ANNUAL FINANCIAL REPORT 2018

SNOW COLLEGE

SNOW COLLEGE

A COMPONENT UNIT OF THE STATE OF UTAH

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018


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To the Board of Trustees, Finance and Facilities Committee
and
Gary L. Carlston, President
Snow College

Report on the Financial Statements

We have audited the accompanying financial statements of Snow College (the College), a component unit of the State of Utah, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the College'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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College as of June 30, 2018, and the changes in its financial position and its 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 and the College's Schedule of Proportionate Share of the Net Pension Liability and Schedule of 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2019 on our consideration of the College'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 College's internal control over financial reporting and compliance.

Office of the State Auditor

Office of the State Auditor
January 31, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended June 30, 2018

INTRODUCTION

This section of Snow College's (College) financial report presents management's discussion and analysis of the College's financial performance during the fiscal year ended June 30, 2018. The discussion has been prepared by management and should be read in conjunction with the accompanying financial statements and notes. The discussion and analysis is designed to provide an easily readable analysis of the College's financial activities based on facts, decisions, and conditions known at the date of the auditor's report. The financial statements, notes, and this discussion are the responsibility of management.

USING THE FINANCIAL REPORT

The financial report consists of three basic financial statements which provide information on the College as a whole: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. The notes to the Financial Statements are an integral part of the statements and provide additional details important to understanding the basic financial statements. These financial statements are prepared in accordance with the Governmental Accounting Standards Board (GASB) Statements and related authoritative pronouncements.

STATEMENT OF NET POSITION

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the College as of the end of the fiscal year. The Statement of Net Position is a point-in-time financial statement. The purpose of the Statement of Net Position is to present to the readers of the financial statements a fiscal snapshot of the College.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the College. They are also able to determine how much the College owes vendors and lending institutions. Finally, the Statement of Net Position provides a picture of the net position and its availability for expenditure by the College.

Net position is divided into three major categories. The first category, "Net Investment in Capital Assets," provides the College's equity in property, plant, and equipment owned by the College. The next category is "restricted net position," which is divided into two categories, "nonexpendable" and "expendable." The corpus of nonexpendable restricted resources is only available for investment purposes. Expendable restricted net position is available for expenditure by the College but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is "unrestricted net position." Unrestricted net position is available to the College for any lawful purpose.

CONDENSED STATEMENT OF NET POSITION AT JUNE 30	2018	2017*
ASSETS		
Current assets	$11,855,651	$11,806,444
Noncurrent assets		
Capital	111,174,611	89,211,934
Other	15,192,776	16,381,177
Total assets	138,223,038	117,399,555
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows relating to pensions	2,031,946	2,058,003
Total Deferred Outflows of resources	2,031,946	2,058,003
LIABILITIES		
Current liabilities	3,811,116	4,325,103
Noncurrent liabilities	17,955,741	20,095,319
Total liabilities	21,766,857	24,420,422
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows relating to pensions	1,841,282	579,618
Total Deferred Inflows of resources	1,841,282	579,618
NET POSITION		
Net Investments In Capital Assets	96,287,566	73,900,686
Restricted – nonexpendable	5,839,027	5,707,220
Restricted – expendable	5,266,322	9,191,047
Unrestricted	9,253,930	5,658,565
Total net position	$116,646,845	$94,457,518

* The 2017 amounts presented here reflect the prior period adjustments noted in Note 2

In year ended June 30, 2018, net position increased $22.1 million due primarily to a $22.4 million increase in net investment in capital assets. Net investment in capital assets increased primarily due to the transferring of the Robert M. and Joyce S. Graham Science Center from Division of Facilities Construction and Management (DFCM) to the College during fiscal year 2018. This also explains the substantial increase in total assets.

Total liabilities decreased by $2.7 million. This is primarily due to a $1.3 million decrease in the College's net pension liability and $0.6 million decrease in bonds payable. In addition, the College's deferred inflows of resources increased $1.3 million.

Over time, increases or decreases in net position is one indicator of the improvement or erosion of the College's financial health when considered with non-financial facts such as enrollment levels and the condition of facilities. One must also consider that the consumption of assets follows the institutional philosophy to use available resources to improve all areas of the College to better serve the mission of the College.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Changes in total net position as presented on 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 the statement is to present the revenues received by the College, both operating and non-operating, and the expenses paid by the College, operating and nonoperating, and any other revenues, expenses, gains, and losses received or spent by the College.

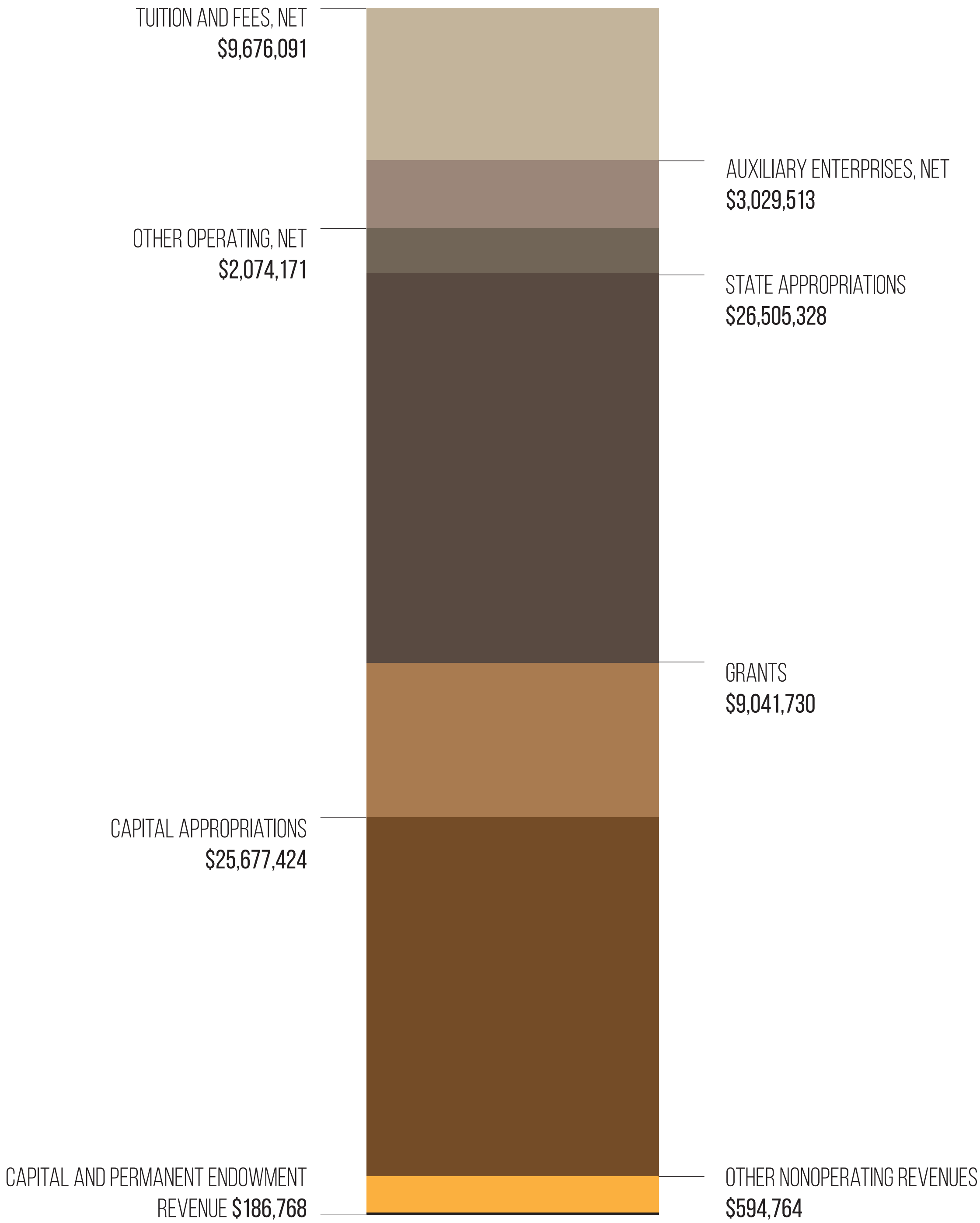
Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the College. Operating expenses are those expenses paid to acquire or produce the goods and services provided to carry out the mission of the College in return for the operating revenues. Nonoperating revenues are revenues received for which goods and services are not provided. For example, state appropriations are nonoperating because they are provided by the Legislature to the College without the Legislature directly receiving commensurate goods and services for those revenues.

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30	2018	2017*
OPERATING REVENUES AND EXPENSES		
Revenues		
Tuition and fees, net	$9,676,091	$9,370,017
Auxiliary enterprises, net	3,029,513	3,275,965
Other operating revenues, net	2,074,171	2,205,480
Total operating revenues	14,779,775	14,851,462
Expenses		
Compensation and benefits	30,662,805	29,528,383
Actuarial Calculated Pension Expense	900,356	1,141,919
Scholarships	4,645,109	4,369,404
Depreciation	5,052,408	4,500,453
Other operating expenses	13,335,784	11,284,402
Total operating expenses	54,596,462	50,824,561
Net operating loss	(39,816,687)	(35,973,099)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	26,505,328	24,859,038
Nonoperating grants	9,041,730	8,668,033
Other nonoperating revenues (expenses)	594,764	1,293,757
Net nonoperating revenues	36,141,822	34,820,828
Income (loss) before capital and permanent endowment revenue	(3,674,865)	(1,152,271)
Capital appropriations	25,677,424	948,369
Additions to permanent endowments	186,768	101,044
Total capital and permanent endowment revenue	25,864,192	1,049,413
Increase (decrease) in net position	22,189,327	(102,858)
NET POSITION		
Net position - beginning of year as previously reported	94,563,924	94,666,782
Prior period adjustments	(106,406)	-
Net position - beginning of year as adjusted	94,457,518	94,666,782
Net position - end of year	$116,646,845	$94,563,924

* The 2017 amounts presented here reflect the prior period adjustments noted in Note 2

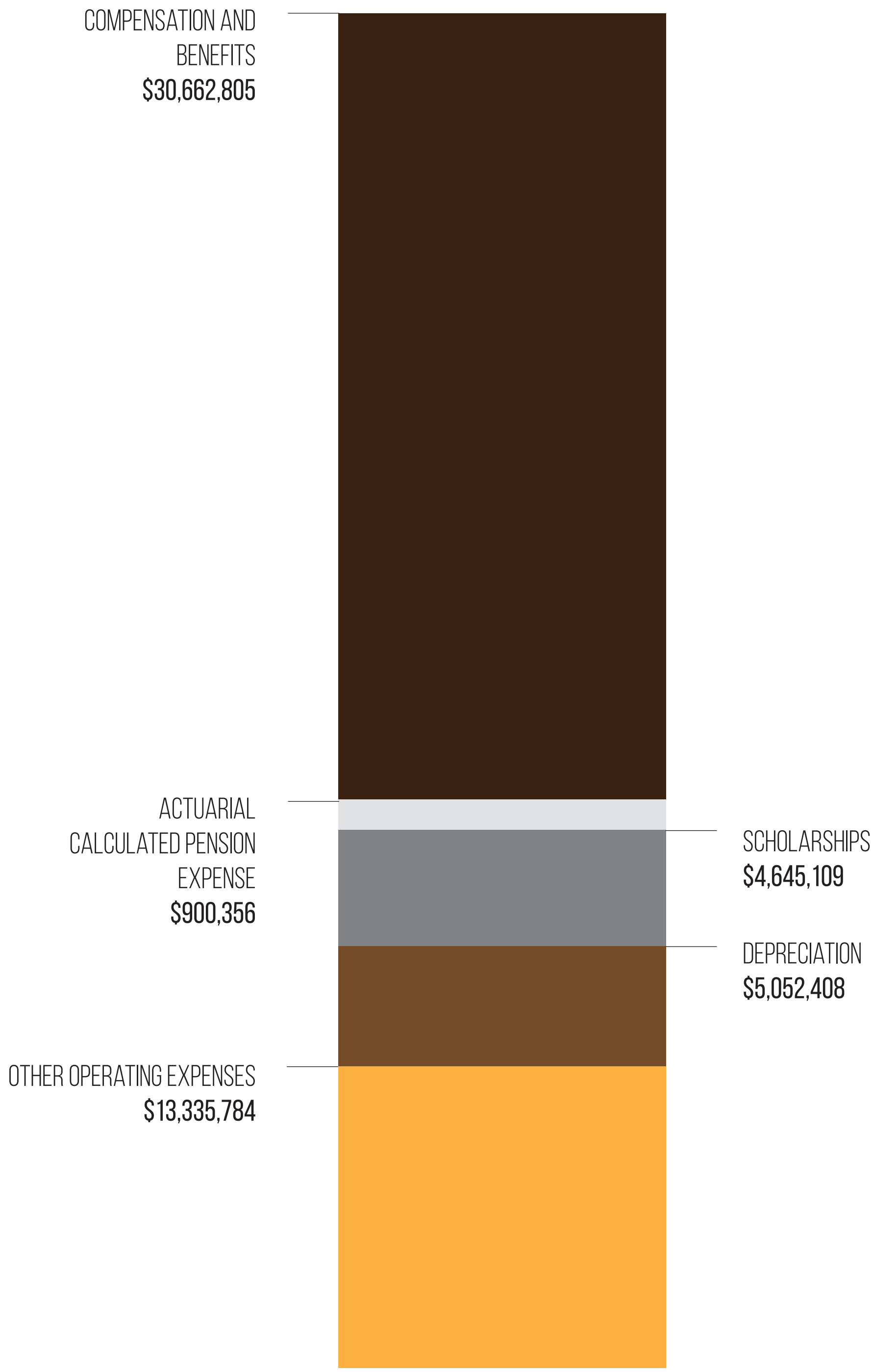
The most significant sources of operating revenues for the College are tuition and fees. Tuition and fees, net of scholarship discounts and allowances, totaled $9.7 million for 2018. Auxiliary enterprise revenue, net of cost of sales, totaled $3.0 million for 2018. State and Capital appropriations were the most significant non-operating revenues, totaling $26.5 and $25.7 million, respectively for fiscal year 2018. Non-operating grants revenue totaled $9.0 million.

SOURCES OF REVENUE-FOR THE YEAR ENDED JUNE 30, 2018



Operating expenses for fiscal year 2018, including depreciation of $5.1 million, totaled $54.6 million. The most significant operating expenses for the year were compensation and benefits totaling $30.7 million

OPERATING EXPENSES-FOR THE YEAR ENDED JUNE 30, 2018



The major differences between fiscal years 2017 and 2018 in the Statement of Revenues, Expenses, and Changes in Net Position are reflected in a $24.7 million increase in Capital Appropriations. This increase is primarily due to the Robert M. and Joyce S. Graham Science Center being transferred from DFCM to the College.

The Compensation and Benefits expense increased $1.1 million and is related to a 2% cost of living increase implemented in July 2017 as well as an 8.6% increase in medical benefits expense.

The increase of $2.1 million in Other Operating Expenses is due to minor equipment purchases for the Robert M. and Joyce S. Graham Science Center.

Statement of Cash Flows

The final statement presented by the College is the Statement of Cash Flows, which presents detailed information about the cash activity of the College during the year. The statement is divided into five sections. The first section deals with operating cash flows and shows the net cash used by the operating activities of the College. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for nonoperating, noninvesting, and noncapital financing purposes. The third section reflects the cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth section deals with cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash used by operating activities to the operating income or loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30	2018	2017
Cash provided (used) by:		
Operating activities	$(32,740,552)	$(28,927,024)
Noncapital financing activities	34,557,652	32,078,048
Capital financing activities	(2,964,008)	(4,764,650)
Investing activities	(1,143,209)	(487,150)
Net change in cash	(2,290,117)	(2,100,776)
Cash and cash equivalents - beginning of year	8,909,165	11,009,941
Cash and cash equivalents - end of year	$6,619,048	$8,909,165

Cash outflow for operating activities increased by $3.8 million. This increase is mostly attributed to an increase in College expenditures for furnishing and minor equipment for the Robert M. and Joyce S. Graham science center as well as turf at Robert L. Stoddard Field.

Cash received from noncapital financing activities increased by $2.5 million. This increase is mostly due to an increase in state appropriation receipts and an increase in cash inflow from contracts and grants. The College received an additional $1.2 million in general fund state appropriations in fiscal year 2018 as compared to fiscal year 2017. In addition the College was better at timely invoicing for grant reimbursements in fiscal year 2018 which resulted in an increase in cash receipts from noncapital financing activities.

Cash outflow for capital financing activities decreased by $1.8 million. In fiscal year 2017, the College had two large projects in the construction phase. These projects were the Robert M. and Joyce S. Graham science center and the turf replacement at Robert L. Stoddard Field. The majority of the large dollar items for these projects were purchased in fiscal year 2017 and prior which resulted in less cash outflow in fiscal year 2018.

Cash provided from investing activities increased by $0.7 million. This is due to the decrease in investment purchases during the year. For fiscal year 2018, the College's investment activity significantly decreased.

Economic Outlook

The College's headcount enrollment numbers for Fall 2018 were 5,514 compared to 5,563 in fall 2017 or a decrease of 49 students. For the Fall 2018 semester, the College's FTE count was 3,989 as compared to 4,085 FTE in Fall 2017. The College experienced a decrease is both new freshman and continuing students. High school concurrent enrollment students numbers held relatively flat year over year.

Utah is one of only two states in the nation that is experiencing increasing birthrates. All other states have experienced declining birthrates which has resulted in declining numbers in their K-12 system. As a result institutions in those states have been more aggressive in recruiting prospective students within the State of Utah. Utah has also experienced very low unemployment rates over the past couple years and boasts the top economy in the nation. Unfortunately community colleges struggle to grow enrollments when the economy is doing well and unemployment rates are low. Prospective students have gainful employment and don't see a need to further their education. The College recently completed a Strategic Enrollment Management (SEM) plan that was being developed over the past year. The College is now beginning the process of implementing this plan, including the hiring of an Assistant Vice President of Enrollment Management. This new Assistant Vice President will start with the College in January 2019, where she will begin implementing the SEM plan to help encourage enrollment growth. The College expects that it will most likely take until Fall 2020 before the SEM plan is able to demonstrate results.

The Snow College Foundation began a scholarship fundraising campaign during 2018 in an effort to raise more funding for scholarships. Additional scholarship funding is greatly needed to help attract and retain students. This funding will help the College grow its enrollment numbers by financially assisting prospective students who can't afford to come to college. The Foundation's goal is to raise $3.5 million.

Requests for Information

This financial report is designed to provide a general overview for all those with an interest in the College's finances and to show the College's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Snow College, Controller's Office, 150 East College Avenue, Ephraim, Utah 84627.

FINANCIAL STATEMENTS

SNOW COLLEGE STATEMENT OF NET POSITION AT JUNE 30, 2018

ASSETS	
Current assets	
Cash and cash equivalents	$6,458,365
Short-term investments	4,161,562
Accounts, interest, and pledges receivable, net	466,732
Accounts due from primary government	439,793
Inventories	156,140
Prepaid expenses and other assets	173,059
Total current assets	11,855,651
Noncurrent assets	
Restricted cash and cash equivalents	160,683
Restricted Short-term Investments	77,349
Restricted investments	9,938,698
Investments	5,016,046
Capital assets, net	111,174,611
Total noncurrent assets	126,367,387
Total assets	138,223,038
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows relating to Pensions	2,031,946
Tota Deferred Outflows of Resources	2,031,946

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SNOW COLLEGE STATEMENT OF NET POSITION AT JUNE 30, 2018

LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	1,226,338
Accounts due to primary government	249,268
Unearned revenues	391,788
Deposits	648,719
Compensated absences and termination benefits	613,777
Contracts and Capital Lease payable	77,416
Contracts Payable to Primary Government	46,750
Bonds payable	557,060
Total current liabilities	3,811,116
Noncurrent liabilities	
Compensated absences and termination benefits	344,972
Contracts and Capital Lease payable	771,446
Contracts Payable to Primary Government	29,348
Bonds payable	13,405,024
Net Pension Liability	3,404,951
Total noncurrent liabilities	17,955,741
Total liabilities	21,766,857
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows relating to Pensions	1,841,282
Total deferred inflows of resources	1,841,282
NET POSITION	
Net investment in capital assets	96,287,566
Restricted for:	
Nonexpendable items	
Scholarships	5,839,027
Expendable items	
Scholarships	2,290,722
Debt	1,771,544
Other	1,204,056
Unrestricted	9,253,930
Total net position	$116,646,845

The accompanying notes are an integral part of these financial statements.

SNOW COLLEGE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2018

OPERATING REVENUES AND EXPENSES	
Revenues	
Student tuition and fees (net of allowances of $6,789,338)	$9,676,091
Operating contracts	238,210
Sales and services of ed depts (net of cost of sales of $43,042)	96,821
Auxiliary enterprises (net of allowances and cost of sales of $780,994)	3,029,513
Other operating revenues	1,739,140
Total operating revenues	14,779,775
Expenses	
Compensation and benefits	30,662,805
Actuarial Calculated Pension Expense	900,356
Scholarships	4,645,109
Supplies and other services	10,791,012
Utilities	1,634,430
Depreciation	5,052,408
Other operating expenses	910,342
Total operating expenses	54,596,462
Operating loss	(39,816,687)
NONOPERATING REVENUES (EXPENSES)	
State Appropriations	26,505,328
Gifts	634,502
Nonoperating grants	9,041,730
Investment and interest income	741,482
Other nonoperating revenues (expenses)	(781,220)
Net nonoperating revenues	36,141,822
Income/(loss) before capital and permanent endowment revenue	(3,674,865)
Capital Appropriations	25,677,424
Additions to permanent endowments	186,768
Total capital and permanent endowment revenue	25,864,192
Increase (decrease) in net position	22,189,327
NET POSITION	
Net position - beginning of year as previously reported	94,563,924
Prior period adjustments	(106,406)
Net position - beginning of year as adjusted	94,457,518
Net position - end of year	$116,646,845

The accompanying notes are an integral part of these financial statements.

SNOW COLLEGE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from tuition and fees	$9,980,341
Receipts from operating contracts	238,210
Receipts from auxiliary enterprises	3,810,507
Other receipts	3,560,864
Payments to suppliers	(13,817,502)
Payments for student financial aid	(4,645,109)
Payments for employee services and benefits	(31,867,863)
Net cash used by operating activities	(32,740,552)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	24,218,470
Receipts from grants and contracts	9,517,912
Receipts from gifts	634,502
Receipts from permanent endowments	186,768
Net cash provided by noncapital financing activities	34,557,652
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Capital Appropriations	514,699
Purchases of capital assets	(2,346,565)
Proceeds from sale of capital assets	27,030
Interest paid on capital debt and leases	(597,292)
Principal paid on capital debt and leases	(561,880)
Net cash used by capital financing activities	(2,964,008)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale/maturity of investments	3,822,317
Receipt of interest/dividends from investments	530,586
Purchase of investments	(5,496,112)
Net cash used by investing activities	(1,143,209)
Net decrease in cash	(2,290,117)
Cash and cash equivalents - beginning of year	8,909,165
Cash and cash equivalents - end of year	$6,619,048

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SNOW COLLEGE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2018

RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES

Operating loss	$(39,816,686)

Adjustments to reconcile net loss to net cash used by operating activities:	
Depreciation expense	5,052,408
Loss on disposal of assets	(207,558)
Repair and maintenance expense paid by State	451,447
Other operating expenses not requiring cash	2,294,300
Changes in assets and liabilities:	
Receivables, net	386,030
Inventories	(16,444)
Prepaid expenses	(92,685)
Accounts payable and accrued liabilities	(594,940)
Unearned revenue	(30,622)
Deposits	138,901
Compensated absences and termination benefits	(247,373)
Deferred outflows of resources	26,057
Net pension liability	(1,345,051)
Deferred inflows of resources	1,261,664

Net cash used by operating activities	$(32,740,552)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	
Adjustments in fair value of investments	$210,896
In kind donations	107,356
Capital Assets transferred from DFCM	24,685,480

Total noncash activities	$25,003,732

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The preceding financial statements present the financial position, the changes in financial position, and cash flows of the Snow College reporting entity (College). The College is considered a component unit of the State of Utah because it receives appropriations from and is financially accountable to the State. The financial activity of the College is included in the State's Comprehensive Annual Financial Report.

The financial statements include the accounts of the College, all auxiliary enterprises, and other restricted and unrestricted funds of the College. The College has considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the College are such that exclusion would cause the College's financial statements to be misleading or incomplete.

The Snow College Foundation (Foundation) is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The majority of the resources or income the Foundation holds is restricted to the activities of the College by the donors. These restricted resources held by the Foundation can only be used by, or for the benefit of, the College. For these reasons the Foundation is considered a component unit of the College and is presented in the College's financial statements as a blended component unit. (For condensed financial statements of the Foundation, refer to Note 13.)

B. BASIS OF ACCOUNTING

Under the provisions of the Governmental Accounting Standards Board (GASB), the College is permitted to report as a special-purpose government engaged in business-type activities (BTA). BTA reporting requires the College to present only the proprietary type financial statements and other required supplementary information schedules. This includes Management's Discussion and Analysis; a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; a Statement of Cash Flows; and notes to the financial statements and required supplementary information regarding the College's participation in defined benefit pension plans. The required financial statements described above are prepared using the economic resources measurement focus and the accrual basis of accounting. Fund financial statements are not required for BTA reporting.

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by GASB.

C. CASH EQUIVALENTS

The College considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the Utah Public Treasurers' Investment Fund (PTIF) are also considered cash equivalents.

D. 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 College distributes earnings from pooled investments based on the average daily investment of each participating account; or for endowments, according to the College's spending policy.

E. ACCOUNTS RECEIVABLE

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of Utah. Accounts receivable also include amounts due from the Federal Government, local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

F. INVENTORIES

Inventories are stated at the lower of cost or market or on a basis which approximates cost determined on the first-in, first-out method.

G. RESTRICTED CASH AND CASH EQUIVALENTS

Cash and cash equivalents that are externally restricted to maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets, are classified as restricted assets in the Statement of Net Position.

H. CAPITAL ASSETS

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation in the case of gifts. For equipment, the College's capitalization policy includes all items with a unit cost of $5,000 or more, and an estimated useful life greater than one year. Renovations to buildings, infrastructure, and land improvements that increase capacity or extend the useful life of the asset, with a cost of $100,000 or more are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. All land is capitalized and not depreciated.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets: 30-40 years for buildings; 20 years for infrastructure, land improvements, and library collections; and 5 years for equipment.

I. UNEARNED REVENUES

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period.

J. COMPENSATED ABSENCES AND TERMINATION BENEFITS

Compensated Absences

Non-academic full-time College employees earn vacation leave for each month worked at a rate between 6 and 22 days per year. Vacation time may be used as it is earned. A maximum of 240 hours is allowed to be carried over into the next vacation year, which begins January 1. Upon termination, no more than the maximum plus the current year earned vacation is payable to the employee.

Full-time professional and classified staff earn sick leave at the rate of one day earned for each month worked to a maximum of 130 days of unused sick leave. No payment will be made for unused sick leave in the event of termination. After an employee has accumulated 65 days of unused sick leave, that employee can convert a maximum of 4 days per year of accrued sick leave to vacation leave.

A liability is recognized in the Statement of Net Position for vacation payable to the employees at the statement date.

Termination Benefits

The College may provide termination benefits, by means of an early retirement program to qualified full-time salaried employees, which are approved by the College President and Board of Trustees in accordance with College policy as approved by the State Board of Regents, and where the early retirement is in the mutual best interest of the employee and the College. Qualified employees are full time employees who are at least 60 years of age, whose age combined with total years of service to the College total to at least 75. Termination benefits may include a monthly stipend of up to 20% of the retiree's salary at the time of the early retirement request. The monthly stipend is payable for three years or until the retiree reaches full retirement age as defined by the Social Security Administration. This stipend is adjusted annually by cost of living adjustments (COLA). The health and dental insurance benefit is payable by the College for three years or until the retiree reaches the Medicare eligibility age of 65. Any increases in health and dental insurance premiums is passed onto the retiree.

There were no new retirees who received termination benefits under the College's early retirement program during fiscal year 2018.

The College has recorded a liability for the cost of these termination benefits including an annual inflation adjustment of 5% for insurance in fiscal year 2018 and for each additional year thereafter. The liability was calculated using a discount rate of 1.223%, which is based on the 3 year average return of the Utah Public Treasurers' Investment Fund (PTIF). The cost of termination benefits is funded on a pay-as-you-go basis. Termination benefits expense for the year ended June 30, 2018 was $16,857.

K. PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are now recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the College's financial statements report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the College's financial statements will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

M. NONCURRENT LIABILITIES

Noncurrent liabilities include (1) principal amounts of bonds, contracts and leases payable with maturities greater than one year, (2) estimated amounts for accrued compensated absences and termination benefits, and (3) other liabilities that will not be paid within the next fiscal year.

N. NET POSITION

The College's net position is classified as follows:

Net Investment in Capital Assets: This represents the College's total investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets.

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

Restricted net position – nonexpendable: Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

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

When an expense is incurred for purposes for which both restricted and unrestricted net positions are available for use, it is the College's policy to use restricted resources first, then unrestricted resources as they are needed.

O. CLASSIFICATION OF REVENUES AND EXPENSES

The College has classified its revenues and expenses as either operating or nonoperating according to the following criteria:

Operating revenues and expenses: Operating revenues and expenses include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances (Note: when auxiliary enterprises revenue results from other activities, e.g., student fees, gifts, contracts, etc., the revenue is shown with those activities), (3) interest on institutional student loans, (4) the cost of providing services, (5) administration expenses, and (6) depreciation of capital assets.

Nonoperating revenues and expenses: Nonoperating revenues and expenses include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, expenses not meeting the definition of operating expenses, and other revenue sources that are defined as nonoperating sources by GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable 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, such as state appropriations, grants, and investment income.

P. SCHOLARSHIP DISCOUNTS AND ALLOWANCES

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as either operating or nonoperating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

NOTE 2. PRIOR PERIOD ADJUSTMENTS OF NET POSITION

During fiscal year 2018, the Division of Facilities and Construction Management (DFCM) audited its records concerning the loan for the remodel of the Richfield campus library and found that its records were incorrect. DFCM notified the College that the loan should still have a balance of $120,406 which caused the College to decrease its beginning net position by $120,406. The June 30, 2017 Balances in Note 8 reflect this adjustment.

The Foundation was notified of a piece of property that was owned by them in Panguitch, Utah during fiscal year 2018. This property was donated to the Foundation in 1992, but was never recorded in the Foundation's records. This resulted in an increase to beginning net position of $14,000.

NOTE 3. DEPOSITS AND INVESTMENTS

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

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 College does not have a spending policy for distributions of pooled investments or endowments.

A. DEPOSITS

Custodial Credit Risk
Custodial credit risk is the risk that, in the event of a bank failure, the College's deposits may not be returned to it. The College does not have a formal deposit policy for custodial credit risk. As of June 30, 2018, $1,501,990 of the College's bank balances of $2,059,903 was uninsured and uncollateralized.

B. INVESTMENTS

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

Except for endowment funds, the College follows the requirements of the Utah Money Management Act in handling its depository and investment transactions. The Act requires the depositing of College funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

For endowment funds, the College follows the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and the College's Endowment Fund Investment Policy.
The Money Management Act defines the types of securities authorized as appropriate investments for the College'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 College to invest in negotiable or nonnegotiable deposits of qualified or permitted depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers' Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the Securities and Exchange Commission (SEC) as an investment company. The PTIF is authorized and regulated by the Money Management Act. The Act established the Money Management Council which oversees the activities of the 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 the College's Endowment Investment Policy allow the College to invest endowment funds (including gifts, devises, or bequests of property of any kind from any source) in any of the above investments authorized by the Money Management Act or any of the following subject to satisfying certain criteria: mutual funds registered with the SEC, investments sponsored by the Common Fund; any investment made in accordance with the donor's directions in a written instrument; investments in corporate stock listed on a major exchange (direct ownership); and any alternative investment funds that derive returns primarily from high yield and distressed debt (hedged or non-hedged), private capital (including venture capital and private equity), natural resources, and private real estate assets or absolute return and long/short hedge funds.

Fair Value of Investments

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

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

At June 30, 2018, the College had the following recurring fair value measurements.

FAIR VALUE MEASUREMENTS	6/30/2018	LEVEL 1	LEVEL 2	LEVEL 3
Investments by fair value level				
Debt Securities				
Corporate Bonds	$6,386,895	$-	$6,386,895	$-
U.S. Agency	2,595,528	2,595,528	-	-
Municipal/Public Bonds	195,186	-	195,186	-
Bond Mutual Funds	2,281,165	2,281,165	-	-
Utah Public Treasurers' Investment Fund	5,486,021	-	5,486,021	-
Total debt securities	$16,944,795	$4,876,693	$12,068,102	$-
Equity Securities				
Common and preferred stock	$116,350	$116,350	$-	$-
Equity Mutual Funds	7,573,296	7,573,296	-	-
Total equity securities	$7,689,646	$7,689,646	$-	$-
Other				
Assets Held for Resale	$42,437	$-	$-	$42,437
Total investments by fair value level	$24,676,878	$12,566,339	$ 12,068,102	$42,437

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

- Corporate and Municipal Bonds: quoted prices for similar securities in active markets; and
- Utah Public Treasurers' Investment Fund: application of the June 30, 2018 fair value factor, as calculated by the Utah State Treasurer, to the College's ending balance in the Fund.

Other Investments classified in Level 3 are valued using the present value of expected future sales..

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act or the UPMIFA and Endowment Investment Policy, as applicable. For non-endowment funds, Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 10 years for institutions of higher education. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years. For endowment funds, the College's Endowment Investment Policy is more general, requiring only that investments be made as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the endowments and by exercising reasonable care, skill, and caution.

As of June 30, 2018, the College had the following investments and maturities:

INVESTMENTS AND MATURITIES

		Investment Maturities (in Years)	
Investment Type	Fair Value	< 1	1-5
U.S. Agencies	$2,595,528	$-	$2,595,528
Municipal/Public Bonds	195,186	-	195,186
Bond Mutual Funds	2,281,165	2,281,165	-
Corporate Bonds	6,386,894	4,161,562	2,225,332
Utah Public Treasurers' Investment Fund	5,486,021	5,486,021	-
	$16,944,794	$11,928,748	$5,016,046

Credit Risk
Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act, the UPMIFA, and the Endowment Investment Policy, as previously discussed.

At June 30, 2018, the College had the following investments and quality ratings:

INVESTMENTS AND QUALITY RATINGS

		Quality Ratings				
Investment Type	Fair Value	AAA	AA	A	BBB	Unrated
U.S. Agencies	$2,595,528	$2,595,528	$-	$-	$-	$-
Municipal/Public Bonds	195,186	-	195,186	-	-	-
Bond Mutual Funds	2,281,165	-	-	-	-	2,281,165
Corporate Bonds	6,386,895	-	2,581,035	3,703,652	102,208	-
Utah Public Treasurers' Investment Fund	5,486,021	-	-	-	-	5,486,021
	$16,944,795	$2,595,528	$2,776,221	$3,703,652	$102,208	$7,767,186

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 Entity's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council or the UPMIFA and the Endowment Investment Policy, as applicable. Rule 17 of the Money Management Council limits non-endowment fund investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio at the time of purchase. For endowment funds, the Endowment Investment Policy references the State Board of Regents Rule 541, Management Reporting of Institutional Investments (Rule 541), which requires that a minimum of 25% of the overall endowment portfolio be invested in fixed income or cash equivalents. Also, the overall endowment portfolio cannot consist of more than 75% equity investments with a maximum of 3% in corporate stock listed on a major exchange (direct ownership). Rule 541 also limits investments in alternative investment funds, as allowed by Rule 541, to between 0% and 30% based on the size of the College's endowment fund.

At June 30, 2018, the College did not hold more than 5% of total investments in any single security.

Custodial Credit Risk
For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College does not have a formal policy for custodial credit risk. As of June 30, 2018, the College had $2,674,673 in Corporate Bonds, $195,186 in Municipal/Public Bonds, and $2,097,622 in U.S. Agency bonds which were held by the investment counterparty. In addition, as of June 30, 2018, the College had $3,712,222 in Corporate Bonds and $497,906 in U.S. Agency Bonds which were held by the counterparty's trust department or agent but not in the government's name.

NOTE 4. RECEIVABLES

ACCOUNTS, INTEREST, AND PLEDGES RECEIVABLE AT JUNE 30, 2018 CONSIST OF THE FOLLOWING:

	Balance	Current Portion
Student tuition and fees receivable	$238,444	$238,444
Grants and contracts receivable	292,287	292,287
Auxiliary enterprises and other receivables	139,906	139,906
Allowance for doubtful accounts	(203,905)	(203,905)
Net accounts, interest, and pledges receivable	$466,732	$466,732

NOTE 5. CAPITAL ASSETS

CAPITAL ASSETS AT JUNE 30, 2018 CONSIST OF THE FOLLOWING:

	June 30, 2017	Additions	Deletions	June 30, 2018
Capital Assets not being depreciated				
Land	$3,400,441	$282,874	$44,463	$3,638,852
Works of Art	369,100	-	-	369,100
Construction in Progress	2,726,356	615,978	3,342,334	-
Capital Assets being depreciated				
Buildings	140,433,650	26,634,975	2,543,201	164,525,424
Improvements	8,029,994	2,048,561	-	10,078,555
Equipment	7,467,305	1,061,648	345,655	8,183,298
Library materials	1,311,318	13,613	2,567	1,322,364
Total capital assets	163,738,164	30,657,649	6,278,220	188,117,593
Less accumulated depreciation:				
Buildings	61,757,828	3,980,762	2,286,773	63,451,817
Improvements	5,602,114	391,981	-	5,994,095
Equipment	6,261,390	636,036	343,305	6,554,121
Library materials	904,898	43,629	5,578	942,949
Total accumulated depreciation	74,526,230	5,052,408	2,635,656	76,942,982
Total capital assets, net of depreciation	$89,211,934	$25,605,241	$3,642,564	$111,174,611

NOTE 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES AT JUNE 30, 2018 CONSIST OF THE FOLLOWING:

	June 30, 2018
Vendors payable	$856,741
Wages payable	266,517
Federal payroll tax payable	59,469
Interest payable	18,434
Other payroll accruals	25,177
Total accounts payable and accrued liabilities	$1,226,338

NOTE 7. RELATED PARTY TRANSACTIONS

The College receives and provides services, supplies, repairs and maintenance, and capital projects through departments, agencies, and other component units of the State of Utah. The following tables summarize the amounts due from and to these entities for services and supplies as of the year ended June 30, 2018.

RELATED PARTY RECEIVABLES CONSISTED OF THE FOLLOWING AT JUNE 30, 2018:

	Balance
Utah Department of Agriculture and Food	$50,718
Utah Department of Corrections	44,780
Utah Department of Emergency Management	4,750
Utah Department of Technology Services	7,384
Utah Department of Work Force Services	52,686
Utah Division of Facilities Construction and Management	62,039
Utah Division of Wildlife Resources	133
Utah State Office of Education	140,259
Utah State Tax Commission	31,842
Utah State University	45,202
Total	$439,793

RELATED PARTY PAYABLES CONSISTED OF THE FOLLOWING AT JUNE 30, 2018:

Bridgerland Technical College	$7,385
State of Utah Department of Administrative Services	152,747
State of Utah Fleet Operations	10,455
Uintah Basin Technical College	2,270
Utah State Tax Commission	75,345
Utah State University	1,066
Total	$249,268

NOTE 8. LONG-TERM LIABILITIES

CHANGES IN LONG-TERM LIABILITIES FOR THE YEAR ENDED JUNE 30, 2018 WAS AS FOLLOWS:

	June 30, 2017 Balance	Additions	Reductions	June 30, 2018 Balance	Current Portion
Net Pension Liability	$4,750,002	$-	$1,345,051	$3,404,951	$-
Compensated absences	827,025	680,390	693,951	813,464	508,824
Termination benefits	379,097	16,857	250,669	145,285	104,953
Contracts payable	824,374	101,690	77,202	848,862	77,416
Contracts due to primary government	120,406	-	44,308	76,098	46,750
Bonds payable	14,370,000	-	535,000	13,835,000	550,000
Unamortized bond premium/discount	134,144	-	7,060	127,084	7,060
Total long-term liabilities	$21,405,048	$798,937	$2,953,241	$19,250,744	$1,295,003

A. Contracts and Leases Payable

The College obtained South Sanpete School District's old Ephraim Elementary School property in fiscal year 2010 for $1,500,000 to be paid in 20 equal annual installments of $75,000. The agreement contains no interest rate; therefore, the College used an effective interest rate of 2.0% to discount the contracts payable and record the cost of the property at the discounted amount. The final principal and interest payment is in fiscal year 2029.

In fiscal year 2012, the Foundation obtained the home and property located at 24 South 100 East, Ephraim for $60,000 to be paid in 120 monthly installments of $636. This contract has an interest rate of 5.0% with the final principal and interest payment in fiscal year 2022. The home and property was valued at $120,000 when obtained. The remaining $60,000, after the contract consideration, was donated to the Foundation.

In January 2018, the College entered in to a lease agreement with Caterpillar Financial Services Corporation to obtain a backhoe loader. The lease has a four year term with annual payments of $11,848 and includes a bargain purchase option of $59,800 at the end of the lease term in fiscal year 2021. The agreement does not contain an interest rate and therefore the College used an effective interest rate of 3.9% to discount the lease payable and record the equipment at the discounted amount. At inception of the lease, the College recognized a capital asset in the value of $101,690. At June 30, 2018, depreciation expense and accumulated depreciation related to this leased asset is $20,338.

Interest expense recognized for this lease obligation was $643 at June 30, 2018.

FUTURE COMMITMENTS FOR THE CONTRACTS AND LEASES PAYABLE AS OF JUNE 30, 2018 ARE AS FOLLOWS:

Fiscal Year	Principal	Interest	Total
2019	77,416	17,069	94,485
2020	79,369	15,115	94,484
2021	138,285	16,001	154,286
2022	68,393	11,062	79,455
2023	65,292	9,708	75,000
2024-2028	346,578	28,422	375,000
2029	73,529	1,471	75,000
Total	$848,862	$98,848	$947,710

B. Contracts Due to Primary Government

The College's Richfield Campus library facilities were obtained through a contract agreement with the State of Utah's Division of Facilities Construction and Management in fiscal year 1996.

FUTURE COMMITMENTS FOR CONTRACTS DUE TO PRIMARY GOVERNMENT AS OF JUNE 30, 2018 ARE AS FOLLOWS:

Fiscal Year	Principal	Interest	Total
2019	46,750	3,173	49,923
2020	29,348	697	30,045
Total	$76,098	$3,870	$79,968

C. Bonds Payable

In June 2011, the State Board of Regents issued revenue bonds (Series 2011, $16,810,000 2.00% - 4.5% maturing June 2013 through June 2036) on behalf of the College to provide funds for the construction of a student housing facility on the College's Ephraim campus. These bonds are special limited obligations of the College, payable from and secured solely by the Pledged Revenues which consist of 1) the Net Operating Revenues of the College's Student Housing System, 2) Student Building Fees, 3) any Pledged Discretionary Investment Income, and 4) earnings on certain funds and accounts created under the Bond Indenture. In addition, the bonds are insured by Assured Guaranty Municipal Corporation for the timely payment of principal and interest. Interest is payable June 15 and December 15 of each year. Principal payments are due June 15. For fiscal year 2018, interest incurred on the bonds was $581,298.

FOR THE YEAR ENDED JUNE 30, 2018, THE RECEIPTS AND DISBURSEMENTS OF PLEDGED REVENUES WERE AS FOLLOWS:

	June 30, 2018
Receipts	
Housing system revenue	$1,588,103
Student building fees	508,711
Bond account earnings	1,412
Total receipts	2,098,226
Disbursements	
Housing system expenses	878,318
Excess of Pledged Receipts over Expenses	1,219,908
Debt Service Principal and Interest Payments	$1,116,298

THE SCHEDULED MATURITIES OF THE REVENUE BONDS ARE AS FOLLOWS:

Fiscal Year	Principal	Interest	Total
2019	$550,000	$567,922	$1,117,922
2020	565,000	551,423	1,116,423
2021	585,000	534,472	1,119,472
2022	605,000	511,073	1,116,073
2023	630,000	486,873	1,116,873
2024-2028	3,515,000	2,074,788	5,589,788
2029-2033	4,310,000	1,284,275	5,594,275
2034-2036	3,075,000	280,800	3,355,800
Total bonds outstanding	13,835,000	6,291,626	20,126,626
Bond premium	127,084	-	127,084
Total bonds payable	$13,962,084	$6,291,626	$20,253,710

NOTE 9. PENSION PLANS AND RETIREMENT BENEFITS

Eligible employees of the College are covered by the Utah Retirement Systems (Systems) and the Teachers Insurance and Annuity Association (TIAA). Employees may also participate in defined contributions plans consisting of 401(k) and 457 plans managed by the Systems and TIAA.

A. Defined Benefit Plans

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

- Public Employees Noncontributory Retirement System (Noncontributory System) and Public Employees Contributory Retirement System (Contributory System) which are multiple-employer, cost-sharing, retirement systems;

- Public Safety Retirement System (Public Safety System) which is a cost-sharing, multiple-employer public employee retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employee System) which is a multiple employer cost sharing, retirement 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 Systems, are members of the Tier 2 Retirement System.

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

URS issues a publicly available financial report that can be obtained by writing to the Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah 84102 or visiting the website: www.u

URS provides retirement, disability, and death benefits.

RETIREMENT BENEFITS ARE AS FOLLOWS:

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

* 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 Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2018 are as follows:

EMPLOYER CONTRIBUTION RATES

	Paid by Employer for Employee	Employer
Contributory System		
12 - State & School Division Tier 1	6.00%	17.70%
112 - State & School Division Tier 2	N/A	18.44%
Noncontributory System		
16 - State & School Division Tier 1	N/A	22.19%
Public Safety Retirement Systems		
Noncontributory		
42 - State with 4% COLA	N/A	41.35%

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

For fiscal year ended June 30, 2018, the employer and employee contributions to the Systems were as follows:

EMPLOYER AND EMPLOYEE CONTRIBUTIONS TO THE SYSTEMS

	Employer Contributions	Employee Contributions
Noncontributory System	$809,931	N/A
Contributory System	8,274	-
Public Safety Retirement Systems	28,363	-
Tier 2 Public Employees System	91,227	-
Total Contributions	$937,795	$-

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

Pension Assets, Liabilities, Expense and Deferred Outflows of Resources and Deferred Inflows of Resources relation to Pensions

At June 30, 2018, the College reported a net pension asset of $0 and a net pension liability of $3,404,951.

NET PENSION ASSETS AND NET PENSION LIABILITIES DECEMBER 31, 2017

	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2016	Change (Decrease)
Noncontributory System	$-	$3,287,616	0.1344429%	0.1400738%	(0.0056309)%
Contributory System	-	12,890	0.1958899%	0.1566075%	0.0392824%
Public Safety System	-	100,309	0.0576864%	0.0551717%	0.0025147%
Tier 2 Public Employees System	-	4,136	0.0469069%	0.0587211%	(0.0118142)%
Total Net Pension Asset/Liability	$-	$3,404,951			

The net pension asset and liability were measured as of December 31, 2017 and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2017 and rolled forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the Systems during the plan year.

For the year ended June 30, 2018, the College recognized a pension expense of $900,356.

At June 30, 2018, the College's portion of the reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

DEFFERED OUTFLOWS AND INFLOWS OF RESOURCES

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$1,602	$196,904
Changes in Assumptions	856,059	25,629
Net difference between projected and actual earnings on pension plan investments	590,699	1,487,479
Changes in proportion and differences between contributions and proportionate share of contributions	100,608	131,270
Contributions subsequent to the measurement date	482,978	-
Total	$2,031,946	$1,841,282

Of the amount reported as deferred outflows of resources related to pension, $482,978 resulted from contributions made by the College prior to our fiscal year end, but subsequent to the measurement date of December 31, 2017.

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 as pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2018	$111,882
2019	169,417
2020	(253,844)
2021	(323,367)
2022	(832)
Thereafter	4,430

Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50 percent

Salary Increases: 3.25 - 9.75 percent, average, including inflation

Investment Rate of Return: 6.95 percent, 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 the Society of Actuaries.

The actuarial assumption used in the January 1, 2017, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

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

EXPECTED RETURN ARITHMETIC BASIS

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity Securities	40%	6.15%	2.46%
Debt Securities	20%	0.40%	0.08%
Real Assets	15%	5.75%	0.86%
Private Equity	9%	9.95%	0.89%
Absolute Return	16%	2.85%	0.46%
Cash & Cash Equivalents	0%	0.00%	0.00%
Totals	100%		4.75%
	Inflation		2.50%
	Expected Arithmetic Nominal Return		7.25%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.45% 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 URS Board. Based on those assumptions, the pension plan's fiduciary net positon was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced to 6.95% from 7.20% from the prior measurement period.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the proportionate share of the net pension liability(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95%) or 1- percentage-point higher (7.95%) than the current rate:

PROPORTIONATE SHARE OF NET PENSION (ASSET)/LIABILITY

	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontibutory System	$7,178,256	$3,287,616	$35,823
Contibutory System	169,880	12,890	(120,764)
Public Saftey System	208,440	100,309	11,505
Tier 2 Public Employee System	48,695	4,136	(30,226)
Total Net Pension (asset)/liability	$7,605,271	$3,404,951	$(103,662)

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

B. Defined Contribution Savings Plans

Employees who participate in the State and School Noncontributory and Tier 2 State pension plans are also participants in qualified contributory 401(k) and 457 savings plans administered by the System. The College is required to contribute 1.50% and 1.58%, respectively of the employee's annual salary to a 401(k) plan administered by the Systems. For employees participating in the Tier 2 Public Employee defined contribution plan, the Colleges is required to contribute 20.02% of the employee's annual salary, of which 10.00% is paid into a 401(k) plan while the remainder is contributed to the Tier 1 Systems, as required by law. Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30, 2018 were as follows:

EMPLOYEE AND EMPLOYER CONTRIBUTIONS TO THE UTAH RETIREMENT DEFINED CONTRIBUTION SAVINGS PLANS

	2018
401(k) Plan	
Employer Contributions	$82,018
Employee Contributions	76,517
457 Plan	
Employer Contributions	-
Employee Contributions	8,010
Tier 2 DC Only	
Employer Benefits	20,161

TIAA provides individual retirement fund contracts with each participating employee. Benefits provided to retired employees are generally based on the value of the individual contracts and the estimated life expectancy of the employee at retirement, and are fully vested from the date of employment. Employees are eligible to participate from the date of employment and are not required to contribute to the fund. For the years ending June 30, 2018, the College's contribution to this defined contribution plan was 14.2% of the employee's annual salary or $1,663,622, Employee contributions totaled $163,609 for the same year. The College has no further liability once annual contributions are made.

NOTE 10. CONSTRUCTION COMMITMENTS

The State of Utah's Division of Facilities Construction and Management (DFCM) administers most of the construction of facilities for state institutions, maintains records, and furnishes cost information for recording capital assets on the books of the College.

As of June 30, 2018, the College had the following outstanding commitments to DFCM for construction projects:

- The Graham Science Center was transferred to the College from DFCM as of June 30, 2018, but

there were still a few small projects left to complete. The College's remaining commitment towards the Graham Science center is $143,025.
- A new Student Health & Fitness Building for the College's Ephraim Campus was in the architectural stages at June 30, 2018. The College has committed $5,000,000 for this project.

These commitments represent the College's cost share of the construction costs.

NOTE 11. CONTRACTED AUXILIARY SERVICES

On September 23, 2009, the College renewed its contract with Follett College Stores Corporation (Follett) of Oak Brook, Illinois, to provide bookstore services for the College's Ephraim Campus. The terms of the initial contract ran from October 1, 2009, to September 30, 2014, with an automatic renewal for successive one-year terms unless either party notifies the other in writing at least 120 days before expiration of the term. In January 2018 the College provided a written request to Follett to terminate this contract effective June 30, 2018.

In April 2018, the College entered into a contract with Akademos of Norwalk, Connecticut, to provide online bookstore services for the College. The terms of the initial contract run from April 18, 2018, to June 30, 2021. This contract allows for two – one year renewal options which must be agreed upon by both parties in writing. The contract requires Akademos to pay the College, on a quarterly basis, 7% of all gross product sales. The contract also requires Akademos to provide annually $5,000 in textbook scholarships. In addition, Akademos is to provide internship positions for two College students and commits $2,000 annually to support marketing and promotional initiatives for the online bookstore service.

The above contract revenues have been recorded as auxiliary enterprises revenues.

NOTE 12. RISK MANAGEMENT

The College maintains insurance coverage for commercial general liability, automobile, errors and omissions, and property (buildings and equipment) through policies administered by the Utah State Risk Management Fund. The College also participates in the Public Employees Health Plan administered by the State of Utah. The College's liabilities for both plans are limited to the premiums paid. Employees of the College and authorized volunteers are covered by workers' compensation and employees' liability through the Workers Compensation Fund of Utah.

NOTE 13. BLENDED COMPONENT UNIT

The Foundation is a component unit of the College and has been consolidated in these financial statements as a blended component unit. The Foundation is a dependent foundation of the College and is reported as part of the College because its primary purpose is to support the mission of the College.

Condensed information for the College's blended component unit for the year ended June 30, 2018 is presented on the following pages.

CONDENSED STATEMENT OF NET POSITION FOR THE YEAR ENDED JUNE 30, 2018

	Total
ASSETS	
Current Assets	129,808
Current Investments	126,176
Capital Assets	295,211
Total Assets	551,195
LIABILITIES	
Current Liabilities	6,953
Noncurrent Liabilities	18,741
Total Liabilities	25,694
NET POSITION	
Net Investment in Capital Assets	270,205
Unrestricted	255,566
Total Net Position	525,771

FOUNDATION CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2018

	Foundation	Eliminations	Total
OPERATING REVENUES			
Operating Revenues	$-	$-	$-
Total Operating Revenues	-	-	-
OPERATING EXPENSES			
Depreciation	3,076	-	3,076
Operating Expenses	859,488	(829,400)	30,088
Total Operating Expenses	862,564	(829,400)	33,164
Operating Income (Loss)	(862,564)	829,400	(33,164)

continued

continued

FOUNDATION CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2018

NONOPERATING REVENUES (EXPENSES)			
Donations	908,469	(829,400)	79,069
Other Nonoperating revenues (expenses)	(66,390)	-	(66,390)
Net Nonoperating Revenues (Expenses)	842,079	(829,400)	12,679
Increase (Decrease) in Net Position	(20,485)	-	(20,485)
NET POSITION			
Net Position, Beginning of year	532,256	-	532,256
Prior Period Adjustments	14,000	-	14,000
Net Position, End of year	525,771	-	$525,771

FOUNDATION CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2018

Net Cash Provided (Used) by Operating Activities	$ (34,004)
Net Cash Provided (Used) by Noncapital Financing Activities	41,920
Net Cash Provided (Used) by Capital Financing Activities	(6,217)
Net Cash Provided (Used) by Noncapital Investing Activities	(3,069)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,370)
Cash and Cash Equivalents, beginning of year	126,723
Cash and Cash Equivalents, end of year	$ 125,353
Noncash Investing Activities	
In kind Donations	37,149
Total Noncash Investing Activities	$ 37,149

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SNOW COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Last 10 fiscal years*

Noncontributory, Contributory, Public Safety & Tier 2 Public Employees Systems of the Utah Retirement Systems

	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
NONCONTRIBUTORY SYSTEM				
Proportion of Net Pension Liability (Asset)	0.13444290%	0.14007400%	0.1367422%	0.13337391%
Proportionate Share of Net Pension Liability (Asset)	$3,287,616	$4,539,675	$4,295,464	$3,360,233
Covered Payroll	$3,779,024	$3,892,532	$3,700,352	$3,703,384
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	87.00%	116.63%	116.08%	90.73%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.2%	84.9%	84.5%	87.2%
CONTRIBUTORY SYSTEM				
Proportion of Net Pension Liability (Asset)	0.1958899%	0.1566075%	0.1293011%	0.2022073%
Proportionate Share of Net Pension Liability (Asset)	$12,890	$85,814	$81,027	$22,172
Covered Payroll	$44,570	$41,981	$40,959	$74,630
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	28.92%	204.41%	197.82%	29.71%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.2%	93.4%	92.4%	98.7%
PUBLIC SAFETY EMPLOYEE SYSTEM				
Proportion of Net Pension Liability (Asset)	0.0576864%	0.0551717%	0.0338498%	0.0163291%
Proportionate Share of Net Pension Liability (Asset)	$100,309	$117,962	$72,874	$30,343
Covered Payroll	$97,703	$94,461	$64,819	$43,483
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	102.67%	124.88%	112.43%	69.78%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.4%	83.5%	82.3%	84.3%
TIER 2 PUBLIC EMPLOYEES SYSTEM				
Proportion of Net Pension Liability (Asset)	0.0469069%	0.0587211%	0.0785855%	0.03828340%
Proportionate Share of Net Pension Liability (Asset)	$4,136	$6,550	$(172)	$(1,160)
Covered Payroll	$459,108	$481,557	$507,818	$188,347
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	0.90%	1.36%	-0.03%	-0.62%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.4%	95.1%	100.2%	103.5%

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

SCHEDULE OF SNOW COLLEGE'S CONTRIBUTIONS TO THE NONCONTRIBUTORY, CONTRIBUTORY, PUBLIC SAFETY EMPLOYEE, AND TIER 2 PUBLIC EMPLOYEES SYSTEMS

Last 10 fiscal years*

NONCONTRIBUTORY SYSTEM	2018	2017
Contractually Required Contribution	$809,931	$857,936
Contributions in Relation to the Contractually Required Contribution	(809,931)	(857,936)
Contribution Deficiency (Excess)	$-	$-
Covered Payroll	$3,704,977	$3,914,819
Contributions as a Percentage of Covered Payroll	21.86%	21.92%

CONTRIBUTORY SYSTEM ***	2018	2017
Contractually Required Contribution	$8,274	$7,504
Contributions in Relation to the Contractually Required Contribution	(8,274)	(7,504)
Contribution Deficiency (Excess)	$-	$-
Covered Payroll	$46,744	$42,397
Contributions as a Percentage of Employee Payroll	17.70%	17.70%

PUBLIC SAFETY EMPLOYEE SYSTEM	2018	2017
Contractually Required Contribution	$28,363	$28,416
Contributions in Relation to the Contractually Required Contribution	(28,363)	(28,416)
Contribution Deficiency (Excess)	$-	$-
Covered Payroll	$96,903	$96,004
Contributions as a Percentage of Covered Payroll	29.27%	29.60%

TIER 2 CONTRIBUTORY SYSTEM**	2018	2017
Contractually Required Contribution	$91,227	$80,703
Contributions in Relation to the Contractually Required Contribution	(91,227)	(80,703)
Contribution Deficiency (Excess)	$-	$-
Covered Payroll	$494,722	$442,452
Contributions as a Percentage of Covered Payroll	18.44%	18.24%

*The College began participating in the Public Safety Employee System in 2014.

** Contributions in Tier 2 include an amortization rate to help fund the unfunded liability in the Tier 1 systems. The Tier 2 Public Employees System was created in 2011.

***Contractually Required Contributions, Contributions, and Covered Payroll include information for Tier II Employees. The Tier 2 Public Employees System was created in fiscal year 2011. Prior to the implementation of GASB Statement No. 68, Tier 2 information was not separately available.

2016	2015	2014	2013	2012	2011	2010	2009
$836,423	$805,884	$775,865	$721,092	$665,236	$691,667	$571,835	$663,394
(836,423)	(805,884)	(775,865)	(721,092)	(665,236)	(691,667)	(571,835)	(663,394)
$-	$-	$-	$-	$-	$-	$-	$-
$3,796,112	$3,638,231	$3,728,658	$3,867,489	$3,994,469	$4,238,154	$4,021,345	$4,665,224
22.03%	22.15%	20.81%	18.64%	16.65%	16.32%	14.22%	14.22%

2016	2015	2014	2013	2012	2011	2010	2009
$7,357	$7,143	$17,395	$21,989	$18,201	$38,003	$35,042	$40,000
(7,357)	(7,143)	(17,395)	(21,989)	(18,201)	(38,003)	(35,042)	(40,000)
$-	$-	$-	$-	$-	$-	$-	$-
$41,565	$40,354	$108,920	$154,093	$147,136	$213,141	$222,774	$254,290
17.70%	17.70%	15.97%	14.27%	12.37%	17.83%	15.73%	15.73%

2016	2015	2014	2013*	2012*	2011*	2010*	2009*
$22,979	$8,146	$6,062	N/A	N/A	N/A	N/A	N/A
(22,979)	(8,146)	(6,062)					
$-	$-	$-					
$81,885	$44,126	$37,011					
28.06%	18.46%	16.38%					

2016	2015	2014	2013	2012	2011***	2010***	2009***
$103,260	$61,888	$10,752	$8,040	$2,673	N/A	N/A	N/A
(103,260)	(61,888)	(10,752)	(8,040)	(2,673)			
$-	$-	$-	$-	$-			
$566,120	$338,740	$173,902	$107,256	$35,211			
18.24%	18.27%	6.18%	7.50%	7.59%			

NOTES TO PENSION SCHEDULES

Changes in Assumption

As a result of an experience study conducted as of December 31, 2016, the Board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial valuation. The assumption changes that had the largest impact on the Total Pension Liability (and actuarial accrued liability) include a decrease in the investment return assumption from 7.20% to 6.95%, a reduction in the price inflation assumption from 2.60% to 2.50% (which also resulted in a corresponding decrease in the cost-of-living adjustment assumption for the funds with a 4.00% annual COLA max), and the adoption of an updated retiree mortality table that was developed using URS's actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes had a minimal impact on the Total Pension Liability (and actuarial accrued liability).