STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM
An Enterprise Fund of the State of Utah

Financial Statements
For the Three Months Ended September 30, 2020

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM
AN ENTERPRISE FUND OF THE STATE OF UTAH
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

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December 23, 2020

Mr. David S. Schwanke, CPA
Interim Executive Director

We have prepared the statement of net position of the State Board of Regents of the State of Utah Student Loan Purchase Program as of September 30, 2020, and the related statements of revenues, expenses, changes in fund net position and cash flows for the three months then ended. The financial statements are unaudited and have been prepared from records generated internally as well as from records of the Board's student loan servicer and trustee.

In our opinion, the unaudited financial statements referred to above present fairly, in all material respects, the financial position of the State Board of Regents of the State of Utah Student Loan Purchase Program as of September 30, 2020, and the results of its operations, changes in fund net position and cash flows for the three months then ended in conformity with accounting principles generally accepted in the United States of America.

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STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Statement of Net Position
September 30, 2020

ASSETS	
Current Assets	
Cash and cash equivalents (Note 2)	$ 73,141,374
Funds held by Trustee (Notes 2 and 3)	170,842,487
Receivables	
Student loans (Note 4)	164,099,830
Interest - student loans (Note 4)	41,820,194
Other receivables	4,065,614
Prepaid expenses	838,425
Total Current Assets	454,807,924
Noncurrent Assets	
Student loans receivable (Note 4)	1,036,942,136
Capital assets, less accumulated depreciation of $9,939,542 (Note 5)	8,809,071
Total Noncurrent Assets	1,045,751,207
TOTAL ASSETS	1,500,559,131
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension expense (Note 13)	592,382
TOTAL DEFERRED OUTFLOWS OF RESOURCES	592,382
LIABILITIES	
Current Liabilities	
Accounts payable	3,286,131
Special allowance (Note 1)	7,060,999
Payable to affiliate (Note 11)	1,101,325
Compensated absences (Note 9)	675,027
Other liabilities	1,404
Accrued interest payable (Note 6)	3,840,565
Bonds and notes payable (Notes 6 and 9)	134,511,233
Line of credit (Notes 7 and 9)	218,000,000
Total Current Liabilities	368,476,684
Noncurrent Liabilities	
Compensated absences (Note 9)	487,502
Net pension liability (Note 13)	447,142
Bonds and notes payable, net of unamortized premiums and discounts of $9,311,910 (Notes 6 and 9)	807,148,417
Total Noncurrent Liabilities	808,083,061
TOTAL LIABILITIES	1,176,559,745
DEFERRED INFLOWS OF RESOURCES	
Deferred gain on bond refundings (Note 6)	7,228,161
Deferred pension income (Note 13)	361,403
Deferred building maintenance	30,000
TOTAL DEFERRED INFLOWS OF RESOURCES	7,619,564
NET POSITION	
Net investment in capital assets	6,724,087
Restricted (Note 10)	225,095,987
Unrestricted (Note 10)	85,152,130
TOTAL NET POSITION	$ 316,972,204

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

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Statement of Revenues, Expenses, and Changes in Net Position

For the Three Months Ended September 30, 2020

OPERATING REVENUES	
Interest on student loans (Note 4)	$ 12,459,559
Federal loan servicing revenue (Note 1)	5,566,874
Investment income (Notes 2 and 3)	82,213
Other revenue (Note 11)	1,056,022
Total Operating Revenues	19,164,668
OPERATING EXPENSES	
Interest expense (Note 6 and 9)	6,628,954
Bond and financing related expense (Note 6)	636,745
Special allowance (Note 1)	7,060,999
Student loan servicing expense	1,439,653
General and administrative expense (Note 11)	970,510
Federal loan servicing expense	5,582,917
Depreciation expense (Note 5)	321,584
Uninsured claims expense (Note 4)	1,306,434
Total Operating Expenses	23,947,796
OPERATING LOSS	(4,783,128)
NONOPERATING REVENUES	
Gain on interest rate swap termination	15,509,871
Total Nonoperating Revenues	15,509,871
Transfer to Utah System of Higher Education	(50,000)
CHANGE IN NET POSITION	10,676,743
NET POSITION − Beginning of Year	306,295,461
NET POSITION − End of Period	$ 316,972,204

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

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Statement of Cash Flows

For the Three Months Ended September 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Principal received on student loans	$ 39,830,738
Interest received on student loans	6,554,523
Special allowance payments	(6,906,030)
Net borrower payments received for (sent to) related funds	(66,877)
Payments received for internal services	613,729
Payments for loan purchases	(2,775,621)
Payments for student loan servicing expense	(3,063,838)
Payments for general and administrative expense	691,680
Payments for federal loan servicing expense	(5,349,442)
Payments received for federal loan servicing revenue	8,655,351
Payments received for rental revenue	237,063
Payments for student loan disbursements	(106,379)
Cash provided by operating activities	38,314,897
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer to Utah System of Higher Education	(50,000)
Proceeds from issuance of notes	218,000,000
Principal paid on bonds and notes	(130,460,300)
Interest paid on bonds and notes	(2,651,111)
Payments for bond related expense	(69,101)
Payments for bond/line of credit issuance costs	(236,098)
Cash provided by noncapital financing activities	84,533,390
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(133,092)
Payments received for deferred building maintenance	30,000
Cash used in capital and related financing activities	(103,092)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from maturing investments	380,870,307
Interest received on investments	(90,592)
Purchases of investments	(481,140,429)
Cash used in investing activities	(100,360,714)
NET INCREASE IN CASH AND CASH EQUIVALENTS	22,384,481
CASH AND CASH EQUIVALENTS – Beginning of Year	50,756,893
CASH AND CASH EQUIVALENTS – End of Period	$ 73,141,374

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STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Statement of Cash Flows
For the Three Months Ended September 30, 2020

(continued)

RECONCILIATION OF OPERATING LOSS TO CASH PROVIDED BY OPERATING ACTIVITIES		
Operating loss	$	(4,783,128)
Adjustments to reconcile loss to net cash provided by operating activities		
Amortization and depreciation		3,476,413
Interest expense for noncapital and capital financing		3,474,125
Interest revenue from nonoperating investing activities		(82,213)
Bond related expense		636,745
Change in assets/liabilities		
Student loans receivable		36,349,504
Borrower interest receivable		(4,176,804)
Special allowance		154,968
Other receivables		2,825,160
Prepaid expenses		106,547
Accounts payable and payable to affiliate		333,580
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	38,314,897

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

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM
Notes to the Financial Statements
For the Three Months Ended September 30, 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The State Board of Regents of the State of Utah Student Loan Purchase Program (the Program), an enterprise fund of the State of Utah, was formed in 1977, as a separate program of the State Board of Regents of the State of Utah for the purpose of originating, purchasing, and servicing the loans of qualified students. Bonds issued by the Program are not general obligations of the State of Utah.

Effective July 1, 2020, the State Board of Regents of the State of Utah changed its name to the Utah Board of Higher Education (the Board). The Program continues as a separate program of the Board.

Fund Accounting – The Program maintains accounting records under the fund accounting concept. The funds are separate sets of self-balancing accounts set up in accordance with the authorizing acts, and bond indentures. When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Program's general policy to use restricted resources first. The following funds are administered by the Program:

- Short-Term Note Fund – Unencumbered funds generated by various financing facilities and transfers authorized by the Board in accordance with bond indenture provisions are maintained in this fund. The Program utilizes a portion of these funds to purchase student loans. Payments, including principal and interest on student loans held by this fund, are deposited in this fund and are used to purchase student loans and pay operating expenses. Program funds designated to meet future collateral and operating requirements and other Program needs are held as investments. The net position of this fund is reported as unrestricted.

- 1993 Revenue Bond Fund – Proceeds from revenue bond issuances under the General Student Loan Program Indenture dated August 1, 1993 and Supplemental Indentures were recorded in this fund. An escrow fund has been established to defease the remaining outstanding Series 2010 EE bonds which are scheduled to be redeemed on November 2, 2020. Proceeds were used to pay bond issuance costs, and establish trustee funds as required by the General Indenture. Principal and interest payments on student loans purchased with bond proceeds, and other revenues were deposited in this fund and were used for debt service of the bonds, and operating expenses in accordance with the provisions of the General Indenture. The net position of this fund was transferred to the Short-Term Note Fund, leaving a zero balance in this fund as of September 30, 2020.

- 2012 Revenue Bond Fund – Proceeds from revenue bond issuance under the General Student Loan Program Indenture dated October 1, 2012 are recorded in this fund. Outstanding issuances include Series 2012-1 Notes. Proceeds are used to retire outstanding funding notes, and establish trustee funds as required by the General Indenture. Principal and interest payments on student loans purchased with bond proceeds, and other revenues are deposited in this fund and are used for debt service of the bonds, and operating expenses in accordance with the provisions of the General Indenture. The net position of this fund is reported as restricted.

- 2014 Revenue Bond Fund – Proceeds from revenue bond issuance under the General Student Loan Program Indenture dated July 1, 2014 are recorded in this fund. Outstanding issuances include Series 2014-1 Notes. Proceeds are used to retire outstanding revenue bonds, and establish trustee funds as required by the General Indenture. Principal and interest payments on student loans purchased with bond proceeds, and other revenues are deposited in this fund and are used for debt service of the bonds, and operating expenses in accordance with the provisions of the General Indenture. The net position of this fund is reported as restricted.

- 2015 Revenue Bond Fund – Proceeds from revenue bond issuance under the General Student Loan Program Indenture dated June 1, 2015 are recorded in this fund. Outstanding issuances include Series 2015-1 Notes. Proceeds are used to retire outstanding advances, establish trustee funds as required by the General Indenture, and pay cost of issuance. Principal and interest payments on student loans purchased with bond proceeds, and other revenues are deposited in this fund and are used for debt service of the bonds, and operating expenses in accordance with the provisions of the General Indenture. The net position of this fund is reported as restricted.

- 2016 Revenue Bond Fund – Proceeds from revenue bond issuance under the General Student Loan Program Indenture dated October 1, 2016 are recorded in this fund. Outstanding issuances include Series 2016-1 Notes. Proceeds are used to retire outstanding advances, establish trustee funds as required by the General Indenture, and pay cost of issuance. Principal and interest payments on student loans purchased with bond proceeds, and other revenues are deposited in this fund and are used for debt service of the bonds, and operating expenses in accordance with the provisions of the General Indenture. The net position of this fund is reported as restricted.

- 2017 Revenue Bond Fund – Proceeds from revenue bond issuance under the General Student Loan Program Indenture dated February 1, 2017 are recorded in this fund. Outstanding issuances include Series 2017-1 Notes. Proceeds are used to retire outstanding advances, establish trustee funds as required by the General Indenture, and pay cost of issuance. Principal and interest payments on student loans purchased with bond proceeds, and other revenues are deposited in this fund and are used for debt service of the bonds, and operating expenses in accordance with the provisions of the General Indenture. The net position of this fund is reported as restricted.

- Warehouse Facility Fund – Proceeds from the issuance of a line of credit under the Warehouse Loan, Security and Servicing Agreement dated September 22, 2020 are recorded in this fund. Proceeds are used to retire outstanding revenue bonds and make deposits to the Reserve Fund under the agreement. Principal and interest payments on student loans acquired with the proceeds, and other revenues are deposited in this fund and are used for debt service of the facility, and operating expenses in accordance with the provisions of the agreement. The net position of this fund is reported as restricted. The termination date of the line of credit is October 30, 2020.

- Office Facility Bond Fund – Proceeds from the revenue bond issuance under the State Board of Regents Revenue Refunding Bonds Indenture dated May 1, 2012 are recorded in this fund. Proceeds are used to pay cost of issuance and refund outstanding revenue bonds. Funds within the Board of Regents budget that would otherwise be expended for rent will be deposited in this fund and will be used for debt service of the bonds and operating expenses, in accordance with the provisions of the General Indenture. The net position of this fund is reported as restricted.

Basis of Accounting – The Program follows all applicable Governmental Accounting Standards Board pronouncements. Also, the accounting and reporting policies of the Program conform with generally accepted accounting principles and follow the accrual basis of accounting. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. The Program's funds are accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the Program are included on the Statement of Net Position.

Student Loans Receivable – Student loan receivables are carried at their unpaid principal balance adjusted for an allowance for loan losses and unamortized loan premiums. Loan premiums are amortized as a reduction to interest income using the straight-line method over a seven year period. Substantially all of the Program's student loans receivable serve as collateral for the Program's bonds and notes payable.

Allowance for Uninsured Claims – An allowance for uninsured claims has been established to recognize the estimated uninsured portion of future federally insured claim payments to be made to the Program. Insurance on defaulted student loans is paid at a 100% rate for loans which were first disbursed prior to October 1, 1993, a 98% rate for loans which were first disbursed between October 1, 1993 and June 30, 2006 and at a 97% rate for loans which were first disbursed after June 30, 2006. Insurance on non-default claims (primarily bankruptcy, death, or disability) is paid at a rate of 100%.

Interest on Student Loans – The Federal Government makes quarterly interest payments on federally insured subsidized student loans during the period students attend school, grace periods, and during certain other permitted deferment periods. During repayment and forbearance periods, interest is paid by the borrower. For federally insured unsubsidized loans, interest is paid by the borrower during all status periods. Interest on student loans is accrued as earned.

Special Allowance – Federal legislation provides for a special allowance payment for lenders participating in the Student Loan Guarantee Program. The amount of special allowance that is payable on an eligible loan is determined by multiplying the average daily balance of principal and capitalized interest on the loan by the applicable special allowance rate. The rates for special allowance payments are based on formulas that differ according to the type of the loan, the date the loan was first disbursed, and the interest rate. The rate of special allowance payments is based on the bond equivalent 91 day T-Bill rate or the 1-month LIBOR index, depending on the characteristics of the loan.

Under the 2005 Higher Education Reconciliation Act Amendments, for certain loans first disbursed on or after April 1, 2006, if the interest on such loan at the stated interest rate is higher than the special allowance support level (1-month LIBOR rate plus a percentage determined by the U.S. Department of Education) to such loan, including Special Allowance Payments, the holder of the loan must repay the difference to the United States Government at least annually.

Federal Loan Servicing Revenue – The Federal Government makes monthly payments to the Program for loans serviced based on a contract fee schedule. Also, a third-party client makes monthly payments to the Program for student loan documents processed based on a contract fee schedule.

Capital Assets – Capital assets are stated at cost – net of accumulated depreciation. The Program capitalizes assets that exceed a $5,000 threshold and have an estimated useful life greater than one year. Using the straight-line method, depreciation is provided over the estimated useful lives, ranging from three to ten years for furniture, equipment, and software and forty years for buildings. The Program performs on-going reviews of capital assets for continued useful life and lack of impairment and has determined there was no impairment at September 30, 2020.

Bond Discount and Premium – Discounts and premiums on the sale of bonds are deferred and amortized over the lives of the respective maturities of outstanding bonds using a method that approximates the effective interest method of amortization.

Bond Issuance Costs – Bond issuance costs are expensed in the period incurred in accordance with Statement 65 of the Governmental Accounting Standards Board.

Operating and Nonoperating Income – The Program distinguishes operating revenues and expenses from nonoperating items. The Program includes, within the operating income section, those revenues generated and expenses incurred that are related to the Program's principal ongoing operations and revenues and expenses related to the Program's Office Facility. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Statement of Cash Flows – For purposes of the Statement of Cash Flows, cash and cash equivalents include checking accounts and short-term investments in the Utah Public Treasurers' Investment Fund, excluding those held by the Trustee.

Deferred Outflows and Inflows of Resources – In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Program has items which qualify for reporting in this category. The Program reports unrecognized expenses from outflows related to pensions. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become payable.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Program has items which qualify for reporting in this category. The Program reports deferred gain on bond refundings, deferred building maintenance, and inflows related to pensions. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Pensions – For purposes of measuring the net pension liability (asset), 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' (the System) pension plan and additions to / deductions from the System fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS AND FUNDS HELD BY TRUSTEE

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.

The Program follows the requirements of the Money Management Act (the Act) in handling its depository and investment transactions. The Act requires the depositing of Program 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 Money Management Council.

Investments – The Act also defines the types of securities authorized as appropriate investments for the Program 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. The Act authorizes the Program to invest in:

- Negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable 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 Act.
- The Utah Public Treasurers' Investment Fund (PTIF).

Investments are recorded at fair value in accordance with Statement 72 of the Governmental Accounting Standards Board which pertains to Fair Value Measurement and Application. Accordingly, the change in fair value of investments is recognized as an increase or decrease in investment assets and investment income.

Additionally, the Program follows the fair value measurement guidelines established by generally accepted accounting principles which 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.

The Program's investments are classified as follows:

- Investments in mutual funds and government securities are Level 1 and are valued using prices quoted in active markets for those securities.
- Investments in PTIF are Level 2 and are valued using PTIF calculated fair value factors applied to average daily balances in the funds.

At September 30, 2020, the Program's investments and the related maturities are listed below:

		Investment Maturities (in years)	
Investments	Fair Value	Less than one year	1 to 5 years
Mutual Funds	$ 169,201,031	$ 169,201,031	$ -
Public Treasurers' Investment Fund	71,464,064	71,464,064	-
U.S. Government Securities	799,862	-	799,862
Total Investments	$ 241,464,957	$ 240,665,095	$ 799,862

Interest Rate Risk – The risk that changes in interest rates will adversely affect the fair value of an investment. The Program's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity for certain allowed investments. Details can be obtained by reading *Utah Code* Section 51-7-11. At September 30, 2020, the Program's investments in the PTIF had an average maturity of less than one year.

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Program's policy for reducing its exposure to credit risk is to comply with the Act as previously discussed. At September 30, 2020, the Program had $169,201,031 invested in mutual funds with a AAA rating and $71,464,064 invested in the Public Treasurers' Investment Fund that were not rated by any nationally recognized statistical rating organization registered with the Securities and Exchange Commission (SEC).

Custodial Credit Risk (Deposits) – The risk that, in the event of a bank failure, the Program's deposits not covered by depository insurance may not be returned. The Program follows the requirements of the Act regarding bank deposits. Subject to the application of the bank and FDIC rules and regulations, FDIC insurance is provided for the Program's bank deposits up to $250,000 for each bank utilized. As of September 30, 2020, $1,529,235 of the Program's bank balances of $1,779,235 was uninsured.

Public Treasurers' Investment Fund – The Utah State Treasurer's Office operates the PTIF. The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the 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 PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

3. REVENUE BOND FUNDS

The bond indenture agreements require that certain trust funds be established to collateralize the debt. The following is a summary of cash and investments held by the respective revenue bond funds at September 30, 2020:

1993 Revenue Bond Fund:		
Escrow Account	$	149,957,500
Total 1993 Revenue Bond Fund	$	149,957,500
2012 Revenue Bond Fund:		
Collection Account	$	1,814,113
Special Allowance Rebate Account		633,771
Reserve Account		778,050
Total 2012 Revenue Bond Fund	$	3,225,934
2014 Revenue Bond Fund:		
Collection Account	$	1,249,928
Special Allowance Rebate Account		225,434
Reserve Account		415,500
Total 2014 Revenue Bond Fund	$	1,890,862

2015 Revenue Bond Fund:		
Collection Account	$	2,148,808
Special Allowance Rebate Account		781,321
Reserve Account		623,250
Total 2015 Revenue Bond Fund	$	3,553,379
2016 Revenue Bond Fund:		
Collection Account	$	3,440,774
Special Allowance Rebate Account		1,176,631
Reserve Account		1,129,493
Total 2016 Revenue Bond Fund	$	5,746,898
2017 Revenue Bond Fund:		
Collection Account	$	2,839,370
Special Allowance Rebate Account		1,120,755
Reserve Account		630,000
Total 2017 Revenue Bond Fund	$	4,590,125
Warehouse Facility Fund:		
Collection Account	$	491,194
Reserve Account		545,000
Total Warehouse Facility Fund	$	1,036,194
Office Facility Bond Fund:		
Revenue Account	$	18,171
Debt Service Account		823,424
Total Office Facility Bond Fund	$	841,595
Grand Total	$	170,842,487

4. STUDENT LOANS RECEIVABLE

Student loans receivable carry variable interest rates or have fixed rates ranging from 0% to 11%. The loans were made to students enrolled or accepted for enrollment at an eligible institution of higher education on at least a half-time basis. Six to twelve months after termination of at least a half-time academic work load, the borrower is required to commence repayment on the loan. Monthly repayment amounts and the length of the repayment period are determined by the amount to be repaid; however, the maximum length of repayment is ten years for Stafford loans and up to thirty years for consolidation loans from the due date of the first payment, exclusive of authorized periods of deferment, forbearance, or income-based repayment plans.

Student loans are guaranteed with respect to principal and accrued interest by agreements with various state guarantee agencies, including the Utah Student Loan Guarantee Program, another program of the Utah Board of Higher Education.

The following is a summary of the status of student loans receivable at September 30, 2020:

	Student and Deferment	Repayment and Forbearance	Unamortized Premiums	Student Loan Receivable Allowance	Total
Short-Term Note Fund	$ 363,057	$ 14,181,006	$ -	$ (1,247,901)	$ 13,296,162
2012 Revenue Bond Fund	9,011,683	138,933,354	-	(817,253)	147,127,784
2014 Revenue Bond Fund	4,673,414	114,459,483	-	(679,537)	118,453,360
2015 Revenue Bond Fund	10,337,839	133,859,121	3,130,127	(872,364)	146,454,723
2016 Revenue Bond Fund	14,669,221	204,064,355	4,556,318	(1,281,079)	222,008,815
2017 Revenue Bond Fund	13,963,526	205,250,845	4,414,402	(1,281,013)	222,347,760
Warehouse Facility Fund	9,833,818	323,361,597	-	(1,842,053)	331,353,362
Total	$ 62,852,558	$ 1,134,109,761	$ 12,100,847	$ (8,021,200)	$ 1,201,041,966

Insurance on defaulted student loans is paid at a 100% rate for loans which were first disbursed prior to October 1, 1993, a 98% rate for loans which were first disbursed between October 1, 1993 and June 30, 2006 and at a 97 % rate for loans which were first disbursed after June 30, 2006. Insurance on non-default claims (primarily bankruptcy, death, or disability) is paid at a rate of 100%. At September 30, 2020, the Program has established a student loan receivable allowance of $8,021,200.

5. CAPITAL ASSETS

Capital asset activity for the three months ended September 30, 2020 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Buildings	$ 13,470,647	$ -	$ -	$ 13,470,647
Furniture and equipment	758,245	-	-	758,245
Computer equipment and software	4,441,835	77,886	-	4,519,721
Totals at historical cost	18,670,727	77,886	-	18,748,613
Less accumulated depreciation for:				
Buildings	(6,075,511)	(106,385)	-	(6,181,896)
Furniture and equipment	(519,769)	(21,302)	-	(541,071)
Computer equipment and software	(3,022,678)	(193,897)	-	(3,216,575)
Total accumulated depreciation	(9,617,958)	(321,584)	-	(9,939,542)
Capital Assets, net	$ 9,052,769	$ (243,698)	$ -	$ 8,809,071

6. BONDS AND NOTES PAYABLE

2012 Revenue Bond Fund – The Program has outstanding student loan backed notes under the authority of the 2012 General Indenture. The notes are limited obligations of the Board and are secured, as provided in the indentures, by all assets of the 2012 Revenue Bond Fund and the revenues and receipts derived from such assets.

The indenture provides that a periodic analysis of cash receipts must be performed. Cash receipts remaining after the payment of bond costs, program related expenses, and administrative expenses must be used to reduce bond principal.

Notes payable for the 2012 Revenue Bond Fund consisted of the following at September 30, 2020:

Issue	Final Maturity Date	Interest Rate Type	Balance
2012-1	12/26/2031	1-Month LIBOR plus 0.75%	$ 129,842,077

Debt Service forecasts to maturity on the Series 2012-1 Notes as of September 30, 2020, are summarized below:

Fiscal Year	Principal Amount	Interest Amount
2021	$ 18,586,940	$ 812,549
2022	25,074,593	877,545
2023	24,044,104	657,107
2024	19,573,372	457,513
2025	16,973,313	299,456
2026-2027	25,589,755	173,030
Total	$ 129,842,077	$ 3,277,200

The debt service interest rate forecasts are calculated using the interest rates in effect at September 30, 2020. Actual results could differ from these estimates.

The Series 2012-1 Notes are subject to an optional prepayment of the notes when the Student Loan Pool Balance is 10% or less than the initial Student Loan Pool Balance.

The notes issued under the 2012 Trust Estate are special limited obligations of the Board secured by and payable solely from the Trust Estate established by the Indenture. The notes were issued to refinance eligible student loans and retire outstanding funding notes of the Board. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the notes and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay $129,842,077 of outstanding student loan backed notes which are payable through fiscal year 2032. Principal and interest paid for the current year and total net revenues before interest expense were $3,412,887 and $151,876, respectively.

The notes outstanding under the 2012 General Indenture are secured by a pledge of the student loans and other assets of the 2012 Revenue Bond Fund. The 2012 General Indenture contains provision governing events of default and remedies, including the possible remedy of acceleration of amounts due under such notes in certain circumstances and the disposition of assets following events of default.

<u>2014 Revenue Bond Fund</u> – The Program has outstanding student loan backed notes under the authority of the 2014 General Indenture. The notes are limited obligations of the Board and are secured, as provided in the indentures, by all assets of the 2014 Revenue Bond Fund and the revenues and receipts derived from such assets.

The indenture provides that a periodic analysis of cash receipts must be performed. Cash receipts remaining after the payment of bond costs, program related expenses, and administrative expenses must be used to reduce bond principal.

Notes payable for the 2014 Revenue Bond Fund consisted of the following at September 30, 2020:

Issue	Final Maturity Date	Interest Rate Type	Balance
2014-1	12/26/2038	1-Month LIBOR plus 0.55%	$ 97,312,330

Debt Service forecasts to maturity on the Series 2014-1 Notes as of September 30, 2020, are summarized below:

Fiscal Year	Principal Amount	Interest Amount
2021	$ 10,149,215	$ 483,606
2022	13,593,334	557,824
2023	13,287,020	463,934
2024	11,545,117	375,532
2025	10,237,142	301,865
2026-2030	38,500,502	562,034
Total	$ 97,312,330	$ 2,744,795

The debt service interest rate forecasts are calculated using the interest rates in effect at September 30, 2020. Actual results could differ from these estimates.

The Series 2014-1 Notes are subject to an optional prepayment of the notes when the Student Loan Pool Balance is 10% or less than the initial Student Loan Pool Balance.

The notes issued under the 2014 Trust Estate are special limited obligations of the Board secured by and payable solely from the Trust Estate established by the Indenture. The notes were issued to retire outstanding student loan revenue bonds of the Board, resulting in a deferred gain on bond refundings. At September 30, 2020, the unamortized deferred gain on bond purchases was $854,255. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the notes and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay $97,312,330 of outstanding student loan backed notes which are payable through fiscal year 2039. Principal and interest paid for the current year and total net revenues before interest expense were $3,470,359 and $386,115, respectively.

The notes outstanding under the 2014 General Indenture are secured by a pledge of the student loans and other assets of the 2014 Revenue Bond Fund. The 2014 General Indenture contains provision governing events of default and remedies, including the possible remedy of acceleration of amounts due under such notes in certain circumstances and the disposition of assets following events of default.

2015 Revenue Bond Fund – The Program has outstanding student loan backed notes under the authority of the 2015 General Indenture. The notes are limited obligations of the Board and are secured, as provided in the indentures, by all assets of the 2015 Revenue Bond Fund and the revenues and receipts derived from such assets.

The indenture provides that a periodic analysis of cash receipts must be performed. Cash receipts remaining after the payment of bond costs, program related expenses, and administrative expenses must be used to reduce bond principal.

Notes payable for the 2015 Revenue Bond Fund consisted of the following at September 30, 2020:

Issue	Final Maturity Date	Interest Rate Type	Balance
2015-1 A	2/25/2043	1-Month LIBOR plus 0.60%	$ 125,881,582
2015-1 B	5/25/2043	1-Month LIBOR plus 1.50%	10,850,000
Total			$ 136,731,582

Debt Service forecasts to maturity on the Series 2015-1 Notes as of September 30, 2020, are summarized below:

Fiscal Year	Principal Amount	Interest Amount
2021	$ 19,420,716	$ 781,517
2022	25,912,359	847,712
2023	24,907,556	639,330
2024	18,755,981	460,411
2025	17,469,074	293,145
2026-2027	30,265,896	216,515
Total	$ 136,731,582	$ 3,238,630

The debt service interest rate forecasts are calculated using the interest rates in effect at September 30, 2020. Actual results could differ from these estimates.

The Series 2015-1 Notes are subject to an optional prepayment of the notes when the Student Loan Pool Balance is 10% or less than the initial Student Loan Pool Balance.

The notes issued under the 2015 Trust Estate are special limited obligations of the Board secured by and payable solely from the Trust Estate established by the Indenture. The notes were issued to retire a portion of the outstanding advances from the 2015 Warehouse Facility to the Board. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the notes and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay $136,731,582 of outstanding student loan backed notes which are payable through fiscal year 2043. Principal and interest paid for the current year and total net revenues before interest expense were $4,650,484 and $184,937, respectively.

The notes outstanding under the 2015 General Indenture are secured by a pledge of the student loans and other assets of the 2015 Revenue Bond Fund. The 2015 General Indenture contains provision governing events of default and remedies, including the possible remedy of acceleration of amounts due under such notes in certain circumstances and the disposition of assets following events of default.

2016 Revenue Bond Fund – The Program has outstanding student loan backed notes under the authority of the 2016 General Indenture. The notes are limited obligations of the Board and are secured, as provided in the indentures, by all assets of the 2016 Revenue Bond Fund and the revenues and receipts derived from such assets.

The indenture provides that a periodic analysis of cash receipts must be performed. Cash receipts remaining after the payment of bond costs, program related expenses, and administrative expenses must be used to reduce bond principal.

Notes payable for the 2016 Revenue Bond Fund consisted of the following at September 30, 2020:

Issue	Final Maturity Date	Interest Rate Type	Balance
2016-1 A	9/25/2056	1-Month LIBOR plus 0.75%	$ 207,966,062
2016-1 B	9/25/2056	1-Month LIBOR plus 1.50%	10,450,000
Total			$ 218,416,062

Debt Service forecasts to maturity on the Series 2016-1 Notes as of September 30, 2020, are summarized below:

Fiscal Year	Principal Amount	Interest Amount
2021	$ 26,218,952	$ 1,438,921
2022	34,846,798	1,620,832
2023	33,971,060	1,299,261
2024	26,443,656	1,014,467
2025	24,364,265	782,842
2026-2029	72,571,331	1,101,407
Total	$ 218,416,062	$ 7,257,730

The debt service interest rate forecasts are calculated using the interest rates in effect at September 30, 2020. Actual results could differ from these estimates.

The Series 2016-1 Notes are subject to an optional prepayment of the notes when the Student Loan Pool Balance is 10% or less than the initial Student Loan Pool Balance.

The notes issued under the 2016 Trust Estate are special limited obligations of the Board secured by and payable solely from the Trust Estate established by the Indenture. The notes were issued to retire a portion of the outstanding advances from the 2015 Warehouse Facility to the Board. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the notes and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay $218,416,062 of outstanding student loan backed notes which are payable through fiscal year 2057. Principal and interest paid for the current year and total net revenues before interest expense were $6,681,173 and $198,153, respectively.

The notes outstanding under the 2016 General Indenture are secured by a pledge of the student loans and other assets of the 2016 Revenue Bond Fund. The 2016 General Indenture contains provision governing events of default and remedies, including the possible remedy of acceleration of amounts due under such notes in certain circumstances and the disposition of assets following events of default.

2017 Revenue Bond Fund – The Program has outstanding student loan backed notes under the authority of the 2017 General Indenture. The notes are limited obligations of the Board and are secured, as provided in the indentures, by all assets of the 2017 Revenue Bond Fund and the revenues and receipts derived from such assets.

The indenture provides that a periodic analysis of cash receipts must be performed. Cash receipts remaining after the payment of bond costs, program related expenses, and administrative expenses must be used to reduce bond principal.

Notes payable for the 2017 Revenue Bond Fund consisted of the following at September 30, 2020:

Issue	Final Maturity Date	Interest Rate Type	Balance
2017-1 A	1/25/2057	1-Month LIBOR plus 0.75%	$ 202,589,509
2017-1 B	1/25/2057	1-Month LIBOR plus 1.50%	17,800,000
Total			$ 220,389,509

Debt Service forecasts to maturity on the Series 2017-1 Notes as of September 30, 2020, are summarized below:

Fiscal Year	Principal Amount	Interest Amount
2021	$ 25,689,409	$ 1,494,876
2022	35,013,022	1,687,078
2023	34,250,362	1,354,792
2024	27,736,901	1,052,882
2025	25,144,429	806,940
2026-2029	72,555,386	1,051,491
Total	$ 220,389,509	$ 7,448,059

The debt service interest rate forecasts are calculated using the interest rates in effect at September 30, 2020. Actual results could differ from these estimates.

The Series 2017-1 Notes are subject to an optional prepayment of the notes when the Student Loan Pool Balance is 10% or less than the initial Student Loan Pool Balance.

The notes issued under the 2017 Trust Estate are special limited obligations of the Board secured by and payable solely from the Trust Estate established by the Indenture. The notes were issued to retire a portion of the outstanding advances from the 2015 Warehouse Facility to the Board. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the notes and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay $220,389,509 of outstanding student loan backed notes which are payable through fiscal year 2057. Principal and interest paid for the current year and total net revenues before interest expense were $6,878,354 and $171,957, respectively.

The notes outstanding under the 2017 General Indenture are secured by a pledge of the student loans and other assets of the 2017 Revenue Bond Fund. The 2017 General Indenture contains provision governing events of default and remedies, including the possible remedy of acceleration of amounts due under such notes in certain circumstances and the disposition of assets following events of default.

Office Facility Bond Fund – The Program has issued revenue refunding bonds under the authority of the general indenture dated May 1, 2012 (Series 2012 Bonds). The bonds are special limited obligation bonds of the Board payable primarily from (i) funds of the Board budgeted on an annual basis (including from sources and in the amounts that the Board has, prior to the issuance of the Bonds and acquisition of the Building, used to pay rent for office space) and (ii) other legally available moneys of the Board, including certain revenues and reserves of the Program.

The Board has annually received and anticipates receiving appropriations from the Utah Legislature which are to be applied to the general expenditures of the Board. The State General Fund appropriations for operations to the Board for the five years ended June 30, 2020 are set forth below:

Fiscal Year Ended June 30	General Operating	Restricted	Total Appropriations
2020	$ 3,192,000	$ -	$ 3,192,000
2019	$ 3,952,000	$ -	$ 3,952,000
2018	$ 3,781,000	$ -	$ 3,781,000
2017	$ 3,735,000	$ -	$ 3,735,000
2016	$ 3,678,000	$ -	$ 3,678,000

Bonds payable for the Office Facility Bond Fund consisted of the following at September 30, 2020:

Issue	Maturity Date	Interest Rate	Balance
Series 2012	2/1/2021-2/1/2024	4.0% - 5.0%	$ 1,980,000

Debt service forecasts to maturity on the Office Facility Bond issue as of September 30, 2020 are summarized below:

Fiscal Year	Principal Amount	Interest Amount
2021	$ 725,000	$ 40,850
2022	765,000	52,700
2023	240,000	22,100
2024	250,000	12,500
Total	$ 1,980,000	$ 128,150

The Series 2012 Bonds are not subject to redemption prior to maturity.

The bonds issued under the Office Facility Bond Fund are limited obligations of the Board secured solely by a pledge of the proceeds from the sale of the bonds and the moneys and revenues in the fund and accounts held by the Trustee under the Indenture. No other money, revenue or income of the Board is pledged to the repayment of the Office Facility Bonds. The bonds were issued to refund the Series 2002 and Series 2004 Bonds. The Board has pledged these assets and net revenues to repay $1,980,000 of outstanding Office Facility Bonds which are payable through fiscal year 2024. Interest paid for the current fiscal year and total net revenues before interest expense were $40,850 and $146,052, respectively.

The 2012 Office Bonds outstanding under the Office Facility Bond Indenture are secured by a pledge of the revenues and funds of the Office Facility Bond Fund. The Office Facility Bond Indenture contains provision governing events of default and remedies, including the possible remedy of acceleration of amounts due under such bonds in certain circumstances and the application of revenues following events of default.

7. LINE OF CREDIT

Warehouse Facility Fund – The Program has a line of credit under the Warehouse Loan, Security and Servicing Agreement. The line of credit is a limited obligation of the Board and is secured, as provided in the agreement, by all assets of the Warehouse Facility Fund and the revenues and receipts derived from such assets.

The agreement provides that a periodic analysis of cash receipts must be performed. Cash receipts remaining after the payment of financing costs and program related expenses must be used to reduce outstanding principal.

Line of credit for the Warehouse Facility Fund consisted of the following at September 30, 2020:

Issue	Final Maturity Date	Interest Rate Type	Balance
LIBOR Advance	1/22/2021	1-Month LIBOR plus 1.25%	$ 218,000,000

Debt service requirements on the Warehouse Facility Fund as of September 30, 2020 are summarized below:

Fiscal Year	Principal Amount	Interest Amount
2021	$ 218,000,000	$ 296,523
Total	$ 218,000,000	$ 296,523

The line of credit issued under the Warehouse Facility Fund is a limited obligation of the Board secured by and payable solely from the pledged collateral. The line of credit was issued to retire outstanding student loan revenue bonds of the Board. The fund consists of student loans acquired under the agreement, revenues in the funds and accounts, and any other property pledged to the fund. The Board has pledged these assets and net revenues to repay $218,000,000 of outstanding principal which is payable through 2021. Total net loss before interest expense was $662,395.

8. SEGMENT INFORMATION

The Board issues student loan revenue bonds and student loan back notes under separate indentures to finance its student loan portfolios. Investors in those bonds and notes rely solely on the revenue generated by the pledged assets in each indenture. The Program assets are only available in accordance with the applicable bond resolutions, federal and Utah state laws, and other outstanding agreements.

Financial information for each indenture and the Program unencumbered funds are presented below:

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Notes to the Financial Statements
For the Three Months Ended September 30, 2020

CONDENSED STATEMENT OF NET POSITION

	Short Term Note Fund	1993 Revenue Bond Fund	2012 Revenue Bond Fund	2014 Revenue Bond Fund	2015 Revenue Bond Fund	2016 Revenue Bond Fund	2017 Revenue Bond Fund	Warehouse Facility Fund	Office Facility Bond Fund
Assets									
Current assets	$ 79,710,163	$ 149,957,500	$ 35,554,153	$ 23,873,190	$ 39,697,951	$ 56,688,929	$ 55,330,866	$ 12,051,613	$ 1,943,559
Capital assets	1,584,614	-	-	-	-	-	-	-	7,224,457
Other noncurrent assets	10,515,097	-	120,657,126	100,502,060	116,417,506	180,206,708	180,787,050	327,856,589	-
Total Assets	91,809,874	149,957,500	156,211,279	124,375,250	156,115,457	236,895,637	236,117,916	339,908,202	9,168,016
Deferred Outflows of Resources	592,382	-	-	-	-	-	-	-	-
Liabilities									
Current liabilities	4,371,030	3,657,500	26,157,223	14,133,039	27,286,832	37,029,759	36,496,110	218,544,290	800,901
Noncurrent liabilities	933,079	146,300,000	104,888,001	83,735,950	108,668,239	179,335,006	182,892,732	-	1,330,054
Total Liabilities	5,304,109	149,957,500	131,045,224	97,868,989	135,955,071	216,364,765	219,388,842	218,544,290	2,130,955
Deferred Inflows of Resources	361,403	-	-	854,255	-	-	-	6,373,906	30,000
Net Position:									
Net Investment in Capital Assets	1,584,614	-	-	-	-	-	-	-	5,139,473
Restricted	-		25,166,055	25,652,006	20,160,386	20,530,872	16,729,074	114,990,006	1,867,588
Unrestricted	85,152,130	-	-	-	-	-	-	-	-
Total Net Position	$ 86,736,744	$ -	$ 25,166,055	$ 25,652,006	$ 20,160,386	$ 20,530,872	$ 16,729,074	$ 114,990,006	$ 7,007,061

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Short Term Note Fund	1993 Revenue Bond Fund	2012 Revenue Bond Fund	2014 Revenue Bond Fund	2015 Revenue Bond Fund	2016 Revenue Bond Fund	2017 Revenue Bond Fund	Warehouse Facility Fund	Office Facility Bond Fund
Operating revenues	$ 6,669,907	$ 2,180,769	$ 1,749,711	$ 1,178,868	$ 1,833,172	$ 2,783,983	$ 2,685,773	$ (81,363)	$ 163,848
Operating expenses	6,605,074	5,583,041	1,909,193	965,146	1,972,938	3,159,792	3,099,318	622,947	30,347
Operating income (loss)	64,833	(3,402,272)	(159,482)	213,722	(139,766)	(375,809)	(413,545)	(704,310)	133,501
Nonoperating revenues	-	15,509,871	-	-	-	-	-	-	-
Transfers	19,225,014	(134,919,330)	-	-	-	-	-	115,694,316	-
Change in Net Position	19,289,847	(122,811,731)	(159,482)	213,722	(139,766)	(375,809)	(413,545)	114,990,006	133,501
Net Position - Beginning of Year	67,496,897	122,811,731	25,325,537	25,438,284	20,300,152	20,906,681	17,142,619	-	6,873,560
Net Position - End of Period	$ 86,786,744	$ -	$ 25,166,055	$ 25,652,006	$ 20,160,386	$ 20,530,872	$ 16,729,074	$ 114,990,006	$ 7,007,061

CONDENSED STATEMENT OF CASH FLOWS

	Short Term Note Fund	1993 Revenue Bond Fund	2012 Revenue Bond Fund	2014 Revenue Bond Fund	2015 Revenue Bond Fund	2016 Revenue Bond Fund	2017 Revenue Bond Fund	Warehouse Facility Fund	Office Facility Bond Fund
Cash provided by (used in)									
Operating activities	$ 3,378,313	$ 8,162,105	$ 3,886,693	$ 3,305,048	$ 4,701,080	$ 7,097,505	$ 6,906,890	$ 628,861	$ 248,402
Noncapital financing activitites	18,924,911	90,333,095	(3,443,869)	(3,499,886)	(4,675,484)	(6,706,173)	(6,903,354)	545,000	(40,850)
Capital and related financing activites	(128,163)	-	-	-	-	-	-	-	25,071
Investing activities	73,323	-	174,330	49,488	145,032	174,058	121,915	137,667	1,101,964

9. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the three months ended September 30, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds and notes payable	$ 1,081,162,134	$ -	$ (130,190,574)	$ 950,971,560	$ 134,776,511
Unamortized premiums	1,261,381	-	(1,083,621)	177,760	53,328
Unamortized discounts	(13,701,592)	-	4,211,922	(9,489,670)	(318,606)
Net bonds and notes payable	1,068,721,923	-	(127,062,273)	941,659,650	134,511,233
Line of credit	-	218,000,000	-	218,000,000	218,000,000
Net pension liability	447,142	-	-	447,142	-
Compensated absences	1,227,984	109,798	(175,253)	1,162,529	675,027
Total long-term liabilities	$ 1,070,397,049	$ 218,109,798	$ (127,237,526)	$ 1,161,269,321	$ 353,186,260

10. DESIGNATED AND RESTRICTED NET POSITION

The Program has designated $85,200,000 of the Short-Term Note Fund Net Position for bond financing, loan repurchases, supplemental loans and working capital.

The Revenue Bond Fund net positions are restricted in total by the general and supplemental indentures (see Note 1).

11. RELATED PARTY TRANSACTIONS

The Program reimburses the University of Utah for payroll, benefits, and certain administrative expenses. The Program incurred $5,898,006 of such expenses for the three months ended September 30, 2020. Of this amount, $929,146 was payable at September 30, 2020.

The Student Loan Guarantee Program (SLGP), another program of the Board, guarantees student loans held by the Program. Claim payments received from the SLGP amounted to $1,690,361 for the three months ended September 30, 2020. As of September 30, 2020, SLGP owed $372,352 in defaulted loan claims to the Program. This amount is included in the Student Loan Receivables on the Statement of Net Position.

For the three months ended September 30, 2020, the Program charged the Board, the SLGP, and my529 for rent and other services, totaling $847,495. Of this amount, $440,618 was a receivable at September 30, 2020.

12. ESTIMATED LIABILITY FOR PURPOSE AND NON-PURPOSE INTEREST ARBITRAGE REBATE

In accordance with the Internal Revenue Code of 1986, as amended (the Code), the Program is required to pay to the United States Treasury certain amounts related to the Program's tax-exempt bond issues. The estimated amount of non-purpose arbitrage payable represents the excess of amounts earned on taxable investments (other than educational loans) over the interest cost of the tax-exempt borrowing, plus income attributable to the excess. Rebate payments are due every fifth year during the life of each bond issue and when the bonds are retired. At September 30, 2020, there was no liability for non-purpose interest arbitrage rebate.

The Code and the related Treasury Regulations also require the Program to keep the yield to the Program on student loans within a designated percentage of the interest cost of the related tax-exempt borrowing. One method of reducing this yield is to make yield reduction payments to the United States Treasury. Estimated yield reduction payments may be made by the end of the tenth year and every fifth year thereafter during the life of each bond issue and when the bonds are retired. At September 30, 2020, there was no liability for yield reduction payments.

13. RETIREMENT PLANS

Plan Descriptions – As required by State law, eligible nonexempt employees (as defined by the U.S. Fair Labor Standards Act) of the Program are covered either by the Utah Retirement Systems' (the System) State and School Noncontributory pension plan (Noncontributory plan) or the Tier 2 Public Employees Contributory pension plan (Tier 2 plan). The Tier 2 plan became effective July 1, 2011. All eligible employees, beginning on or after July 1, 2011, who had no previous service credit with the System, are members of the Tier 2 plan. Eligible exempt employees (as defined by the U.S. Fair Labor Standards Act) are covered by the Teachers Insurance and Annuity Association (TIAA) or Fidelity Investments (Fidelity).

The Program contributes to the System Noncontributory plan and the Tier 2 plan covering state employee groups, school districts and other local government entities. Those plans are multiple employer, cost-sharing, defined benefit, public employee pension plans. Retirement benefits are determined in accordance with Title 49 of the Utah Code and are based on age, years of credited service and highest average monthly salary.

The System is established and governed by the respective sections of Chapter 49 of the Utah Code Annotated, 1953, as amended. The defined benefit plans of the System may be amended statutorily by the State Legislature. The Utah State Retirement Office Act provides for the administration of the System under the direction of the Utah State Retirement Board, whose members are appointed by the governor.

The System is a component unit of the State of Utah. System funds are fiduciary funds defined as pension (and other employee benefit) trust funds. Chapter 49 of the Utah Code grants authority to establish and amend the benefit terms. The System issues a publicly available financial report that includes financial statements and required supplementary information. A copy of the report may be obtained by contacting the System at 560 East 200 South, Salt Lake City, UT 84102 or visiting the website: www.urs.org.

Benefits and Contributions – The System provides retirement, disability, and death benefits. Retirement benefits, which vest after four years of employment, are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefits	Benefit Percent per Year of Service	COLA**
Noncontributory	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2% per year all years	Up to 4%
Tier 2	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.*

As a condition of participation in the System, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the System Board. Contributions are actuarially determined at an amount that is expected to finance the costs and benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Employer contribution rates during the three months ended September 30, 2020 were 22.19% for the System Noncontributory plan and 18.99% for the System Tier 2 plan. The Tier 2 rates include a 9.94% required contribution to finance the unfunded actuarial accrued liability of the Noncontributory plan.

For the three months ended September 30, 2020, the Program's contributions to the System Noncontributory plan were $45,871 based on an actuarially determined 22.19% of participating employee gross earnings. An additional 1.50% was contributed to the employee's 401(k) deferred salary plan.

For the three months ended September 30, 2020, the Program's contributions to the System Tier 2 plan were $45,787 based on an actuarially determined 18.99% of participating employee gross earnings. An additional 1.03% was contributed to the employee's 401(k) deferred salary plan.

The Program also contributes to TIAA and Fidelity which provide individual retirement fund contracts with each participating employee. Employees may allocate Program contributions to either or both of the providers and the contributions to the employee contracts become vested at the time contributions are made. Employees are eligible to participate from the date of employment and are not required to contribute to either fund. Benefits provided to retired employees are based on the value of the individual contracts and the estimated life expectancy of the employee at retirement.

For the three months ended September 30, 2020, the Program's contributions to the TIAA and Fidelity retirement plans were $525,791 based on 14.20% of participating employee gross earnings. The Program has no further liability once contributions are made.

Net Pension Liability – The net pension liability is calculated annually and was last measured by the System as of December 31, 2019. The total System liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019 and rolled forward using generally accepted actuarial procedures. The Program's proportion of the net pension liability is equal to the ratio of the Program actual contributions to the System during the plan year over the total of all employer contributions to the System during the year.

For the three months ended September 30, 2020, no adjustments were made to the net pension liability. For the year ended June 30, 2020, the Program recognized deductions to the net pension liability of $835,121 for the Noncontributory plan and $60,019 for the Tier 2 plan. The deductions were based on the Program's proportion of the System net pension liability as of December 31, 2019. The total net pension liability at June 30, 2020 was $409,677 for the Noncontributory plan and $37,465 for the Tier 2 plan totaling $447,142.

At December 31, 2019, the Program's proportion of the System net pension liability was 0.35% of the Noncontributory plan and 0.17% of the Tier 2 plan. For comparison, at December 31, 2018, the Program's proportion of the System net pension liability was 0.03% of the Noncontributory plan and 0.23% of the Tier 2 plan.

Net Pension Expense – The total employer net pension expense (net pension expense) is calculated annually, and was last measured by the System as of December 31, 2019. For the three months ended September 30, 2020, no adjustments were made to the net pension expense. For the year ended June 30, 2020, the Program recognized net pension expense of ($695,657) for the Noncontributory plan and $25,043 for the Tier 2 plan totaling ($670,614).

The net pension expense contains the following System components: normal cost (annual cost of current service); plus interest on total pension liability; plus amortization of experience gains/losses, changes in assumptions, and changes in plan benefits; less expected return on plan assets.

Pension – Deferred Outflows of Resources and Deferred Inflows of Resources – For the three months ended September 30, 2020, no adjustments were made to the deferred outflows or inflows of resources. For the year ended June 30, 2020, the Program recognized deferred outflows of resources (deferred outflows) and deferred inflows of resources (deferred inflows) as follows:

	Noncontributory Plan	Tier 2 Plan	Total
Deferred Outflows:			
Differences Between Expected and Actual Experience	$ 338,499	$ -	$ 338,499
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Changes in Assumptions	37,131	15,997	53,128
Changes in Proportion	-	23,719	23,719
Contributions Subsequent to the Measurement Date	91,584	85,452	177,036
Total	$ 467,214	$ 125,168	$ 592,382
Deferred Inflows:			
Differences Between Expected and Actual Experience	$ (3,930)	$ (12,858)	$ (16,788)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	(244,229)	(18,318)	(262,547)
Changes in Assumptions	-	(12,763)	(12,763)
Changes of Proportion	(69,305)	-	(69,305)
Total	$ (317,464)	$ (43,939)	$ (361,403)

The Program recognized deferred outflows of $177,036 in the preceding schedule resulting from contributions made subsequent to the December 31, 2019 System measurement date. Those contributions will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. The other deferred outflows and inflows recognized in the preceding schedule will be recognized in future years pension expense as follows:

Year ended June 30:	Deferred Outflows (Inflows) of Resources
2021	$12,990
2022	12,990
2023	12,990
2024	12,990
2025	12,990
Thereafter	(11,007)
Total	$53,943

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: inflation 2.50%, salary increases 3.25% - 9.75% including inflation, and investment rate of return 6.95% net of pension plan investment expense including inflation.

The assumptions used in the January 1, 2019 actuarial valuation date were based on the results of a System actuarial experience study for the five year period ended December 31, 2016.

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 following actuarial assumptions were adopted on January 1, 2019: the investment return assumption remained unchanged at 6.95%; and the assumed inflation rate also remained unchanged at 2.50%. With the same assumed rate of inflation, both the payroll growth and wage inflation assumptions remained the same as the prior year assumptions.

The long-term expected rate of return on System 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. 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:

Utah Retirement Systems Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected 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 and Cash Equivalents	0	0.00	0.00
Total	100%		4.75%
Inflation			2.50
Expected Arithmetic Nominal Return			7.25%

The total System long-term expected rate of return is 6.95%, which is comprised of a 2.50% inflation rate, an offset of 0.35% for administrative and investment expenses, and a real long-term expected rate of return of 4.80%.

Discount Rate – The discount rate used to measure the total System pension liability was 6.95%. 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 participating employers will be made at actuarially determined, contractually required rates.

Based on those assumptions, the System pension plan fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the Program's proportionate share of the System net pension liability, at December 31, 2019. This is calculated using the discount rate of 6.95%, as well as what the Program's proportionate share of the net pension liability 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:

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
Program's Proportionate Share Of the Net Pension Liability:			
Noncontributory Plan	$1,348,512	$409,677	$(371,519)
Tier 2 Plan	323,074	37,465	(183,259)
Total	$1,671,586	$447,142	$(554,778)

14. LEASE COMMITMENTS

The Program leases office equipment and a building which are classified as operating leases. Lease payments, recorded as expenses when incurred, totaled $122,261 for the three months ended September 30, 2020. Future minimum lease commitments are as follows:

Year ended June 30:	Operating	Capital
2021	$ 204,931	-
2022	45,540	-
Total	$ 250,471	$ -

15. RISK MANAGEMENT

As a State entity, the Program participates in the Utah State Risk Management Fund (the Fund). The Program pays an annual premium for participation in the Fund. Through the Fund, the Program has both property and liability coverage.

The Fund provides property coverage through a combination of self-insurance and private carriers. The Fund provides liability coverage through self-insurance and private carriers up to $10,000,000 per occurrence.

16. COVID-19 CONSIDERATIONS

The outbreak of the 2019 coronavirus disease ("COVID-19") was declared a global pandemic by the World Health Organization on March 11, 2020. Responses by public health and governmental authorities to contain and combat its outbreak and spread are on-going. The pandemic has adversely affected workforces, economies, and financial markets globally, including the student loan industry.

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of the pandemic on the Program and its financial results will depend on future developments, including the duration and spread of the outbreak and the related impact it may have on student loan borrower confidence, all of which are uncertain at this time.

REQUIRED SUPPLEMENTARY INFORMATION

Program's Proportionate Share of the Net Pension Liability
and
Program's Defined Benefit Pension Contributions

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Required Supplementary Information
For the Three Months Ended September 30, 2020

Proportionate Share of the Net Pension Liability – A schedule of the Program's proportionate share of the net pension liability follows:

	Noncontributory Plan	Tier 2 Plan	Total
Program Proportion of the Net Pension Liability:			
December 31, 2019	0.35%	0.17%	-
December 31, 2018	0.03%	0.23%	-
December 31, 2017	0.04%	0.34%	-
December 31, 2016	0.04%	0.58%	-
December 31, 2015	0.05%	0.80%	-
December 31, 2014	0.04%	0.62%	-
Program Proportionate Share of the Net Pension Liability (Asset):			
December 31, 2019	$409,677	$37,465	$447,142
December 31, 2018	$1,244,799	$97,484	$1,342,283
December 31, 2017	$902,641	$30,132	$932,773
December 31, 2016	$1,371,835	$64,547	$1,436,382
December 31, 2015	$1,464,785	($1,740)	$1,463,045
December 31, 2014	$1,062,126	($18,893)	$1,043,233
Program Covered Payroll:			
December 31, 2019	$764,175	$1,039,890	$1,804,065
December 31, 2018	$960,152	$1,158,362	$2,118,514
December 31, 2017	$1,030,080	$1,404,505	$2,434,585
December 31, 2016	$1,171,140	$1,967,328	$3,138,468
December 31, 2015	$1,260,380	$2,150,735	$3,411,115
December 31, 2014	$1,118,932	$1,356,212	$2,475,144
Program Proportionate Share of the Net Pension Liability (Asset) As a Percentage of Covered Payroll:			
December 31, 2019	53.61%	3.60%	-
December 31, 2018	129.64%	8.41%	-
December 31, 2017	87.62%	2.14%	-
December 31, 2016	117.13%	3.28%	-
December 31, 2015	116.22%	-0.08%	-
December 31, 2014	94.92%	-1.39%	-
Plan Fiduciary Net Position as a Percentage of Total Pension Liability:			
December 31, 2019	94.20%	96.50%	-
December 31, 2018	84.10%	90.80%	-
December 31, 2017	89.20%	97.40%	-
December 31, 2016	84.90%	95.10%	-
December 31, 2015	84.50%	100.20%	-
December 31, 2014	87.20%	103.50%	-

Amounts were presented for the System years ended December 31, 2014 through 2019. Going forward, a full 10-year schedule will be presented as it becomes available.

Details regarding actuarial assumptions can be found in Footnote 12 which precedes this section of the statements.

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STUDENT LOAN PURCHASE PROGRAM

Required Supplementary Information
For the Three Months Ended September 30, 2020

Defined Benefit Pension Contributions – A schedule of the Program's pension contributions to the System follows:

	Noncontributory Plan	Tier 2 Plan	Total
Contractually Required Program Contributions:			
June 30, 2020	$183,484	$183,149	$366,633
June 30, 2019	$202,374	$231,408	$433,782
June 30, 2018	$238,644	$251,281	$489,925
June 30, 2017	$249,016	$294,983	$543,999
June 30, 2016	$292,406	$475,577	$767,983
June 30, 2015	$299,848	$318,563	$618,411
Program Contributions in Relation to the Contractually Required Contributions:			
June 30, 2020	(183,484)	(183,149)	($366,633)
June 30, 2019	(202,374)	(231,408)	($433,782)
June 30, 2018	(238,644)	(251,281)	($489,925)
June 30, 2017	(249,016)	(294,983)	($543,999)
June 30, 2016	(292,406)	(475,577)	($767,983)
June 30, 2015	(299,848)	(318,563)	($618,411)
Program Contribution Deficiency (Excess):			
June 30, 2020	$0	$0	$0
June 30, 2019	$0	$0	$0
June 30, 2018	$0	$0	$0
June 30, 2017	$0	$0	$0
June 30, 2016	$0	$0	$0
June 30, 2015	$0	$0	$0
Program Covered Payroll:			
June 30, 2020	$774,521	$914,830	$1,689,351
June 30, 2019	$854,259	$1,155,884	$2,010,143
June 30, 2018	$1,007,362	$1,255,150	$2,262,512
June 30, 2017	$1,051,144	$1,473,442	$2,524,586
June 30, 2016	$1,234,301	$2,375,509	$3,609,810
June 30, 2015	$1,265,715	$1,611,345	$2,877,060
Program Contributions as a Percentage of Covered Payroll:			
June 30, 2020	23.69%	20.02%	-
June 30, 2019	23.69%	20.02%	-
June 30, 2018	23.69%	20.02%	-
June 30, 2017	23.69%	20.02%	-
June 30, 2016	23.69%	20.02%	-
June 30, 2015	23.69%	19.77%	-

Amounts were presented for the years ended June 30, 2015 through 2020. Going forward, a full 10-year schedule will be presented as it becomes available.

Note to Required Supplementary Information

The following actuarial assumption changes were adopted on January 1, 2019: the investment return assumption remained unchanged at 6.95%; and the assumed inflation rate also remained unchanged at 2.50%. With the same assumed rate of inflation, both the payroll growth and wage inflation assumptions remained the same as the prior year assumptions.

SUPPLEMENTAL SCHEDULES

Combining Financial Statements

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Combining Statement of Net Position
September 30, 2020

	Short-Term Note Fund	1993 Revenue Bond Fund	2012 Revenue Bond Fund	2014 Revenue Bond Fund	2015 Revenue Bond Fund	2016 Revenue Bond Fund	2017 Revenue Bond Fund	Warehouse Facility Fund	Office Facility Bond Fund	Total
ASSETS										
Current Assets										
Cash and cash equivalents	$ 71,236,920	$ -	$ 174,330	$ 49,488	$ 145,032	$ 174,058	$ 121,915	$ 137,667	$1,101,964	$ 73,141,374
Funds held by Trustee	-	149,957,500	3,225,934	1,890,862	3,553,379	5,746,898	4,590,125	1,036,194	841,595	170,842,487
Receivables										
Student loans	2,781,065	-	26,470,658	17,951,300	30,037,217	41,802,107	41,560,710	3,496,773	-	164,099,830
Interest - student loans	825,433	-	5,678,246	3,977,768	5,958,072	8,945,204	9,054,492	7,380,979	-	41,820,194
Other receivables	4,045,885	-	-	-	-	19,729	-	-	-	4,065,614
Prepaid expenses	820,860	-	4,985	3,772	4,251	933	3,624	-	-	838,425
Total Current Assets	79,710,163	149,957,500	35,554,153	23,873,190	39,697,951	56,688,929	55,330,866	12,051,613	1,943,559	454,807,924
Noncurrent Assets										
Student loans receivable	10,515,097	-	120,657,126	100,502,060	116,417,506	180,206,708	180,787,050	327,856,589	-	1,036,942,136
Capital assets, less accumulated depreciation of $9,939,542	1,584,614	-	-	-	-	-	-	-	7,224,457	8,809,071
Total Noncurrent Assets	12,099,711	-	120,657,126	100,502,060	116,417,506	180,206,708	180,787,050	327,856,589	7,224,457	1,045,751,207
TOTAL ASSETS	91,809,874	149,957,500	156,211,279	124,375,250	156,115,457	236,895,637	236,117,916	339,908,202	9,168,016	1,500,559,131
DEFERRED OUTFLOWS OF RESOURCES										
Deferred pension expense	592,382	-	-	-	-	-	-	-	-	592,382
TOTAL DEFERRED OUTFLOWS OF RESOURCES	592,382	-	-	-	-	-	-	-	-	592,382
LIABILITIES										
Current Liabilities										
Accounts payable	2,104,639	-	116,272	161,361	84,922	168,706	172,996	459,566	17,669	3,286,131
Special allowance	501,755	-	1,067,439	383,975	1,285,005	1,930,572	1,858,328	33,925	-	7,060,999
Payable to affiliate	1,094,843	-	-	-	-	-	-	-	6,482	1,101,325
Compensated absences	668,389	-	-	-	-	-	-	-	6,638	675,027
Other liabilities	1,404	-	-	-	-	-	-	-	-	1,404
Accrued interest payable	-	3,657,500	19,436	11,323	18,678	34,000	35,212	50,799	13,617	3,840,565
Bonds and notes payable	-	-	24,954,076	13,576,380	25,898,227	34,896,481	34,429,574	-	756,495	134,511,233
Line of credit	-	-	-	-	-	-	-	218,000,000	-	218,000,000
Total Current Liabilities	4,371,030	3,657,500	26,157,223	14,133,039	27,286,832	37,029,759	36,496,110	218,544,290	800,901	368,476,684
Noncurrent Liabilities										
Compensated absences	485,937	-	-	-	-	-	-	-	1,565	487,502
Net pension liability	447,142	-	-	-	-	-	-	-	-	447,142
Bonds and notes payable, net of unamortized premiums and discounts of $9,311,910	-	146,300,000	104,888,001	83,735,950	108,668,239	179,335,006	182,892,732	-	1,328,489	807,148,417
Total Noncurrent Liabilities	933,079	146,300,000	104,888,001	83,735,950	108,668,239	179,335,006	182,892,732	-	1,330,054	808,083,061
TOTAL LIABILITIES	5,304,109	149,957,500	131,045,224	97,868,989	135,955,071	216,364,765	219,388,842	218,544,290	2,130,955	1,176,559,745
DEFERRED INFLOWS OF RESOURCES										
Deferred gain on bond refundings	-	-	-	854,255	-	-	-	6,373,906	-	7,228,161
Deferred pension income	361,403	-	-	-	-	-	-	-	-	361,403
Deferred building maintenance	-	-	-	-	-	-	-	-	30,000	30,000
TOTAL DEFERRED INFLOWS OF RESOURCES	361,403	-	-	854,255	-	-	-	6,373,906	30,000	7,619,564
NET POSITION										
Net investment in capital assets	1,584,614	-	-	-	-	-	-	-	5,139,473	6,724,087
Restricted	-	-	25,166,055	25,652,006	20,160,386	20,530,872	16,729,074	114,990,006	1,867,588	225,095,987
Unrestricted	85,152,130	-	-	-	-	-	-	-	-	85,152,130
TOTAL NET POSITION	$ 86,736,744	$ -	$ 25,166,055	$ 25,652,006	$ 20,160,386	$ 20,530,872	$ 16,729,074	$114,990,006	$ 7,007,061	$ 316,972,204

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Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Three Months Ended September 30, 2020

	Short-Term Note Fund	1993 Revenue Bond Fund	2012 Revenue Bond Fund	2014 Revenue Bond Fund	2015 Revenue Bond Fund	2016 Revenue Bond Fund	2017 Revenue Bond Fund	Warehouse Facility Fund	Office Facility Bond Fund	Total
OPERATING REVENUES										
Interest on student loans	$ 135,008	$ 2,195,227	$ 1,749,358	$ 1,178,628	$ 1,832,770	$ 2,764,744	$ 2,685,187	$ (81,363)	$ -	$ 12,459,559
Federal loan servicing revenue	5,566,874	-	-	-	-	-	-	-	-	5,566,874
Investment income	73,323	(14,458)	353	240	402	19,239	586	-	2,528	82,213
Other revenue	894,702	-	-	-	-	-	-	-	161,320	1,056,022
Total Operating Revenues	6,669,907	2,180,769	1,749,711	1,178,868	1,833,172	2,783,983	2,685,773	(81,363)	163,848	19,164,668
OPERATING EXPENSES										
Interest expense	-	4,606,570	311,358	172,393	324,703	573,962	585,502	41,915	12,551	6,628,954
Bond and financing related expense	490,266	11,605	26,575	26,189	26,594	27,798	27,718	-	-	636,745
Special allowance	21,567	480,188	1,067,439	383,975	1,285,005	1,930,572	1,858,328	33,925	-	7,060,999
Student loan servicing expense	(502,196)	421,819	297,238	220,162	142,791	331,743	331,830	196,266	-	1,439,653
General and administrative expense	785,955	55,461	39,632	30,000	36,426	55,291	55,305	-	(87,560)	970,510
Federal loan servicing expense	5,582,917	-	-	-	-	-	-	-	-	5,582,917
Depreciation expense	216,228	-	-	-	-	-	-	-	105,356	321,584
Uninsured claims expense	10,337	7,398	166,951	132,427	157,419	240,426	240,635	350,841	-	1,306,434
Total Operating Expenses	6,605,074	5,583,041	1,909,193	965,146	1,972,938	3,159,792	3,099,318	622,947	30,347	23,947,796
OPERATING INCOME (LOSS)	64,833	(3,402,272)	(159,482)	213,722	(139,766)	(375,809)	(413,545)	(704,310)	133,501	(4,783,128)
NONOPERATING REVENUES										
Gain on interest rate swap termination	-	15,509,871	-	-	-	-	-	-	-	15,509,871
Total Nonoperating Revenues	-	15,509,871	-	-	-	-	-	-	-	15,509,871
Transfer to Utah System of Higher Education	(50,000)	-	-	-	-	-	-	-	-	(50,000)
Transfers - Intrafund	19,225,014	(134,919,330)	-	-	-	-	-	115,694,316	-	-
CHANGES IN NET POSITION	19,239,847	(122,811,731)	(159,482)	213,722	(139,766)	(375,809)	(413,545)	114,990,006	133,501	10,676,743
NET POSITION − Beginning of Year	67,496,897	122,811,731	25,325,537	25,438,284	20,300,152	20,906,681	17,142,619	-	6,873,560	306,295,461
NET POSITION − End of Period	$ 86,736,744	$ -	$ 25,166,055	$ 25,652,006	$ 20,160,386	$ 20,530,872	$ 16,729,074	$ 114,990,006	$ 7,007,061	$ 316,972,204

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Combining Statement of Cash Flows
For the Three Months Ended September 30, 2020

	Short-Term Note Fund	1993 Revenue Bond Fund	2012 Revenue Bond Fund	2014 Revenue Bond Fund	2015 Revenue Bond Fund	2016 Revenue Bond Fund	2017 Revenue Bond Fund	Warehouse Facility Fund	Office Facility Bond Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES										
Principal received on student loans	$ 455,815	$ 9,500,092	$ 4,970,202	$ 3,528,600	$ 5,169,992	$ 7,960,052	$ 7,705,387	$ 540,598	$ -	$ 39,830,738
Interest received on student loans	(226,975)	1,076,469	882,862	552,250	1,020,046	1,592,616	1,568,992	88,263	-	6,554,523
Special allowance payments	(20,860)	(443,961)	(1,073,495)	(365,846)	(1,266,158)	(1,908,044)	(1,827,666)	-	-	(6,906,030)
Net borrower payments received for (sent to) related funds	(66,877)	-	-	-	-	-	-	-	-	(66,877)
Payments received for internal services	613,729	-	-	-	-	-	-	-	-	613,729
Payments for loan purchases	(275,403)	(1,442,972)	(552,861)	(159,324)	(40,545)	(155,859)	(148,657)	-	-	(2,775,621)
Payments for student loan servicing expense	(1,071,250)	(655,859)	(300,013)	(220,632)	(145,433)	(335,366)	(335,285)	-	-	(3,063,838)
Payments for general and administrative expense	770,604	128,336	(40,002)	(30,000)	(36,822)	(55,894)	(55,881)	-	11,339	691,680
Payments for federal loan servicing expense	(5,349,442)	-	-	-	-	-	-	-	-	(5,349,442)
Payments received for federal loan servicing revenue	8,655,351	-	-	-	-	-	-	-	-	8,655,351
Payments received for rental revenue	-	-	-	-	-	-	-	-	237,063	237,063
Payments for student loan disbursements	(106,379)	-	-	-	-	-	-	-	-	(106,379)
Cash provided by operating activities	3,378,313	8,162,105	3,886,693	3,305,048	4,701,080	7,097,505	6,906,890	628,861	248,402	38,314,897
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES										
Equity transfer	19,132,996	198,322,004	-	-	-	-	-	(217,455,000)	-	-
Transfer to Utah System of Higher Education	(50,000)	-	-	-	-	-	-	-	-	(50,000)
Proceeds from issuance of line of credit	-	-	-	-	-	-	-	218,000,000	-	218,000,000
Principal paid on bonds and notes	-	(107,280,726)	(3,100,259)	(3,285,272)	(4,348,413)	(6,133,992)	(6,311,638)	-	-	(130,460,300)
Interest paid on bonds and notes	-	(696,578)	(312,628)	(185,087)	(302,071)	(547,181)	(566,716)	-	(40,850)	(2,651,111)
Payments for bond related expense	78,013	(11,605)	(30,982)	(29,527)	(25,000)	(25,000)	(25,000)	-	-	(69,101)
Payments for bond/line of credit issuance costs	(236,098)	-	-	-	-	-	-	-	-	(236,098)
Cash provided by (used in) noncapital financing activities	18,924,911	90,333,095	(3,443,869)	(3,499,886)	(4,675,484)	(6,706,173)	(6,903,354)	545,000	(40,850)	84,533,390
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES										
Acquisition of capital assets	(128,163)	-	-	-	-	-	-	-	(4,929)	(133,092)
Payments received for deferred building maintenance	-	-	-	-	-	-	-	-	30,000	30,000
Cash used in capital and related financing activities	(128,163)	-	-	-	-	-	-	-	25,071	(103,092)
CASH FLOWS FROM INVESTING ACTIVITIES										
Proceeds from maturing investments	-	129,555,809	4,870,596	4,352,556	6,203,399	9,132,117	9,259,980	217,455,000	40,850	380,870,307
Interest received on investments	73,323	(167,534)	353	240	402	(490)	586	-	2,528	(90,592)
Purchases of investments	-	(228,120,554)	(5,226,817)	(4,248,756)	(6,159,743)	(9,503,609)	(9,347,604)	(218,491,194)	(42,152)	(481,140,429)
Cash provided by (used in) investing activities	73,323	(98,732,279)	(355,868)	104,040	44,058	(371,982)	(87,038)	(1,036,194)	1,226	(100,360,714)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,248,384	(237,079)	86,956	(90,798)	69,654	19,350	(83,502)	137,667	233,849	22,384,481
CASH AND CASH EQUIVALENTS − Beginning of Year	48,988,536	237,079	87,374	140,286	75,378	154,708	205,417	-	868,115	50,756,893
CASH AND CASH EQUIVALENTS − End of Period	$ 71,236,920	$ -	$ 174,330	$ 49,488	$ 145,032	$ 174,058	$ 121,915	$ 137,667	$ 1,101,964	$ 73,141,374

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STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Combining Statement of Cash Flows
For the Three Months Ended September 30, 2020

(continued)

	Short-Term Note Fund	1993 Revenue Bond Fund	2012 Revenue Bond Fund	2014 Revenue Bond Fund	2015 Revenue Bond Fund	2016 Revenue Bond Fund	2017 Revenue Bond Fund	Warehouse Facility Fund	Office Facility Bond Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED BY OPERATING ACTIVITIES										
Operating income (loss)	$ 64,833	$ (3,402,272)	$ (159,482)	$ 213,722	$ (139,766)	$ (375,809)	$ (413,545)	$ (704,310)	$ 133,501	$ (4,783,128)
Adjustments to reconcile income (loss) to net cash provided by operating activities										
Amortization and depreciation	216,228	3,088,509	-	-	24,029	29,060	21,105	-	97,482	3,476,413
Interest expense for noncapital and capital financing	-	1,518,061	311,358	172,393	300,674	544,902	564,397	41,915	20,425	3,474,125
Interest revenue from nonoperating investing activities	(73,323)	14,458	(353)	(240)	(402)	(19,239)	(586)	-	(2,528)	(82,213)
Bond related expense	490,266	11,605	26,575	26,189	26,594	27,798	27,718	-	-	636,745
Change in assets/liabilities:										
Student loans receivable	(704,090)	340,505,028	4,323,236	3,331,394	5,111,660	7,739,590	7,396,048	(331,353,362)	-	36,349,504
Transfer of student loans	91,867	(339,623,973)	-	-	-	-	-	339,532,106	-	-
Transfer special allowance	(480,188)	480,188	-	-	-	-	-	-	-	-
Borrower interest receivable	(68,315)	6,549,005	(605,398)	(454,390)	(636,964)	(866,110)	(713,653)	(7,380,979)	-	(4,176,804)
Special allowance	480,895	(443,961)	(6,056)	18,129	18,846	22,528	30,662	33,925	-	154,968
Other receivables	2,779,792	-	-	-	-	-	-	-	45,368	2,825,160
Prepaid expenses	106,547	-	-	-	-	-	-	-	-	106,547
Accounts payable and payable to affiliate	473,801	(534,543)	(3,187)	(2,149)	(3,591)	(5,215)	(5,256)	459,566	(45,846)	333,580
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 3,378,313	$ 8,162,105	$ 3,886,693	$ 3,305,048	$ 4,701,080	$ 7,097,505	$ 6,906,890	$ 628,861	$ 248,402	$ 38,314,897