	4,654,726
Additions to permanent endowments	3,805,710
Total other revenues	57,996,969
Increase in net position	94,298,574
NET POSITION – BEGINNING OF YEAR	1,269,381,044
NET POSITION – END OF YEAR	$1,363,679,618

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

STATEMENT OF CASH FLOWS For the Year Ended June 30, 2019	
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees receipts	$147,320,779
Federal appropriations receipts	4,919,540
Contracts and grants receipts	268,944,609
Sales and services receipts	31,149,573
Receipts from service departments	805,756
Receipts from auxiliary enterprises	54,895,755
Other operating receipts	15,719,259
Payments to employees for salaries and benefits	(493,449,065)
Payments to suppliers	(226,333,111)
Payments for scholarships and fellowships	(34,454,937)
Loans issued to students	(9,250)
Loan payments received from students	1,847,131
Net cash used by operating activities	(228,643,961)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	220,447,566
State grants	10,984,314
State land grant revenues	203,410
Financial aid grants	42,647,277
Private gifts	28,026,497
Split interest agreements	284,089
Federal direct loans issued to students	(55,064,986)
Federal direct loan payments received from federal government	55,241,357
Other additions	235,352
Net cash provided by noncapital financing activities	303,004,876
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital appropriations	11,428,749
Capital grants and gifts	5,859,850
Other additions	309,591
Cash paid for capital assets	(56,362,963)
Payment of capital debt and leases	(9,141,649)
Interest paid on capital asset related debt	(8,815,885)
Net cash used by capital and related financing activities	(56,722,307)

Table continued on next page

STATEMENT OF CASH FLOWS (continued)
For the Year Ended June 30, 2019

CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(166,914,512)
Proceeds from sale of investments	126,777,961
Interest and dividends received from investments	20,472,223
Net cash used by investing activities	(19,664,328)
Net decrease in cash and cash equivalents	(2,025,720)
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	82,091,616
CASH AND CASH EQUIVALENTS – END OF YEAR	$80,065,896
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	($282,576,379)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation expense	51,165,284
Gifts-in-kind and transfers reducing payments to suppliers	495,115
Changes in assets and liabilities	
Accounts receivable	(12,204,048)
Inventories	(303,437)
Prepaid expenses	1,362,430
Accounts payable and accrued expenses	9,559,823
Unearned revenues and deposits	(1,962,854)
Compensated absences and early retirement	1,967,948
Net pension liability	1,914,512
Net student loan activity	1,937,645
Net cash used by operating activities	($228,643,961)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	
Completed construction projects transferred from State of Utah	$39,354,328
Change in fair value of investments recognized as a component of investment income	22,442,598
Amortization of premiums, discounts, and net loss on bonds	(105,119)
Additions to pledges receivable for noncapital financing activities	1,214,417
Additions to pledges receivable for capital and related financing activities	7,000
Disposal of capital assets due to write off	(495,532)
Gifts of capital assets	1,525,267
Total noncash investing, capital, and financing activities	$63,942,959

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

NOTES TO FINANCIAL STATEMENTS

The notes to the financial statements communicate information essential for fair presentation of the basic financial statements that is not displayed on the face of the financial statements. As such, the notes form an integral part of the basic financial statements as they present more detailed information about the University's investments, bonds outstanding, capital assets, etc.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by Utah State University are described below.

BASIS OF PRESENTATION

The University is a component unit of the State of Utah. The financial statements include the accounts of Utah State University Agricultural Experiment Station, Utah State University Cooperative Extension Service, Utah State University Water Research Laboratory, Utah State University Brigham City Regional Campus, Utah State University Tooele Regional Campus, Utah State University Uintah Basin Regional Campus, Utah State University Southeast Region, and Utah State University Eastern (USU Eastern), which are separately funded by state appropriations.

The Utah State University Research Foundation (USU Research Foundation) and the Utah State University Foundation are blended component units of the University and have been consolidated in these financial statements. USU Research Foundation is governed by a Board of Trustees appointed by the president of Utah State University, under the direction of the University's Board of Trustees. USU Research Foundation is a dependent foundation of Utah State University and is reported as a part of the University because its primary purpose is to support the mission of Utah State University in regards to research. The Utah State University Foundation is also governed by a Board of Trustees appointed by the president of the University. The Utah State University Foundation is a dependent foundation of Utah State University and serves as a fund-raising arm of the University.

The USU Research Foundation annually publishes audited financial statements. A copy of the audited financial statements can be obtained from USU Research Foundation, 1695 North Research Parkway, North Logan, Utah 84341.

BASIS OF ACCOUNTING

For financial reporting purposes, the University is considered a special purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated. When both restricted and unrestricted resources are available, such resources are spent and tracked at the discretion of the department within the guidelines of donor restrictions.

The accounting policies of the University conform in all material respects with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and investments with an original maturity of three months or less.

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 accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position.

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. The University values these investments based on the values provided by the partnerships as well as their audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent capital calls and distributions.

INVENTORIES

The value of the University Campus Store inventory is recorded at average cost, determined using the retail inventory method, while all other inventory values are essentially lower of cost (first-in, first-out) or market, including the cost of project houses waiting to be sold or under construction. Obsolete or unusable items are reduced to net realizable values.

NONCURRENT ASSETS

Assets that are externally restricted for capital purposes, to make debt service payments, maintain sinking or reserve funds, or that represent assets of the University's endowments (including real estate held for resale and split-interest agreements) are classified as noncurrent restricted assets.

The remaining noncurrent assets include those receivables that will not be realized within the next year, investments, the cost of land purchased for future project houses, and the University's property, plant, and equipment, net of depreciation.

PROPERTY, PLANT, AND EQUIPMENT

All buildings are carried on an estimated historical cost basis or at acquisition value at date of donation in the case of gifts. All other physical plant and equipment are stated at cost when purchased or constructed or acquisition value at date of donation in the case of gifts.

The University capitalizes all equipment with a unit cost of $5,000 or more and an estimated useful life greater than one year. Purchased software is capitalized when acquisition costs are $100,000 or more. Buildings costing $250,000 or more are capitalized, as are improvements to buildings costing $250,000 or more that extend the useful life of the building. Improvements other than buildings costing $250,000 or more are also capitalized. All library physical collections inventoried in the University's recognized libraries are capitalized regardless of cost. Art and special collections held by the University are capitalized but not depreciated. The University computes depreciation using the straight-line composite method over the estimated useful life of the assets. The estimated useful lives are: *(Figure A.1)*

FIGURE A.1

Buildings	10-40 years
Improvements other than buildings	5-20 years
Equipment	3-15 years
Purchased software	5-10 years
Library physical collections	20 years

The University provides repair and replacement reserves for certain properties as required by the related bond indentures. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred.

PENSION RELATED ASSETS, LIABILITIES, DEFERRED OUTFLOWS, AND DEFERRED INFLOWS

The University records its share of any unfunded liability associated with participation in the defined benefit plans of the Utah Retirement Systems (Systems). For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems' Pension Plan and additions to or deductions from the Systems' fiduciary net position are determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. The Systems' Pension Plan investments are reported at fair value.

UNEARNED REVENUES

Unearned revenues consist primarily of amounts received during the fiscal year that have not yet been earned and are related to the subsequent accounting period. These sources consist of contract and grant sponsors, amounts received for tuition and fees, and certain auxiliary activities.

COMPENSATED ABSENCES

Sick leave is not accrued but is reported in the period of actual expenditure. Sick leave does not vest to the employee but is allowed on an earned time basis. At the end of each calendar year, employees who have earned 48 days of sick leave may convert up to four days of sick leave to annual leave, subject to other restrictions of the University.

Annual leave, including converted sick leave, is accrued and reported as earned. Employees are allowed to carry a maximum of 34 days of annual leave. The 34 days is variable depending on the number of sick leave days the employee is allowed to convert at calendar year end.

GIFTS

The University received $595,325 of gifts-in-kind that were recorded as revenue and expense during the fiscal year ended June 30, 2019.

NONCURRENT LIABILITIES

Noncurrent liabilities include principal amounts of revenue bonds payable, notes payable, and contracts payable that are due beyond the next fiscal year. The

remaining noncurrent liabilities include estimated amounts for accrued compensated absences, early retirement, net pension, and the repayment of the federal share for the Perkins Loan program.

DEFERRED INFLOWS

As of June 30, 2019, the University has recognized $1,678,082 as a restricted asset along with a deferred inflow of resources in the amount of $3,673,096 for certain irrevocable split-interest agreements. The University has a beneficial interest or right to a portion of the benefits donated, pursuant to an irrevocable split-interest agreement, in which the donor enters into a trust and transfers resources to an intermediary. Asset recognition criteria include: (1) the government is specified by name as beneficiary in the legal document underlying the donation; (2) the donation agreement is irrevocable; (3) the donor has not granted variance power to the intermediary with respect to the donated resources; (4) the donor does not control the intermediary, such that the actions of the intermediary are not influenced by the donor beyond the specified stipulations of the agreement; and (5) the irrevocable split-interest agreement established a legally enforceable right for the government's benefit (an unconditional beneficial interest).

NET POSITION

The University's net position is classified as follows:

NET INVESTMENT IN CAPITAL ASSETS: This represents the University's total investment in capital assets net of obligations related to those capital assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

RESTRICTED – NONEXPENDABLE: Restricted – nonexpendable net position consists of endowment and similar-type funds which, as a condition of the gift instruments, the donors or other outside sources have stipulated that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income. The income may either be expended or added to principal. Also included in this category are funds received from donors for the purpose of providing short and long-term loans to students.

RESTRICTED – EXPENDABLE: Restricted – expendable net position includes resources in which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

UNRESTRICTED: Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of university departments. These resources are used for transactions relating to the educational and general operations of the University and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services primarily for students.

CLASSIFICATION OF REVENUES AND EXPENSES

OPERATING REVENUES: Operating revenues include activities that have the characteristics of exchange transactions such as: (1) student tuition and fees, net of scholarship allowances; (2) sales and services of auxiliary enterprises and other departments; (3) most federal, state, and local contracts and grants and federal appropriations; and (4) interest on institutional student loans.

NONOPERATING REVENUES: Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts, contributions, and other revenue sources that are defined as nonoperating revenues based on GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting* and GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Examples of nonoperating revenues would include state appropriations and investment income.

OPERATING/NONOPERATING EXPENSES: All expenses are classified as operating expenses except interest expense, losses on the disposal of capital assets, uncollectible gifts, and the expense recognized in relation to the liability of the Federal Perkins Loan Program.

SCHOLARSHIP ALLOWANCES

Student tuition and fee revenues are reported net of scholarship allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the students' behalf. To the extent that revenues from other sources are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship allowance to eliminate overstating total revenues to the University and properly record the revenues at the original source.

The scholarship allowances for the year ended June 30, 2019, were: *(Figure A.2)*

FIGURE A.2
Scholarship Allowances

Tuition and fees	$91,968,747
Auxiliary enterprises	910,269
Total scholarship allowances	$92,879,016

SEGMENT REPORTING

The University, through the Utah State Board of Regents, issues revenue bonds to finance certain activities. The University has deemed it not necessary to report segments on these bond issues, based upon the criteria provided in GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.

B. CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

Cash and cash equivalents consist of cash and investments with an original maturity of three months or less. Short-term investments consist of investments with an original maturity greater than three months that will mature within one year or less. Cash, depending on source of receipts, is pooled except when legal requirements dictate the use of separate accounts. The cash balances and cash float from outstanding checks 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 invested in accordance with the State Money Management Act (the Act). The State of Utah Money Management Council provides regulatory oversight for the PTIF. The PTIF is available for investment of funds administered by any Utah Public Treasurer.

At June 30, 2019, cash and cash equivalents and short-term investments consisted of: *(Figure B.1)*

FIGURE B.1 Cash and Cash Equivalents	
Cash	$13,233,670
Money market accounts	16,200,000
Money market mutual funds	21,105,752
Utah Public Treasurers' Investment Fund	29,526,474
Total cash and cash equivalents	$80,065,896

Short-Term Investments	
Commercial paper and corporate notes	$37,278,585
Common and preferred stock-options	(44,728)
Municipal bonds	3,492,298
Total short-term investments (fair value)	$40,726,155

C. 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 market or appraised value. If no market or appraised value is available, investments received as gifts are recorded at a nominal value. Other investments are also 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 University's Investment Policy, the governing board may appropriate for expenditure as much of the net appreciation, realized and unrealized, of an endowment's corpus as is prudent under the facts and circumstances prevailing at the time of the action or decision. The appropriation must be for the purposes for which the endowment is established and also includes a management fee.

The endowment income spending policy at June 30, 2019, was 4 percent of the 12 quarter moving average of the market value of the endowment pool with a one year lag. The spending policy is reviewed periodically and any necessary changes are made.

The amount of net appreciation on investments of donor-restricted endowments available for authorization for expenditure at June 30, 2019, was $43,476,131. The net appreciation is a component of restricted-expendable net position.

At June 30, 2019, the investment portfolio composition was: *(Figure C.1)*

FIGURE C.1 Long-Term Investments	
Alternatives	$56,429,554
Closely held stocks	558,865
Commercial paper and corporate notes	186,650,104
Common and preferred stocks	39,394,340
Municipal bonds	19,714,551
Mutual funds - bonds	43,837,721
Mutual funds - equity	98,739,791
Obligations of the U.S. Government and its agencies	155,084,892
Total long-term investments (fair value)	$600,409,818

D. DEPOSITS AND INVESTMENTS

DEPOSITS

CUSTODIAL CREDIT RISK: Custodial credit risk is the risk that, in the event of a bank failure, the University's deposits may not be returned to the University. The University does not have a formal deposit policy for custodial credit risk.

At June 30, 2019, the carrying amounts of the University's deposits and bank balances were $29,249,319 and $35,454,625, respectively. The bank balances of the University were insured for $1,097,900 by the Federal Deposit Insurance Corporation. The bank balances in excess of $1,097,900 were uninsured and uncollateralized, leaving $34,356,725 exposed to custodial credit risk.

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 State Money Management Act (Utah Code, Title 51, Chapter 7) (the Act) that relate to the deposit and investment of public funds.

Except for endowment funds, the University follows the requirements of the Act 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 State of Utah Money Management Council.

For endowment funds, the University follows the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), State Board of Regents Policy R541, *Management and Reporting of Institutional Investments*, and the University's Investment Policy and endowment guidelines.

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.

Statutes authorize the University to invest in negotiable or non-negotiable 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), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares of 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 State Public Treasurers' Investment Fund (PTIF).

The Utah State Treasurer's Office operates the 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 as an investment company. The PTIF is authorized and regulated by the Act. The Act established the State of Utah 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 any realized gains or losses on investments.

The UPMIFA and Policy R541 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 certain criteria: mutual funds registered with the Securities and Exchange Commission, investments sponsored by the Commonfund; any investment made in accordance with the donor's directions in a written instrument; investments in corporate stock listed on a major exchange (direct ownership); and any alternative investment funds that derive returns primarily from high yield and distressed debt (hedged or non-hedged), private capital (including venture capital and private equity), natural resources, and private real estate assets or absolute return and long/short hedge funds.

The University's Investment Policy allows the University to invest endowment funds in investments authorized by the Act or any of the following investments: readily marketable equities, which are diversified across a spectrum of market capitalizations, multiple regions, by issue, industry, and sector; readily marketable fixed income investments diversified by country, issue, sector, coupon, and quality; bonds having a minimum quality of "A" or better; and alternative investments that derive returns primarily from high-yield and distressed debt (hedged or non-hedged), natural resources, private capital (including venture capital, private equity, both domestic and international), commodities, private real estate assets or absolute return, and long/short hedge funds. In addition endowment funds may be invested as specifically directed by donor agreements.

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

Level 3: Unobservable inputs

At June 30, 2019, the University had recurring fair value measurements of: *(Figure D.1)*

FIGURE D.1	Total	Fair Value Measurements Using Level 1	Level 2	Level 3
INVESTMENTS BY FAIR VALUE LEVEL				
Debt securities				
Money market mutual funds	$21,105,752	$21,105,752	—	—
Utah Public Treasurers' Investment Fund	29,526,474	—	$29,526,474	—
Commercial paper and corporate notes	223,928,689	—	223,928,689	—
Municipal bonds	23,206,849	—	23,206,849	—
Mutual funds – bonds	43,837,721	459,814	14,082,211	$29,295,696
U.S. agencies	150,971,824	—	150,971,824	—
U.S. treasury securities	4,113,068	3,998,720	114,348	—
Total debt securities	496,690,377	25,564,286	441,830,395	29,295,696
Equity securities				
Closely held stock	558,865	—	—	558,865
Common and preferred stock	39,394,340	39,394,340	—	—
Common and preferred stock-options	(44,728)	(44,728)	—	—
Mutual funds - equity	98,739,791	1,180,856	64,687,586	32,871,349
Total equity securities	138,648,268	40,530,468	64,687,586	33,430,214
Total investments by fair value level	635,338,645	$66,094,754	$506,517,981	$62,725,910
INVESTMENTS MEASURED AT NET ASSET VALUE (NAV)				
Emerging markets equity	4,881,158			
Hedge funds	4,758,070			
International equity	9,188,821			
Private equity core real estate	8,479,040			
Private equity natural resources	4,104,791			
Private equity partnerships	10,482,878			
Private equity real estate funds	10,230,255			
Private infrastructure	2,479,234			
Venture capital funds	1,825,307			
Total investments measured at (NAV)	56,429,554			
Total investments at fair value	$691,768,199			

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, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active

Corporate and Municipal Bonds: quoted prices for similar securities in active markets

Bond and Equity Mutual Funds: published fair value per share (unit) for each fund

Utah Public Treasurers' Investment Fund: application of the June 30, 2019, fair value factor, as calculated by the Utah State Treasurer, to the University's June 30 balance in the fund

Securities, namely bond mutual funds, closely held stock, and equity mutual funds classified in Level 3 are valued manually using various sources such as issuer, investment manager, client, etc., or default price if a price is not provided.

Investments valued using the net asset value 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. A portion of the University's endowment portfolio is invested in alternative investments. The University values these investments based on the values provided by the partnerships as well as their audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent capital calls and distributions.

The unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for the University's alternative investments measured at NAV were: *(Figure D.2)*

FIGURE D.2

Investments measured at NAV	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Emerging markets equity	$4,881,158	—	N/A	N/A
Hedge funds	4,758,070	—	Quarterly	100 Days
International equity	9,188,821	—	Quarterly	100 Days
Private equity core real estate	8,479,040	—	Quarterly	30 - 60 Days
Private equity natural resources	4,104,791	$4,414,456	N/A	N/A
Private equity partnerships	10,482,878	6,853,090	N/A	N/A
Private equity real estate funds	10,230,255	11,395,136	N/A	N/A
Private infrastructure	2,479,234	5,901,277	N/A	N/A
Venture capital funds	1,825,307	75,000	N/A	N/A
Total investments measured at NAV	$56,429,554	$28,638,959		

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 University's Investment Policy, as applicable. For non-endowment funds, the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed-rate negotiable deposits, and fixed-rate corporate obligations to 270 days – 15 months or fewer. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to five years. In addition variable-rate negotiable deposits and variable-rate securities may not have a remaining term to final maturity exceeding three years. For endowment funds, the University's Investment Policy requires 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, 2019, the University's investments and maturities consisted of: *(Figure D.3)*

FIGURE D.3

		Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1	1 – 5	6 – 10	Greater than 10
Money market mutual funds	$21,105,752	$21,105,752	—	—	—
Utah Public Treasurers' Investment Fund	29,526,474	29,526,474	—	—	—
Commercial paper and corporate notes	223,928,689	37,278,585	$126,478,709	$3,179,692	$56,991,703
Municipal bonds	23,206,849	3,492,298	8,437,954	7,640,299	3,636,298
Mutual funds – bonds	43,837,721	—	36,485,291	7,352,430	—
U.S. agencies	150,971,824	—	30,042,586	120,332,699	596,539
U.S. treasury securities	4,113,068	—	4,113,068	—	—
Totals	$496,690,377	$91,403,109	$205,557,608	$138,505,120	$61,224,540

FIGURE D.4

Investment Type	Fair Value	AAA	AA
Money market mutual funds	$21,105,752	—	—
Utah Public Treasurers' Investment Fund	29,526,474	—	—
Commercial paper and corporate notes	223,928,689	$1,943,931	$23,814,128
Municipal bonds	23,206,849	14,557,799	7,202,016
Mutual funds – bonds	43,837,721	—	—
U.S. agencies	150,971,824	—	130,624,582
U.S. treasury securities	4,113,068	—	—
Totals	$496,690,377	$16,501,730	$161,640,726

CREDIT RISK: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The University's policy for reducing its exposure to credit risk is to comply with the State Money Management Act and the University's Investment Policy, as previously discussed. As of June 30, 2019, the University had investments with quality ratings of: *(Figure D.4)*

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 State of Utah Money Management Council. For endowment funds, the University policy requires diversification of investments across a broad spectrum and specific limits to concentration of securities within categories of equities, fixed income, and alternatives. Rule 17 of the State of Utah Money Management Council limits non-endowment fund investments in a single issuer of commercial paper and corporate obligations to 5-10 percent depending upon the total dollar amount held in the portfolio at the time of purchase. The State of Utah Money Management Council limitations do not apply to securities issued by the U.S. Government and its agencies.

For endowments, the University, under Policy R541, is permitted to establish its own investment policy which adheres to the guidelines established by UPMIFA. Accordingly, the University's asset allocation guidelines allocate endowment funds in the following asset classes: *(Figure D.5)*

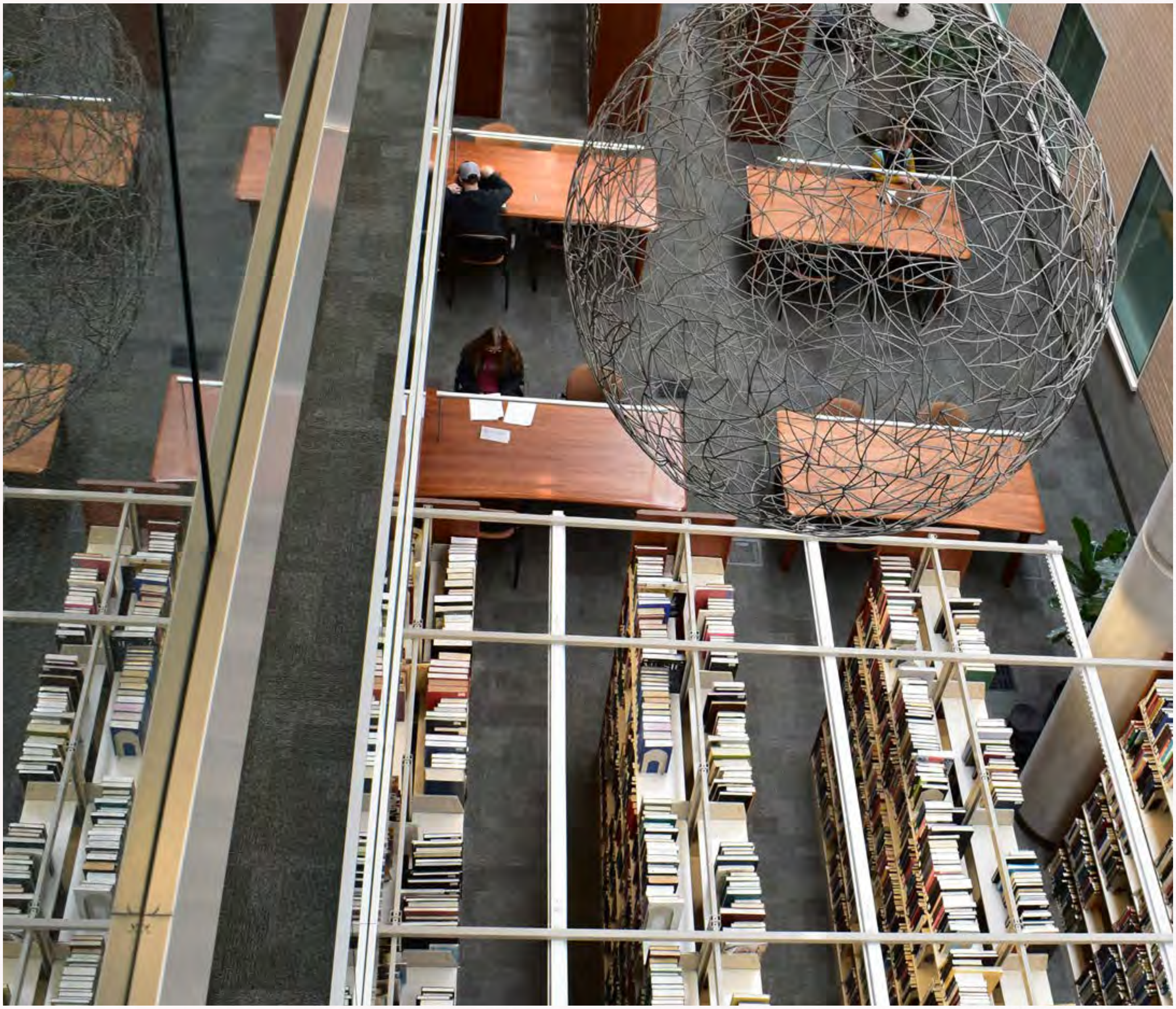
FIGURE D.5

	Broad Asset Allocation Targets	
Asset Category	Target (%)	Range (%)
Global Equity	45	35-55
Investment Grade Fixed Income	15	10-20
Opportunistic Fixed Income	15	10-20
Alternative Assets	25	10-30

At June 30, 2019, the University held more than 5 percent of total investments in securities of the Federal Home Loan Bank and Federal Farm Credit Bank. These investments represent 7.91 and 8.78 percent, respectively, of the total investments.

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 the investments or collateral securities that are in the possession of an outside party. The University does not have a formal investment policy for custodial credit risk. At June 30, 2019, the University had $39,394,340 in common and preferred stock, ($44,728) in common and preferred stock-options, $223,928,689 in commercial paper and corporate notes, $23,206,849 in municipal bonds, and $150,596,877 in U.S. agencies which were uninsured and held by the counterparty, but not in the University's name.

Quality Rating					
A	BBB	BB	B	Unrated	No Risk
—	—	—	—	$21,105,752	—
—	—	—	—	29,526,474	—
$114,868,312	$74,266,635	$2,495,000	—	6,540,683	—
1,396,256	50,778	—	—	—	—
—	—	—	—	43,837,721	—
—	—	—	—	19,972,295	$374,947
—	—	—	—	—	4,113,068
$116,264,568	$74,317,413	$2,495,000	$0	$120,982,925	$4,488,015



E. ACCOUNTS, CREDITS, AND STUDENT LOANS RECEIVABLE

As of June 30, 2019, accounts receivable consisted of: *(Figure E.1)*

Credits receivable, $115,086, reflect amounts due from vendors doing business primarily with the University's Campus Store.

Student loans receivable are comprised primarily of loans issued through the Federal Perkins Loan Program

FIGURE E.1	Current	Noncurrent	Total
DUE FROM PRIMARY GOVERNMENT			
State contracts and grants	$1,765,536	—	$1,765,536
State grant – USTAR	545,248	—	545,248
Land-grant revenue	119,271	—	119,271
Division of Facilities Construction and Management	834,854	—	834,854
Due from State of Utah	24,254	—	24,254
DUE FROM OTHERS			
Contracts and grants	57,110,229	—	57,110,229
Pledges receivable	1,519,165	$22,930,632	24,449,797
Auxiliary and service enterprises	1,207,559	—	1,207,559
Other activities	6,821,075	423,775	7,244,850
Total accounts receivable	69,947,191	23,354,407	93,301,598
Less allowance for doubtful accounts	(676,845)	—	(676,845)
Net accounts receivable	$69,270,346	$23,354,407	$92,624,753

(FPLP) and short-term loans issued from funds set aside by the University for that purpose.

The FPLP loans provide for cancellation of a loan at rates of 10 percent to 30 percent per year up to a maximum of 100 percent if the participant complies with certain provisions. The FPLP loans become payable by the student after completion of academic degrees or termination as a student, with a term of ten years and an interest rate of 5 percent. The federal government is no longer providing funds for the FPLP program. The University has been directed to not issue additional loans. The University will continue to collect on outstanding loans and remit the federal portion as the money is collected. As of June 30, 2019, the outstanding liability to the federal government was $10,292,202.

As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education.

Other University short-term loans have a term of two to four months and carry an interest rate of 7 percent to 12 percent. The 12 percent rate applies if the loan becomes delinquent. Notes receivable consisted of: *(Figure E.2)*

FIGURE E.2	Current	Noncurrent	Total Receivables
Federal Perkins Loan Program	$1,850,419	$7,341,740	$9,192,159
Other	411,494	48,698	460,192
Total notes receivable	2,261,913	7,390,438	9,652,351
Less allowance for doubtful accounts	(27,464)	(68,058)	(95,522)
Net notes receivable	$2,234,449	$7,322,380	$9,556,829

F. PROPERTY, PLANT, AND EQUIPMENT

Interest capitalized as part of building construction was $510,862 and was included as part of construction in progress. The University's investment in property, plant, and equipment consisted of: *(Figure F.1)*

FIGURE F.1	June 30, 2018	Additions	Deletions	June 30, 2019
PROPERTY, PLANT, AND EQUIPMENT NOT DEPRECIATED				
Land	$42,270,976	$1,664,663	—	$43,935,639
Construction in progress				
Buildings	44,933,097	29,498,551	$54,627,197	19,804,451
Improvements other than buildings	965,462	3,326,773	2,564,277	1,727,958
Equipment	612,051	335,125	319,672	627,504
Art and special collections	37,218,786	6,520,643	—	43,739,429
Total property, plant, and equipment not depreciated	126,000,372	41,345,755	57,511,146	109,834,981
OTHER PROPERTY, PLANT, AND EQUIPMENT				
Buildings	1,081,693,958	94,617,956	—	1,176,311,914
Improvements other than buildings	76,706,455	2,564,277	—	79,270,732
Equipment	192,741,153	15,562,566	6,214,669	202,089,050
Library collections	78,151,681	506,221	78,960	78,578,942
Total other property, plant, and equipment	1,429,293,247	113,251,020	6,293,629	1,536,250,638
LESS ACCUMULATED DEPRECIATION				
Buildings	395,734,643	32,463,627	—	428,198,270
Improvements other than buildings	43,641,391	3,916,126	—	47,557,517
Equipment	141,853,404	12,687,370	5,799,342	148,741,432
Library collections	62,604,736	2,098,161	78,960	64,623,937
Total accumulated depreciation	643,834,174	51,165,284	5,878,302	689,121,156
Net other capital assets	785,459,073	62,085,736	415,327	847,129,482
CAPITAL ASSETS – SUMMARY				
Capital assets not depreciated	126,000,372	41,345,755	57,511,146	109,834,981
Other capital assets at cost	1,429,293,247	113,251,020	6,293,629	1,536,250,638
Total cost of capital assets	1,555,293,619	154,596,775	63,804,775	1,646,085,619
Less accumulated depreciation	643,834,174	51,165,284	5,878,302	689,121,156
Net capital assets	$911,459,445	$103,431,491	$57,926,473	$956,964,463

G. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As of June 30, 2019, accounts payable and accrued liabilities consisted of: *(Figure G.1)*

FIGURE G.1	
Salaries and benefits payable	$40,841,537
Salaries and benefits payable due to primary government	3,574,026
Due to primary government	1,690,189
Suppliers payable	29,485,056
Interest payable	1,306,458
Other	59,882
Total accounts payable and accrued liabilities	$76,957,148

H. BONDS, NOTES, CONTRACTS, AND OTHER NONCURRENT LIABILITIES

Assets pledged for payment of bonds and contracts include the net revenue of auxiliary enterprises, land-grant funds, specific student fees, and reimbursed facilities and administrative costs. The gross amount of capital assets purchased under capital leases as of June 30, 2019, was $32,874,492 with associated accumulated depreciation of $23,929,362. Bonds, notes, and contracts outstanding at June 30, 2019, were: *(Figure H.1)*

FIGURE H.1	
BONDS PAYABLE	
Stadium/Spectrum and Student Recreation Bonds	
Series 2013 2.00%-4.00%, 2013-2026, $8,405,000	$5,280,000
Series 2013B 3.00%-5.00%, 2014-2023, $43,310,000	3,540,000
Series 2015 3.00%-5.00%, 2016-2046, $23,900,000	22,570,000
Series 2017 2.00%-5.00%, 2018-2045, $38,825,000	38,675,000
Total Stadium/Spectrum and Student Recreation Bonds	70,065,000
Student Housing System Revenue Bonds	
Series 2007 4.00%-5.25%, 2007-2035, $39,155,000	34,045,000
Series 2015 3.00%-5.00%, 2016-2038, $24,455,000	22,850,000
Series 2016 2.50%-5.00%, 2017-2046, $19,540,000	18,280,000
Total Student Housing System Revenue Bonds	75,175,000
Research Revenue Bonds	
Series 2015 1.17%-4.75%, 2016-2047, $19,500,000	18,765,000
Series 2015B 3.00%-5.00%, 2016-2031, $13,145,000	13,145,000
Series 2016 1.025%-4.049%, 2017-2047, $10,135,000	9,700,000
Series 2018A 3.05%, 2018-2028, $6,231,000	5,690,000
Series 2018B 3.00%-5.00%, 2018-2050, $32,210,000	32,210,000
Total Research Revenue Bonds	79,510,000
Total bonds payable	224,750,000

Table continued on next page

FIGURE H.1 (continued)	
NOTES AND CAPITAL LEASES PAYABLE	
State of Utah, 0%, 2018-2023	185,213
Bank of America, 4.18%, 2007-2022	426,592
Bank of America, 2.54%, 2014-2024	4,654,408
Capital One Public Finance, 3.89%, 2014-2029	837,956
Zions Bank, 3.01%, 2017-2022	1,386,992
SunTrust Leasing Corp., 2.34%, 2013-2022	291,645
SunTrust Leasing Corp., 2.078%, 2013-2020	15,118
SunTrust Leasing Corp., 2.72%, 2013-2023	1,200,934
SunTrust Leasing Corp., 2.69%, 2013-2020	28,337
SunTrust Leasing Corp., 3.11%, 2014-2021	70,811
SunTrust Leasing Corp., 2.71%, 2014-2019	6,299
SunTrust Leasing Corp., 3.04%, 2014-2021	63,299
Total notes and capital leases payable	9,167,604
EQUIPMENT CONTRACTS PAYABLE	0
Total bonds, notes, and equipment contracts payable	233,917,604
UNAMORTIZED PREMIUMS, REOFFERING PREMIUMS (RP), AND DISCOUNTS ON BONDS	
2007 Bonds - RP	2,215,927
2013 Bonds - RP	308,819
2013B Bonds - premium	18,342
2015 (building) Bonds - premium	444,781
2015 (housing) Bonds - premium	696,778
2015 (research) Bonds - discount	(75,466)
2015B (research) Bonds - premium	1,463,130
2016 (housing) Bonds - premium	755,557
2017 (building) Bonds - premium	1,078,684
2018B (research) Bonds - premium	1,472,643
Total unamortized premiums, RPs, and discounts on bonds	8,379,195
Total bonds, notes, and equipment contracts payable including net unamortized premiums, RPs, and discounts on bonds	$242,296,799

The changes in bonds, notes, and equipment contracts payable for the fiscal year ended June 30, 2019 were: *(Figure H.2)*

FIGURE H.2	Bonds	Notes and Capital Leases	Equipment Contracts	Total Payable	Unamortized Premiums and Discounts	Total Net of Premiums and Discounts
June 30, 2018	$231,451,000	$11,578,543	$29,710	$243,059,253	$8,875,292	$251,934,545
Additions	—	—	—	—	—	—
Deletions	(6,701,000)	(2,410,939)	(29,710)	(9,141,649)	(496,097)	(9,637,746)
June 30, 2019	$224,750,000	$9,167,604	$0	$233,917,604	$8,379,195	$242,296,799

The University has complied with the restrictive covenants of its bond agreements. Amounts due on bonds and contracts payable in future years are: *(Figure H.3)*

FIGURE H.3 Fiscal Years	Bonds	Bonds Interest	Notes and Capital Leases	Notes and Capital Leases Interest	Equipment Contracts	Equipment Contracts Interest	Total Amount Required
2020	$6,838,000	$8,729,022	$2,254,891	$227,733	—	—	$18,049,646
2021	7,660,000	8,424,031	2,252,963	164,787	—	—	18,501,781
2022	7,993,000	8,089,360	1,880,859	103,337	—	—	18,066,556
2023	8,351,000	7,736,902	1,278,129	61,710	—	—	17,427,741
2024	8,695,000	7,379,361	1,065,589	32,022	—	—	17,171,972
2025-2029	46,148,000	30,982,339	435,173	38,564	—	—	77,604,076
2030-2034	45,835,000	21,886,470	—	—	—	—	67,721,470
2035-2039	37,650,000	13,656,758	—	—	—	—	51,306,758
2040-2044	34,100,000	7,401,381	—	—	—	—	41,501,381
2045-2049	19,730,000	1,585,098	—	—	—	—	21,315,098
2050-2054	1,750,000	25,521	—	—	—	—	1,775,521
Totals	$224,750,000	$115,896,243	$9,167,604	$628,153	$0	$0	$350,442,000

The outstanding balance of bonds defeased and refunded in current and prior years totaled $36,770,000 at June 30, 2019. The bond liabilities of the defeased and refunded bonds are not included on the balance sheet.

The changes in liabilities for the year ended June 30, 2019, were: *(Figure H.4)*

FIGURE H.4	June 30, 2018	Additions	Reductions	June 30, 2019	Amounts Due Within One Year
BONDS, NOTES, AND EQUIPMENT CONTRACTS PAYABLE INCLUDING NET UNAMORTIZED PREMIUMS, RPS, AND DISCOUNTS ON BONDS					
Bonds payable including net unamortized premiums, RPs, and discounts	$240,326,292	—	($7,197,097)	$233,129,195	$6,838,000
Notes and capital leases payable	11,331,490	—	(2,349,099)	8,982,391	2,205,419
Notes payable to primary government	247,053	—	(61,840)	185,213	49,472
Equipment contracts payable	29,710	—	(29,710)	—	—
Total bonds, notes, and contracts payable	251,934,545	$0	(9,637,746)	242,296,799	9,092,891
OTHER NONCURRENT LIABILITIES					
Liability for compensated absences	19,716,042	16,776,599	(14,730,992)	21,761,649	15,087,413
Liability for early retirement	15,910,619	5,840,698	(5,918,357)	15,832,960	5,482,822
Other liabilities	1,850,266	12,273,793	(1,927,310)	12,196,749	4,447,245
Net pension liability	35,354,433	18,491,722	—	53,846,155	—
Total other noncurrent liabilities	72,831,360	53,382,812	(22,576,659)	103,637,513	25,017,480
Total noncurrent liabilities	$324,765,905	$53,382,812	($32,214,405)	$345,934,312	$34,110,371

I. PLEDGED BOND REVENUE

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

STUDENT FEE AND HOUSING SYSTEM is comprised of the net revenue from specific auxiliary enterprises and student building fee assessments. The Student Fee and Housing System includes all University housing, Parking Services, certain University Dining Services operations, the net revenues of the Taggart Student Center, Student Building Fees specifically identified in the bond resolution, and land-grant revenues. The University has pledged future net revenues of the Student Fee and Housing System to repay $39,155,000, $24,455,000, and $19,540,000 in bonds issued in May 2007, September 2015, and July 2016, respectively. Proceeds from the 2007 bonds were used to refund bonds issued in 2004 that were issued to provide financing for the construction and renovation of six Student Fee and Housing System buildings, a parking structure, and a dining facility. Proceeds from the 2015 bonds provided financing for the construction of a Student Fee and Housing System building. Proceeds from the 2016 bonds were used to acquire three apartment buildings and associated land. Student Fee and Housing System annual net revenues are projected to produce at least 110 percent of the annual debt service requirements over the life of the bonds. The total principal and interest remaining to be paid on the bonds is $108,577,229. The bonds are payable solely from the Student Fee and Housing System and are payable through 2046.

STUDENT FEE STADIUM/SPECTRUM RECREATION FACILITIES SYSTEM is comprised of those student fees specifically identified in the bond resolution and paid by students for the use and availability of the facilities. The University has pledged future revenues of the specifically identified student fees to repay $8,405,000, $43,310,000, $23,900,000, and $38,825,000 in bonds issued in March 2013, August 2013, July 2015, and December 2017, respectively. Proceeds from the 2013 bonds were used to refund a portion of the bonds issued in 2004 that were issued to provide financing for renovating and remodeling portions of the University's football stadium and a student recreation center. Proceeds from the 2013B bonds provided financing for a portion of the cost of constructing, equipping, and furnishing a student recreation center and a facility for basketball practice and volleyball competition. Proceeds from the 2015 bonds provided financing for the construction and renovation of facilities at the University's football stadium. Proceeds from the 2017 bonds were used to refund a portion of the 2013B bonds. Student fee revenues are projected to produce at least 110 percent of the annual debt service requirements over the life of the bonds. The total principal and interest remaining to be paid on the bonds is $105,182,631. The bonds are payable solely from the Student Fee Stadium/Spectrum Recreation Facilities System and are payable through 2046.

RESEARCH REVENUE SYSTEM is comprised of the revenue generated from the recovery of allocated facilities and administration costs to contracts and grants based on federally approved negotiated rate agreements. The University has pledged future revenues of the Research Revenue System to repay $19,500,000, $13,145,000, $10,135,000, $6,231,000, and $32,210,000 in bonds issued in October 2015, December 2015, July 2016, February 2018, and June 2018, respectively. Proceeds from the 2015B bonds were used to refund a portion of the bonds issued in 2009 that were issued to provide financing for the cost of constructing two research facilities located at the University's main campus and the Vernal, Utah campus. Proceeds from the 2015 and 2016 bonds provided financing for the construction of a research facility on the USU Innovation Campus. Proceeds from the 2018A bonds were used to acquire a building and associated land located in Salt Lake County, Utah. Proceeds from the 2018B bonds provide financing for the construction of a research facility on the USU Innovation Campus. Research Revenue System revenues are projected to produce at least 250 percent of the annual debt service requirements over the life of the bonds. The total principal and interest remaining to be paid on the bonds is $126,886,384. The bonds are payable solely from the Research Revenue System and are payable through 2050.

The net revenue pledged to the applicable bond system and the principal and interest paid for the year ended June 30, 2019, was: *(Figure I.1)*

FIGURE I.1	Student Fee and Housing System	Student Fee Stadium/Spectrum Recreation Facilities System	Research Revenue System
REVENUE			
Operating revenue/gross profit	$30,788,212	$6,328,761	$47,284,002
Nonoperating revenue	234,265	—	—
Total revenue	31,022,477	6,328,761	47,284,002
EXPENSES			
Operating expenses	18,749,387	—	—
Total expenses	18,749,387	0	0
Net pledged revenue	$12,273,090	$6,328,761	$47,284,002
PRINCIPAL PAID AND INTEREST EXPENSE	$5,798,182	$4,608,325	$4,099,124
DEBT SERVICE RATIO	2.12X	1.37X	11.54X

J. OPERATING LEASES

As lessor, the University leases ground under noncancelable operating lease agreements which expire in fiscal year 2058. Rental revenue on the operating leases for the fiscal year ended June 30, 2019, was $159,780. Future minimum rental revenues for these noncancelable operating leases are: *(Figure J.1)*

FIGURE J.1	
FISCAL YEARS ENDING JUNE 30:	
2020	$159,780
2021	159,780
2022	159,780
2023	159,780
2024	159,780
Later years	9,864,749
Total revenues	$10,663,649

As lessee, the USU Research Foundation leases various office, warehouse, and other facilities under noncancelable operating lease agreements with expiration dates ranging from fiscal year 2020 through fiscal year 2024. Rental expense on the operating leases for the fiscal year ended June 30, 2019, was $2,244,331. Future minimum rental payments for these noncancelable operating leases are: *(Figure J.2)*

FIGURE J.2	
FISCAL YEARS ENDING JUNE 30:	
2020	$3,055,274
2021	4,025,802
2022	4,101,693
2023	4,312,150
2024	4,533,928
Total payments	$20,028,847

K. PENSION PLANS AND RETIREMENT BENEFITS

Eligible employees of the University are covered by the Utah Retirement Systems (Systems), Teachers Insurance and Annuity Association (TIAA), and/or Fidelity Investments (Fidelity). Employees may also participate in defined contribution plans consisting of 401(k) and 457 plans managed by the Systems, TIAA, Fidelity, or Educators Mutual Insurance Association (EMIA).

DEFINED BENEFIT PENSION PLANS

Eligible employees of the University are provided with the following defined benefit pension plans (cost-sharing, multiple-employer plans) administered by the Utah Retirement Systems:

- Public Employees Noncontributory Retirement System (Tier 1 Noncontributory System)
- Public Employees Contributory Retirement System (Tier 1 Contributory System)
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Contributory System)
- Public Safety Retirement System (Public Safety System)
- Tier 2 Public Safety and Firefighter Contributory Retirement Systems (Tier 2 Public Safety Firefighters System)

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System. The University began participating in the Tier 2 Public Safety and Firefighter System in 2017.

The Utah Retirement Systems are established and governed by the respective sections of Title 49 of the Utah Code. The Systems' defined benefit plans are amended statutorily by the Utah Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the board, whose members are appointed by the governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. The Systems are a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. The Utah Retirement Systems issues a publicly available financial report that may be obtained by writing to the Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

BENEFITS PROVIDED: The Systems provide retirement, disability, and death benefits to participants in the defined benefit pension plans. Retirement benefits for each defined benefit plan are: *(Figure K.1)*

FIGURE K.1

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent Per Year of Service	COLA**
Tier 1 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 4.0%
Tier 1 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 4.0%
Tier 2 Contributory 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%
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; 2.0% per year over 20 years	Up to 2.5% or 4.0% depending upon employer
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 all years	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.*

CONTRIBUTIONS: 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 Systems' board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. For the year ended June 30, 2019, the University required contribution rates for the plans were: *(Figure K.2)*

FIGURE K.2 System	Rates Paid by Employee	Rates Paid by University for Employee	University Contribution Rates
Tier 1 Noncontributory System	N/A	N/A	22.19 %
Tier 1 Contributory System	N/A	6.00 %	17.70 %
Tier 2 Contributory System*	N/A	N/A	18.87 %
Public Safety System	N/A	N/A	41.35 %
Tier 2 Public Safety and Firefighter System*	N/A	N/A	29.80 %

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

For the year ended June 30, 2019, the University and employee contributions to the plans were: *(Figure K.3)*

FIGURE K.3 System	University's Contributions	Employees' Contributions
Tier 1 Noncontributory System	$8,392,320	N/A
Tier 1 Contributory System	64,560	$21,885
Tier 2 Contributory System*	1,463,112	—
Public Safety System	145,397	—
Tier 2 Public Safety and Firefighter System*	30,156	—
Total contributions	$10,095,545	$21,885

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

PENSION ASSETS, LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS: At June 30, 2019, the University reported a net pension asset of $0 and a net pension liability of $53,846,155. The net pension asset and liability were measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The University's proportion of the net pension asset and liability was based upon actual historical employer contributions to defined benefit pension plans for pay periods ending in 2018. At December 31, 2018, the University's net pension asset and liability were: *(Figure K.4)*

FIGURE K.4	DECEMBER 31, 2018			DECEMBER 31, 2017	
System	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share	Change (Decrease)
Tier 1 Noncontributory System	—	$51,286,704	1.3784832 %	1.4130362 %	(0.0345530) %
Tier 1 Contributory System	—	1,495,487	2.1063074 %	1.8581414 %	0.2481660 %
Tier 2 Contributory System	—	279,503	0.6526210 %	0.8092698 %	(0.1566488) %
Tier 2 Public Safety and Firefighter System	—	1,267	0.0505758 %	0.0319725 %	0.0186033 %
Public Safety System	—	783,194	0.3271828 %	0.3490530 %	(0.0218702) %
Total net pension asset/ liability	$0	$53,846,155			

For the year ended June 30, 2019, the University recognized pension expense of $12,313,453. At June 30, 2019, the University reported deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans from these sources: *(Figure K.5)*

FIGURE K.5	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$280,329	$795,157
Changes in assumptions	5,343,132	5,068
Net difference between projected and actual earnings on pension plan investments	9,238,991	—
Changes in proportion and differences between contributions and proportionate share of contributions	371,278	1,894,963
Contributions subsequent to the measurement date	5,177,527	—
Total	$20,411,257	$2,695,188

Contributions made between January 1, 2019, and June 30, 2019, of $5,177,527 were reported as deferred outflows of resources related to pensions. These contributions will be recognized as a reduction of 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 in pension expense. *(Figure K.6)*

FIGURE K.6

Years Ended December 31	Deferred Outflows (Inflows) of Resources
2019	$5,534,624
2020	$1,578,604
2021	$992,688
2022	$4,386,827
2023	$7,467
Thereafter	$38,332

ACTUARIAL ASSUMPTIONS: The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: *(Figure K.7)*

FIGURE K.7

Inflation	2.50%	
Salary increases	3.25%-9.75%	Average, including inflation
Investment rate of return	6.95%	Net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation, and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by Society of Actuaries.

The actuarial assumptions used in the January 1, 2018, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

CHANGES IN ASSUMPTIONS: The assumptions and methods used to calculate the total pension liability remain unchanged from the prior year.

The long-term expected rate of return on defined benefit 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: *(Figure K.8)*

FIGURE K.8 Asset Class	Expected Return Arithmetic Basis Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	40.00 %	6.15 %	2.46 %
Debt securities	20.00 %	0.40 %	0.08 %
Real assets	15.00 %	5.75 %	0.86 %
Private equity	9.00 %	9.95 %	0.89 %
Absolute return	16.00 %	2.85 %	0.46 %
Cash and cash equivalents	0.00 %	0.00 %	0.00 %
Total	100.00 %		4.75 %
Inflation			2.50 %
Expected arithmetic nominal return			7.25 %

The 6.95 percent assumed investment rate of return is comprised of an inflation rate of 2.5 percent and a real return of 4.45 percent that is net of investment expense.

DISCOUNT RATE: The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the Systems' 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. 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 discount rate remained unchanged at 6.95 percent.

SENSITIVITY OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION ASSET AND LIABILITY TO CHANGES IN THE DISCOUNT RATE: The following presents the proportionate share of the net pension asset and liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share would be if calculated using a discount rate that is one percentage point lower (5.95%) or one percentage point higher (7.95%) than the current rate: *(Figure K.9)*

PENSION PLAN FIDUCIARY NET POSITION: Detailed information about the pension plan's fiduciary net position is available in the separately issued Systems' financial report.

FIGURE K.9 System	Proportionate Share of Net Pension Liability (Asset) 1% Decrease 5.95%	Discount Rate 6.95%	1% Increase 7.95%
Tier 1 Noncontributory System	$92,185,855	$51,286,704	$17,069,457
Tier 1 Contributory System	3,133,999	1,495,487	97,301
Tier 2 Contributory System	1,119,745	279,503	(368,952)
Public Safety System	1,411,873	783,194	266,427
Tier 2 Public Safety and Firefighter System	9,558	1,267	(5,077)
Total net pension liability	$97,861,030	$53,846,155	$17,059,156

DEFINED CONTRIBUTION PLANS

Defined contribution plans are available as supplemental plans to the basic retirement benefits of the defined benefit pension plans and as a primary retirement plan for some Tier 2 participants. Participants in the defined contribution plans are fully vested in employer and employee contributions at the time the contributions are made, except Tier 2 required employer contributions and associated earnings are vested after four years of employment. Benefits depend on amounts contributed to the plans plus investment earnings. Individual accounts are provided for each employee and are available at termination, retirement, death, or unforeseeable emergency.

401(k), TIER 2 DC, AND 457 PLANS: For employees participating in defined benefit plans, the University is also required to contribute 0.74 - 1.5 percent of the employee's salary into a 401(k)/457 plan. For employees who choose to participate in the Tier 2 Public Employee or Public Safety and Firefighter defined contribution plans (Tier 2 DC), the University is required to contribute 20.02 or 30.54 percent of the employees' salary of which 10 or 12 percent is paid into a 401(k)/457 plan while the remainder is contributed to the Tier 1 Systems, as required by law.

EMIA: EMIA provides a 401(k) defined contribution plan that can be utilized by employees on the Utah Retirement State and School System – Noncontributory plan. This contribution is in lieu of the 1.5 percent that would have been contributed to the Utah Retirement System's 401(k) plan. The contribution made by the University is at 1.5 percent of gross earnings. Contributions by the University become vested at the time the contribution is made.

TIAA AND/OR FIDELITY: TIAA and/or Fidelity provide individual defined contribution retirement fund contracts with each participating employee. Employees may allocate contributions by the University to any or all of the providers and the contracts 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 individual contracts and the estimated life expectancy of the employee at retirement. The University's contribution to this multiple employer defined contribution plan is 14.2 percent of the employees' annual salary. The University has no further liability once annual contributions are made.

Employees can make additional contributions to defined contribution plans subject to limitations. Contributions to the defined contribution plans for the fiscal year ending June 30, 2019, were: *(Figure K.10)*

FIGURE K.10

Defined Contribution Plans	University's Contributions	Employees' Contributions
Tier 2 Defined Contribution Plan	$306,536	—
401(k) Plan	$1,014,086	$1,061,289
457 Plan and other individual plans	—	$82,383
EMIA	$15,893	$44,327
TIAA, Fidelity, and/or other investment companies	$35,388,372	$9,919,865

L. TERMINATION BENEFITS

The University provides an early retirement option to employees who qualify and are approved by administration in accordance with University policy. This option is available to all employees whose accumulated age and years of service are equal to or greater than 75, that have met the minimum age requirements, and where early retirement is in the mutual best interest of the employee and the University.

The policy provides two mutually exclusive early retirement options for eligible employees; either six years (16.67 percent of base salary per year) or five years (20 percent of base salary per year). The six-year option requires a minimum age of 56 and the five-year option requires a minimum age of 57. Benefits include a monthly stipend equal to the agreed upon percent of the retiree's salary at the time of active employment along with medical and dental insurance.

The projected future cost of these stipends and the medical and dental insurance benefits have been calculated based on the known amount to be paid out in the next fiscal year plus projected increases of 1.2 percent (University), 3 percent (USU Research Foundation) for stipends and 6.3 to 9.0 percent (University), 9 percent (USU Research Foundation) for medical and dental premiums. These increases are based on historical data. The premiums for medical and dental benefits have also been increased by an age adjusted factor of 2.85. The net present value of the total projected costs is calculated using the estimated yield of 2.092 percent (University) and 4.17 percent (USU Research Foundation). The net present value is the amount recognized on the financial statements as the liability for early retirement.

At June 30, 2019, there were 135 participants in the early retirement program. The program is funded on a pay-as-you-go basis from current funds. Payments for the stipends and insurance benefits for the fiscal year ending June 30, 2019, were $1,814,389 and $1,237,280, respectively.

M. RISK MANAGEMENT

GENERAL LIABILITY INSURANCE

The University maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability up to $10 million per occurrence through policies administered by the Utah State Risk Management Fund. The University also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the Utah State Risk Management Fund. This all-risk insurance coverage provides for repair or replacement of damaged property at a replacement cost basis subject to a deductible of $1,000 per occurrence. All revenues from University operations, rental income for its residence halls, and tuition are insured against loss due to business interruption caused by fire or other insurable perils with the Utah State Risk Management Fund. All University employees are covered by worker's compensation insurance, including employer's liability coverage by the Worker's Compensation Fund of Utah.

SELF-INSURANCE FOR EMPLOYEE HEALTH AND DENTAL CARE

The University has a self-insurance fund for employee health and dental care. In addition, the University has purchased a stop-loss insurance policy to cover specific participant claims exceeding $400,000 per term, an aggregating specific stop-loss deductible of $600,000 per term, and a laser deductible of $900,000 per term. This policy also covers aggregate claims exceeding 125 percent of expected claims up to $10 million. GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements. The estimated claims liability is based upon past experience adjusted for current trends. The estimate reflects the ultimate cost of settling the claims. The University's estimated self-insurance claims liability at June 30, 2019, and June 30, 2018, were: *(Figure M.1)*

FIGURE M.1	2019	2018
Estimated claims liability at beginning of year	$5,648,148	$6,012,390
Current year claims and changes in estimates	58,420,448	51,734,363
Claim payments, including related legal and administrative expenses	(56,248,056)	(52,098,605)
Estimated claims liability at end of year	$7,820,540	$5,648,148

The University has recorded the investment of the health and dental care funds at June 30, 2019, 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 the estimated provision for the claims liabilities for the year then ended are recorded in the Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Net Position.

CONTINGENCIES

The University has been named in several lawsuits where litigation is pending. It is unlikely that any judgments against the University will be established or would otherwise be material in nature. Most lawsuits are such that any financial settlement would be covered primarily by insurance held by the University through the State's Division of Risk Management.

The USU Research Foundation has a bank revolving line of credit with a limit of $5 million. At June 30, 2019, the outstanding balance was zero. The line of credit bears interest at an initial rate of 5.5 percent, is unsecured, due on demand, and expires on September 25, 2020.

COMMITMENTS

At June 30, 2019, the University had outstanding construction commitments of approximately $27.6 million.

N. NATURAL AND FUNCTIONAL CLASSIFICATIONS

The University's operating expenses by natural and functional classifications for the fiscal year ended June 30, 2019, were: *(Figure N.1)*

FIGURE N.1

	Natural Classification					
Functional Classification	Salaries and Wages	Employee Benefits	Other Operating Expenses	Scholarships and Fellowships	Depreciation	Total
Instruction	$125,375,847	$51,614,742	$27,680,899	—	—	$204,671,488
Research	77,420,581	35,673,742	97,130,283	—	—	210,224,606
Public service	34,096,634	12,378,902	32,974,128	—	—	79,449,664
Academic support	23,540,810	9,803,206	9,682,495	—	—	43,026,511
Student services	15,201,277	5,597,355	7,721,632	—	—	28,520,264
Institutional support	35,925,467	15,660,271	14,538,081	—	—	66,123,819
Operation and maintenance	13,890,282	5,541,936	30,924,610	—	—	50,356,828
Scholarships and fellowships	—	—	—	$34,454,937	—	34,454,937
Service departments	9,111,642	4,103,189	(12,040,283)	—	—	1,174,548
Auxiliary enterprises	20,393,490	7,333,916	23,503,433	—	—	51,230,839
Depreciation	—	—	—	—	$51,165,284	51,165,284
Total operating expenses	$354,956,030	$147,707,259	$232,115,278	$34,454,937	$51,165,284	$820,398,788

O. BLENDED PRESENTATION OF COMPONENT UNITS

The following is a condensed version of the USU Research Foundation's and Utah State University Foundation's financial statements for the fiscal year ended June 30, 2019: *(Figure O.1, O.2, and O.3)*

FIGURE O.1

Component Units
Condensed Statement of Net Position
June 30, 2019

	USU Research Foundation	Foundation	Eliminations	Total
ASSETS				
Current assets	$50,642,758	$78,177,112	($88,538)	$128,731,332
Noncurrent assets	93,487,705	1,568,447	(22,704,876)	72,351,276
Total assets	144,130,463	79,745,559	(22,793,414)	201,082,608
DEFERRED OUTFLOWS OF RESOURCES				
Resources related to pensions	1,605,990	—	—	1,605,990
Total deferred outflows of resources	1,605,990	0	0	1,605,990
LIABILITIES				
Current liabilities	29,550,430	—	(3,171,093)	26,379,337
Noncurrent liabilities	75,055,297	—	(64,772,178)	10,283,119
Total liabilities	104,605,727	0	(67,943,271)	36,662,456
DEFERRED INFLOWS OF RESOURCES				
Resources related to pensions	53,336	—	—	53,336
Total deferred inflows of resources	53,336	0	0	53,336
NET POSITION				
Net investment in capital assets	25,745,849	—	43,667,302	69,413,151
Restricted - nonexpendable	—	69,375,546	—	69,375,546
Restricted - expendable	—	10,259,379	—	10,259,379
Unrestricted	15,331,541	110,634	1,482,555	16,924,730
Total net position	$41,077,390	$79,745,559	45,149,857	165,972,806

FIGURE 0.2

Component Units
Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2019

	USU Research Foundation	Foundation	Eliminations	Total
OPERATING REVENUES				
Project revenues	$133,336,648	—	($9,014)	$133,327,634
Project unit indirect costs, general and administrative costs, and cost of money	34,444,688	—	—	34,444,688
Project fees	10,803,695	—	—	10,803,695
Administrative reimbursement, USU	147,605	—	(147,605)	—
Royalty income	200,950	—	—	200,950
Other	1,763,608	—	(1,654,757)	108,851
Total operating revenues	180,697,194	$0	(1,811,376)	178,885,818
OPERATING EXPENSES				
Salaries and wages	56,502,337	—	—	56,502,337
Employee benefits	31,755,009	—	—	31,755,009
Subcontracts	33,112,025	—	(185,399)	32,926,626
Depreciation and amortization	4,340,973	—	—	4,340,973
Research support to USU	510,731	—	(510,731)	—
Other	43,076,305	—	(1,462,553)	41,613,752
Total operating expenses	169,297,380	0	(2,158,683)	167,138,697
Operating income	11,399,814	0	347,307	11,747,121
NONOPERATING REVENUES (EXPENSES)				
Private gifts	160,000	—	—	160,000
Other – net	(1,167,621)	14,361,064	2,433,585	15,627,028
Total nonoperating revenues (expenses)	(1,007,621)	14,361,064	2,433,585	15,787,028
Income before other revenues	10,392,193	14,361,064	2,780,892	27,534,149
OTHER REVENUES				
Additions to permanent endowments	—	4,529,835	—	4,529,835
Other	—	—	—	—
Total other revenues	—	4,529,835	—	4,529,835
Increase in net position	10,392,193	18,890,899	2,780,892	32,063,984
NET POSITION – BEGINNING OF YEAR	30,685,197	60,854,660	42,368,965	133,908,822
NET POSITION – END OF YEAR	$41,077,390	$79,745,559	$45,149,857	$165,972,806

FIGURE 0.3

Component Units
Condensed Statement of Cash Flows
For the Year Ended June 30, 2019

	USU Research Foundation	Foundation	Eliminations	Total
NET CASH PROVIDED (USED) BY:				
(1) Operating activities	$13,455,064	—	$13,106,372	$26,561,436
(2) Noncapital financing activities	—	$17,909,600	—	17,909,600
(3) Capital and related financing activities	(22,567,365)	—	2,433,585	(20,133,780)
(4) Investing activities	116,339	(17,909,539)	—	(17,793,200)
Net increase (decrease) in cash and cash equivalents	(8,995,962)	61	$15,539,957	6,544,056
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	49,146,360	610,738		49,757,098
CASH AND CASH EQUIVALENTS – END OF YEAR	$40,150,398	$610,799		$56,301,154

P. SUBSEQUENT EVENTS

In August of 2019, the University's $54,995,000 Student Fee and Housing System Revenue Bonds, Series 2019, were issued for the purpose of financing the costs of constructing a six-story student apartment building (containing four to six units, housing 402 beds); a multi-level parking structure with 403 parking spaces; paying capitalized interest; funding a debt service reserve account and paying the costs associated with the issuance of the 2019 bonds.

In October of 2019, the University's $5,745,000 Series 2019A Research Revenue Refunding Bonds were issued for the purpose of refunding the Series 2018A Research Revenue Bonds that were issued to provide funding for the acquisition of a building and associated land in Salt Lake County, Utah. This refunding resulted in a reduction in the future debt service payments of $305,094, and an economic gain (difference between the present value of the old and new debt service payments) of $219,567.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information is to accompany the basic financial statements and is considered an essential part of financial reporting.

Proportionate Share of Net Pension Liability

As of December 31

	2018	2017	2016	2015	2014
TIER 1 NONCONTRIBUTORY SYSTEM					
Proportion of net pension liability (asset)	1.3784832 %	1.4130362 %	1.4648385 %	1.4867052 %	1.4526055 %
Proportionate share of net pension liability (asset)	$51,286,704	$34,553,853	$47,474,199	$46,701,668	$36,497,130
Covered payroll	$37,966,324	$37,654,734	$38,162,282	$37,975,366	$37,798,518
Proportionate share of net pension liability (asset) as a percentage of covered payroll	135.08 %	91.76 %	124.40 %	122.98 %	96.56 %
Plan fiduciary net position as a percentage of total pension liability	84.1 %	89.2 %	84.9 %	84.5 %	87.2 %
TIER 1 CONTRIBUTORY SYSTEM					
Proportion of net pension liability (asset)	2.1063074 %	1.8581414 %	1.6628695 %	1.3777110 %	1.2745733 %
Proportionate share of net pension liability (asset)	$1,495,487	$122,273	$911,182	$863,346	$139,755
Covered payroll	$408,779	$422,780	$445,761	$436,427	$460,897
Proportionate share of net pension liability (asset) as a percentage of covered payroll	365.84 %	28.92 %	204.41 %	197.82 %	30.32 %
Plan fiduciary net position as a percentage of total pension liability	91.4 %	99.2 %	93.4 %	92.4 %	98.7 %
TIER 2 CONTRIBUTORY SYSTEM					
Proportion of net pension liability (asset)	0.6526196 %	0.8092727 %	1.1108095 %	1.4678273 %	1.5274314 %
Proportionate share of net pension liability (asset)	$279,503	$71,351	$123,910	($3,204)	($46,288)
Covered payroll	$7,628,237	$7,926,941	$9,109,512	$9,484,328	$7,493,666
Proportionate share of net pension liability (asset) as a percentage of covered payroll	3.66 %	0.90 %	1.36 %	(0.03)%	(0.62)%
Plan fiduciary net position as a percentage of total pension liability	90.8 %	97.4 %	95.1 %	100.2 %	103.5 %
PUBLIC SAFETY SYSTEM					
Proportion of net pension liability (asset)	0.3271828 %	0.3490530 %	0.3459203 %	0.3435487 %	0.3425260 %
Proportionate share of net pension liability (asset)	$783,194	$606,957	$739,607	$739,614	$636,495
Covered payroll	$609,931	$604,061	$636,766	$607,776	$566,992
Proportionate share of net pension liability (asset) as a percentage of covered payroll	128.41 %	100.48 %	116.15 %	121.69 %	112.26 %
Plan fiduciary net position as a percentage of total pension liability	83.2 %	87.4 %	83.5 %	82.3 %	84.3 %
TIER 2 PUBLIC SAFETY AND FIREFIGHTER SYSTEM					
Proportion of net pension liability (asset)	0.0505758 %	0.0319725 %	0.0069305 %	N/A	N/A
Proportionate share of net pension liability (asset)	$1,267	($370)	($60)	N/A	N/A
Covered payroll	$67,358	$33,753	$5,726	N/A	N/A
Proportionate share of net pension liability (asset) as a percentage of covered payroll	1.88 %	(1.10)%	(1.05)%	N/A	N/A
Plan fiduciary net position as a percentage of total pension liability	95.6 %	103.0 %	103.6 %	N/A	N/A

Note: The University implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions, in fiscal year 2015. Information on the University's portion of the plan's net pension liability (asset) is not available for periods prior to fiscal year 2015.

Schedule of Contributions to the Utah Retirement Systems

For Fiscal Years Ending June 30	2019	2018	2017	2016
TIER 1 NONCONTRIBUTORY SYSTEM				
Contractually required contribution	$8,392,320	$8,221,506	$8,329,180	$8,355,894
Contributions in relation to the contractually required contribution	8,392,320	8,221,506	8,329,180	8,355,894
Contribution deficiency (excess)	$0	$0	$0	$0
Covered payroll	$38,370,432	$37,531,241	$37,968,122	$37,998,840
Contributions as a percentage of covered payroll	21.87 %	21.91 %	21.94 %	21.99 %
TIER 1 CONTRIBUTORY SYSTEM*				
Contractually required contribution	$64,560	$75,098	$77,250	$78,211
Contributions in relation to the contractually required contribution	64,560	75,098	77,250	78,211
Contribution deficiency (excess)	$0	$0	$0	$0
Covered payroll	$413,387	$423,200	$436,438	$441,871
Contributions as a percentage of covered payroll	15.62 %	17.75 %	17.70 %	17.70 %
TIER 2 CONTRIBUTORY SYSTEM**				
Contractually required contribution	$1,463,112	$1,429,747	$1,514,256	$1,862,036
Contributions in relation to the contractually required contribution	1,463,112	1,429,747	1,514,256	1,862,036
Contribution deficiency (excess)	$0	$0	$0	$0
Covered payroll	$7,753,638	$7,746,141	$8,300,188	$10,208,536
Contributions as a percentage of covered payroll	18.87 %	18.46 %	18.24 %	18.24 %
PUBLIC SAFETY SYSTEM				
Contractually required contribution	$145,397	$147,467	$181,751	$167,710
Contributions in relation to the contractually required contribution	145,397	147,467	181,751	167,710
Contribution deficiency (excess)	$0	$0	$0	$0
Covered payroll	$575,853	$583,908	$632,820	$600,578
Contributions as a percentage of covered payroll	25.25 %	25.26 %	28.72 %	27.92 %
TIER 2 PUBLIC SAFETY AND FIREFIGHTER SYSTEM**				
Contractually required contribution	$30,156	$9,732	$4,820	N/A
Contributions in relation to the contractually required contribution	30,156	9,732	4,820	N/A
Contribution deficiency (excess)	$0	$0	$0	N/A
Covered payroll	$101,194	$33,238	$16,500	N/A
Contributions as a percentage of covered payroll	29.80 %	29.28 %	29.21 %	N/A

**The Tier 2 Public Employees System (Tier 2) was created in fiscal year 2012. However, the contractually required contributions and covered payroll for Tier 2 were included in the Contributory System for fiscal years 2012 and 2013, since prior to the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, Tier 2 information was not separately available.*

	2015	2014	2013	2012	2011	2010
	$9,328,000	$7,664,202	$6,949,647	$6,709,673	$6,124,421	$5,535,903
	9,328,000	7,664,202	6,949,647	6,709,673	6,124,421	5,535,903
	$0	$0	$0	$0	$0	$0
	$37,836,787	$35,009,064	$36,016,837	$40,154,027	$37,363,709	$38,965,526
	24.65 %	21.89 %	19.30 %	16.71 %	16.39 %	14.21 %
	$102,041	$604,902	$416,961	$214,370	$110,196	$111,532
	102,041	604,902	416,961	214,370	110,196	111,532
	$0	$0	$0	$0	$0	$0
	$430,553	$6,387,208	$4,212,028	$1,952,662	$616,240	$708,916
	23.70 %	9.47 %	9.90 %	10.98 %	17.88 %	15.73 %
	$694,490	N/A	N/A	N/A	N/A	N/A
	694,490	N/A	N/A	N/A	N/A	N/A
	$0	N/A	N/A	N/A	N/A	N/A
	$8,337,218	N/A	N/A	N/A	N/A	N/A
	8.33 %	N/A	N/A	N/A	N/A	N/A
	$162,713	$137,607	$138,459	$135,408	$104,135	$119,548
	162,713	137,607	138,459	135,408	104,135	119,548
	$0	$0	$0	$0	$0	$0
	$582,052	$506,773	$528,817	$562,846	$315,243	$396,118
	27.96 %	27.15 %	26.18 %	24.06 %	33.03 %	30.18 %
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A

***Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.*

CHANGES IN ASSUMPTIONS:

The assumptions and methods used to calculate the total pension liability remain unchanged from the prior year.

EXECUTIVE OFFICERS

NOELLE E. COCKETT, President

FRANCIS D. GALEY, Executive Vice President and Provost

NEIL N. ABERCROMBIE, Vice President for Government Relations

DAVID T. COWLEY, Vice President for Business and Finance

JOHN H. HARTWELL, Vice President and Director of Athletics

LAURENS H. SMITH, Interim Vice President for Research

MICA A. MCKINNEY, Vice President and General Counsel

JAMES D. MORALES, Vice President for Student Affairs

WILLIAM M. PLATE, JR., Vice President for Marketing and Communications

ROBERT W. WAGNER, Vice President for Academic and Instructional Services

KENNETH L. WHITE, Vice President for Extension and Dean of the College of Agriculture and Applied Sciences

MATTHEW T. WHITE, Vice President for Advancement

BOARD OF TRUSTEES

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon delivery of the 2019B Bonds, Gilmore & Bell, P.C., Bond Counsel, proposes to issue its final approving opinion in substantially the following form.

We have acted as bond counsel to the State Board of Regents of the State of Utah (the "Board") in connection with the issuance by the Board of its Utah State University Research Revenue and Refunding Bonds, Series 2019B in the aggregate principal amount of $61,865,000 (the "Series 2019B Bonds"). The Series 2019B Bonds are being issued pursuant to (i) Title 53B, Chapter 21 and Section 63B–29–102(5) and (6) of the Utah Code Annotated 1953, as amended; (ii) the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (iii) resolutions of the Board adopted on May 17, 2019 and November 15, 2019; and (ii) a General Indenture of Trust dated as of August 1, 1995, among the Board, Utah State University (the "University"), and U.S. Bank National Association, as trustee (the "Trustee"), as heretofore amended and supplemented (the "General Indenture"), and as further supplemented by a Twelfth Supplemental Indenture of Trust dated as of December 1, 2019 (the "Twelfth Supplemental Indenture" and, collectively with the General Indenture, the "Indenture") among the Board, the University, and the Trustee. The Series 2019B Bonds are being issued to (a) refund certain research revenue bonds previously issued by Board on behalf of the University, (b) finance all or part of the costs of constructing a Space Dynamics Laboratory Research Building and the Space Dynamics Laboratory High Bay Building and (c) pay costs of issuance of the Series 2019B Bonds.

Our services as bond counsel have been limited to the preparation of the legal proceedings and supporting certificates authorizing the issuance of the Series 2019B 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 an institution of higher education of the State of Utah duly organized and validly existing under the laws of the State of Utah with authority to issue the Series 2019B 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.

3. The Indenture creates a valid lien on the amounts pledged thereunder for the security of the Series 2019B Bonds.

4. The Series 2019B Bonds are valid and binding special limited obligations of the Board, payable solely from the Revenues pledged therefor under the Indenture, and the Series 2019B Bonds do not constitute a general obligation indebtedness of the Board or the University within the meaning of any State of Utah constitutional provision or statutory limitation, nor a charge against the general credit of the Board or the University.

5. The interest on the Series 2019B Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes and (ii) 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 2019B 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 2019B Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2019B Bonds.

6. Interest on the Series 2019B Bonds is exempt from State of Utah individual income taxes.

We express no opinion herein as to the accuracy, adequacy, or completeness of any offering material relating to the Series 2019B Bonds;

The rights of the holders of the Series 2019B Bonds and the enforceability thereof and of the Indenture may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases; and

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

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Disclosure Undertaking”), by the State Board of Regents of the State of Utah (the “Issuer”) and acting for and on behalf of Utah State University (the “University”), is executed in connection with the issuance by the Issuer of its $61,865,000 Utah State University Research Revenue and Refunding Bonds, Series 2019B (the “Bonds”). The Bonds are being issued pursuant to (i) a General Indenture of Trust dated as of August 1, 1995, as heretofore amended and supplemented (the “General Indenture”), between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”), and as further amended and supplemented by a Twelfth Supplemental Indenture of Trust dated as of December 1, 2019 (the “Twelfth Supplemental Indenture” and, collectively, with the General Indenture, the “Indenture”) and (ii) other applicable provisions of law. The Bonds are being issued for and on behalf of the University for the purpose of (i) financing all or part of the costs of constructing a Space Dynamics Laboratory Research Building and the Space Dynamics Laboratory High Bay Building, (ii) refunding certain of the Issuer’s research revenue bonds and (iii) paying costs of issuance. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture.

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Issuer and the University for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (each as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Indenture or parenthetically defined herein, 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 Report” shall mean the Annual 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 which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean the University, acting in its capacity as Dissemination Agent hereunder, or any of its successors or assigns.

“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 of this Disclosure Undertaking.

“MSRB” shall mean the Municipal Securities Rulemaking Board, the address of which is currently 1900 Duke Street, Suite 600, Alexandria, VA 22314; Telephone (703) 797–6600; Fax (703) 797–6700, and current website is www.msrb.org and www.emma.msrb.org (for municipal disclosures and market data).

“Official Statement” shall mean the Official Statement of the Issuer dated November 21, 2019, relating to the Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the 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.

Section 3. Provision of Annual Reports.

(a) The University shall prepare an Annual Report and shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of each fiscal year of the University (presently June 30) commencing with the fiscal year ending June 30, 2020, provide to the MSRB and any bond insurer of the Bonds in electronic format its Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. Not later than fifteen (15) Business Days prior to said date, the University shall provide its respective Annual Report to the Dissemination Agent (if other than the University). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross–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 its Annual Reports.

(b) If by fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent has not received a copy of the University's Annual Report, the Dissemination Agent shall contact the University to determine if the University is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that the Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall, in a timely manner, send a notice to the MSRB.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the website address to which the MSRB directs the annual reports to be submitted; and

(ii) file a report with the Issuer certifying that the Annual 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. Content of Annual Reports.

(a) The University's Annual Report shall contain or incorporate by reference the following:

(i) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles and audited by a certified public accountant. 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 Report and audited financial statements will be provided when and if available.

(ii) An update of the financial and operating information in the Official Statement relating to the University of the type contained in the tables under the heading: "DESCRIPTION OF REVENUE SOURCES—Discussion Of Revenues," "HISTORICAL REVENUES AND DEBT SERVICE COVERAGE" (as the same become historically available), "DEBT STRUCTURE OF UTAH STATE UNIVERSITY," and "FINANCIAL INFORMATION REGARDING UTAH STATE UNIVERSITY."

(b) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The University shall clearly identify each such other document so incorporated by the reference.

Section 5. Reporting of Material Events. (a) The University shall give or cause to be given to the MSRB in an electronic format in the manner prescribed by the MSRB, notice of the occurrence of any of the following Listed Events with respect to the Bonds in a timely manner but in no event more than ten (10) business days after the occurrence of the Listed 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;

(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(b), the University shall give or cause the Dissemination Agent to give notice of the occurrence of any of the following Listed Events with respect to the Bonds, in a timely manner but in no event more than ten (10) business days after the occurrence of the Listed 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 Bonds are outstanding and the Issuer or the University obtains knowledge of the occurrence of a Listed Event described in subsection (b) above, the Issuer or the University shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Issuer or the University determines that the occurrence of a Listed Event described in subsection (b) above would be material under applicable securities laws, the Issue or the University shall, in a timely manner, but in no event more than ten (10) business days after the occurrence of the Listed Event, file or cause the Dissemination Agent to file with the MSRB in an electronic format in the manner prescribed by the MSRB, a notice of the occurrence of the Listed Event.

(e) At any time the Bonds are outstanding, the Issuer or the University shall provide, or cause the Dissemination Agent to provide, in a timely manner, to the MSRB in an electronic format prescribed by the MSRB, with copies to the Participating Underwriter, notice of any failure of the University to timely provide or to cause to be timely provided the Annual Report as specified in Section 3.

Section 6. Termination of Reporting Obligation. The obligations of the Issuer and the University under this Disclosure Undertaking shall be terminated if the Issuer shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Indenture. The University shall give notice in a timely manner if this Section is applicable to the MSRB.

Section 7. Dissemination Agent. The Issuer and University may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out their obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Issuer and the University hereby appoint the University as the initial Dissemination Agent under this Disclosure Undertaking.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Issuer and University by resolution authorizing such amendment or waiver, may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if:

(a) The amendment or waiver is 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 the Issuer or University, or type of business conducted;

(b) This Disclosure Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Issuer or University or other obligated person (such as Bond Counsel).

Section 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer and 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 Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the Issuer or the University chooses to include in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the Issuer and the University shall have no obligations under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer, the University or the Dissemination Agent to comply with any provision of this Disclosure Undertaking, any Bondholder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer, the University or Dissemination Agent, 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 Issuer, the University or the Dissemination Agent to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking, and the Issuer and the University agree to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer and the University under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the University, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the Bonds and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Undertaking may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Dated: December 17, 2019.

STATE BOARD OF REGENTS OF THE STATE OF UTAH

By: ____
Chair

[S E A L]

Attest:

____
Secretary

UTAH STATE UNIVERSITY

By: ____
Vice President for Business and Finance

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APPENDIX E

BOOK–ENTRY SYSTEM

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 3.6 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 an S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at http://www.dtcc.com.

Purchases of 2019B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2019B Bonds on DTC's records. The ownership interest of each actual purchaser of each 2019B 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 2019B 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 2019B Bonds, except in the event that use of the book–entry system for the 2019B Bonds is discontinued.

To facilitate subsequent transfers, all 2019B 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 2019B Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2019B Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2019B 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 2019B Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2019B Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of 2019B Bonds may wish to ascertain that the nominee holding the 2019B 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 shall be sent to DTC. If less than all of the 2019B 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 2019B Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board of Regents 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 the 2019B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2019B Bonds will 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 detailed information from the Board of Regents or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will 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 Participant and not of DTC, the Trustee, or the Board of Regents, 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 of Regents or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2019B Bonds at any time by giving reasonable notice to the Board of Regents or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2019B Bond certificates are required to be printed and delivered.

The Board of Regents may decide to discontinue use of the system of book–entry–only transfers through DTC (or a successor securities depository). In that event, 2019B 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 of Regents believes to be reliable, but the Board of Regents takes no responsibility for the accuracy thereof.

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