

# Brigham Young University

Compliance Reports Required under the  
Single Audit Act Amendment of 1996 for the  
Year Ended December 31, 2020,  
and Independent Auditors' Reports

# BRIGHAM YOUNG UNIVERSITY

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Brigham Young University

### Report on the Financial Statements

We have audited the accompanying financial statements of Brigham Young University (the "University"), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 University'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 University'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 Brigham Young University as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

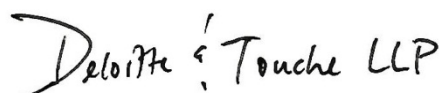
## **Other Matters**

### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying financial responsibility supplemental schedule for the year ended December 31, 2020 and supplementary schedule of expenditures of federal awards for the year ended December 31, 2020, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2020 financial statements and certain additional procedures, including comparing and reconciling such 2020 information directly to the underlying accounting and other records used to prepare the 2020 financial statements or to the 2020 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 2020 financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2021, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

April 20, 2020

# BRIGHAM YOUNG UNIVERSITY

## STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2020 AND 2019 (In thousands of dollars)

	2020	2019
<b>Assets</b>		
Cash	\$ 62,022	\$ 72,593
Accounts and notes receivable, net of allowances of \$3,253 and \$3,218	76,837	65,511
Inventories, prepaid expenses, and other assets	55,730	50,899
Investments	4,037,996	3,561,666
Beneficial interest in trusts	54,715	44,986
Land, buildings, and equipment, net	1,837,349	1,789,752
<b>Total Assets</b>	<b>\$ 6,124,649</b>	<b>\$ 5,585,407</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable, accrued liabilities, and deposits	\$ 98,787	\$ 86,884
Deferred revenue	39,680	49,217
Retirement and postretirement benefits obligation	445,629	395,990
Loans and notes payable	251,232	242,540
<b>Total Liabilities</b>	<b>835,328</b>	<b>774,631</b>
<b>Net Assets</b>		
Without donor restrictions:		
Operations	921,201	764,988
Board-designated endowments	1,545,039	1,397,025
Invested in land, buildings, and equipment	1,712,218	1,696,019
Total without donor restrictions	4,178,458	3,858,032
With donor restrictions:		
Operations	45,908	43,955
Land, buildings, and equipment		2,186
Beneficial interest in trusts	55,723	45,868
Board-designated endowments	36,443	32,974
Endowments	972,789	827,761
Total with donor restrictions	1,110,863	952,744
<b>Total Net Assets</b>	<b>5,289,321</b>	<b>4,810,776</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,124,649</b>	<b>\$ 5,585,407</b>

See notes to financial statements

# BRIGHAM YOUNG UNIVERSITY

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2020 (In thousands of dollars)

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and Other Support:</b>			
Tuition and fees, net of scholarships and grants of \$75,527	\$ 193,163	\$ -	\$ 193,163
Appropriations from a Church affiliate	732,471		732,471
Contributions and grants	83,953	65,330	149,283
Investment income, net	354,127	112,439	466,566
Auxiliary sales	153,347		153,347
Other	14,459	11,501	25,960
Net assets released from restrictions	31,151	(31,151)	-
<b>Total Revenues and Other Support</b>	<u>1,562,671</u>	<u>158,119</u>	<u>1,720,790</u>
<b>Expenses:</b>			
Education	713,196		713,196
Auxiliary	349,309		349,309
Administration	131,130		131,130
<b>Total Expenses</b>	<u>1,193,635</u>	<u>-</u>	<u>1,193,635</u>
<b>Increase in Net Assets before Retirement and Postretirement Plans Adjustment</b>	369,036	158,119	527,155
<b>Retirement and Postretirement Plans Adjustment</b>	<u>(48,610)</u>	<u>-</u>	<u>(48,610)</u>
<b>Increase in Net Assets</b>	320,426	158,119	478,545
<b>Net Assets, Beginning of Year</b>	<u>3,858,032</u>	<u>952,744</u>	<u>4,810,776</u>
<b>Net Assets, End of Year</b>	<u>\$ 4,178,458</u>	<u>\$ 1,110,863</u>	<u>\$ 5,289,321</u>

See notes to financial statements

# BRIGHAM YOUNG UNIVERSITY

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2019 (In thousands of dollars)

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and Other Support:</b>			
Tuition and fees, net of scholarships and grants of \$70,510	\$ 215,753	\$ -	\$ 215,753
Appropriations from a Church affiliate	657,321		657,321
Contributions and grants	75,045	37,779	112,824
Investment income, net	478,072	141,799	619,871
Auxiliary sales	216,051		216,051
Other	19,903	9,731	29,634
Net assets released from restrictions	33,198	(33,198)	-
<b>Total Revenues and Other Support</b>	<u>1,695,343</u>	<u>156,111</u>	<u>1,851,454</u>
<b>Expenses:</b>			
Education	739,242		739,242
Auxiliary	384,936		384,936
Administration	122,204		122,204
<b>Total Expenses</b>	<u>1,246,382</u>	<u>-</u>	<u>1,246,382</u>
<b>Increase in Net Assets before Retirement and Postretirement Plans Adjustment</b>	448,961	156,111	605,072
<b>Retirement and Postretirement Plans Adjustment</b>	<u>(35,725)</u>		<u>(35,725)</u>
<b>Increase in Net Assets</b>	413,236	156,111	569,347
<b>Net Assets, Beginning of Year</b>	<u>3,444,796</u>	<u>796,633</u>	<u>4,241,429</u>
<b>Net Assets, End of Year</b>	<u>\$ 3,858,032</u>	<u>\$ 952,744</u>	<u>\$ 4,810,776</u>

See notes to financial statements

# BRIGHAM YOUNG UNIVERSITY

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In thousands of dollars)

	2020	2019
<b>Cash Flows from Operating Activities:</b>		
Increase in net assets	\$ 478,545	\$ 569,347
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	102,266	97,247
Donated assets held as investments	(4,385)	(1,877)
Gain on investments, net	(390,469)	(533,322)
Increase in beneficial interest in trusts	(9,729)	(6,569)
Loss on disposal of land, buildings, and equipment	3,568	111
Donated and appropriated land, buildings, and equipment	(760)	(121)
Contributions restricted for investment in buildings and equipment	(40)	(20)
Contributions restricted for investment in donor-restricted endowments	(58,907)	(33,322)
Investment income restricted for reinvestment	(289)	(495)
Other adjustments, net	491	998
Increase (decrease) due to changes in operating assets and liabilities:		
Accounts receivable	(11,463)	(5,635)
Inventories, prepaid expenses, and other assets	(4,831)	(268)
Accounts payable, accrued liabilities, and deposits	17,724	3,724
Deferred revenue	(9,537)	1,098
Retirement and postretirement benefits obligation	49,639	24,454
Net cash provided by operating activities	<u>161,823</u>	<u>115,350</u>
<b>Cash Flows from Investing Activities:</b>		
Proceeds from sale of investments	202,366	229,547
Purchase of investments	(283,842)	(225,015)
Collection of notes receivable	1,353	1,807
Disbursement for notes receivable	(1,216)	(1,835)
Proceeds from disposal of land, buildings, and equipment	3,972	4,732
Purchase of land, buildings, and equipment	(162,464)	(160,595)
Purchase of collections	(491)	(998)
Net cash used by investing activities	<u>(240,322)</u>	<u>(152,357)</u>
<b>Cash Flows from Financing Activities:</b>		
Contributions restricted for investment in buildings and equipment	40	20
Contributions restricted for investment in donor-restricted endowments	58,907	33,322
Other financing activities:		
Investment income restricted for reinvestment	289	495
Proceeds from loans and notes payable	27,900	26,036
Payments on loans and notes payable	(19,208)	(3,760)
Net cash provided by financing activities	<u>67,928</u>	<u>56,113</u>
Net increase (decrease) in cash	(10,571)	19,106
Cash, Beginning of Year	<u>72,593</u>	<u>53,487</u>
Cash, End of Year	<u>\$ 62,022</u>	<u>\$ 72,593</u>
<b>Supplemental Data:</b>		
Interest paid	\$ 4,444	\$ 4,144
Purchases of land, buildings, and equipment in accounts payable	13,778	7,957

See notes to financial statements



# BRIGHAM YOUNG UNIVERSITY

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Brigham Young University (the University), located in Provo, Utah, is a non-profit corporation affiliated with The Church of Jesus Christ of Latter-day Saints (the Church).

**Basis of Accounting**—The financial statements of the University have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

University net assets are classified into two categories: Without Donor Restrictions and With Donor Restrictions, based on the absence or existence of donor-imposed time or purpose restrictions upon resources provided to the University. When donor restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the Statement of Activities as net assets released from restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, the University reports the contribution as without donor restrictions.

**Cash**—Cash includes cash on hand, cash in depository institutions and cash in an interest-bearing, cash-management account maintained with a Church affiliate (Note 7) that is available on demand and is not covered by federal depository insurance.

**Inventories**—Inventories are carried at the lower of cost (primarily weighted-average method) or net realizable value.

**Investments**—Investments with readily determinable fair values are carried at fair value. Investments that have no readily determinable fair value are carried at either original cost or estimated fair value at the date of donation.

**Beneficial Interest in Trusts**—The University is named as a beneficiary of certain irrevocable trusts. Revenues and assets included in the financial statements are based on the net present value of expected proceeds from those trusts.

**Land, Buildings and Equipment**—Land, buildings, and equipment are stated at acquisition cost or at estimated fair value at time of donation. Gifts of long-lived assets are treated as support without donor restrictions unless explicit donor restrictions specify otherwise. Depreciation is computed using the straight-line method and the following useful lives:

Buildings	50 years
Improvements	3–40 years
Furniture, fixtures, and equipment	2–25 years
Library books	25 years

**Collections**—The University maintains several collections, which are not reported for financial statement purposes. These collections include works of art, natural history (living and artifacts), and other similar objects. Collections are held for public exhibition, education and research in furtherance of the University's goal to provide public service. Proceeds from the sale of collection items are held

and used to acquire other collection items that are expensed at the time of purchase or for the direct care of existing collections. Various University departments have the responsibility to control, preserve, and protect these collections.

**Revenue Recognition**—Tuition and fees revenue is received from students enrolled in degree or continuing education programs. Revenue is recognized within the year in which educational services are provided and is recorded net of scholarships and grants. Payments received in advance of providing services are recorded as deferred revenue.

Appropriations revenue is provided from a Church affiliate (Note 7) to support education, auxiliary and administrative activities. Appropriations revenue is recorded when received, or as costs are incurred for Church affiliate-funded projects.

Contributions and grants revenue includes monetary gifts or gifts-in-kind to support university operations, student aid, and capital projects. Unconditional promises to give, if any, to the University are recognized when the promise is formally acknowledged. Conditional promises to give to the University are recognized when the conditions on which they depend are substantially met. Contributions are recorded at fair value at the time gifts are received. Amounts expected to be collected in future years are recorded at the present value of estimated future cash flows. Grants and contracts awarded by governmental and private entities are generally considered nonreciprocal transactions. The resources which have been provided benefit the University, the funding entity's mission, or the public at large. Revenue is recognized according to the conditions of the agreement, usually as qualifying expenditures are incurred and conditions are met. Payments received in advance of conditions being met are recorded as deferred revenue.

Auxiliary sales revenue results from furnishing goods or services to students, faculty, staff, or to the general public. Auxiliary enterprises are managed to operate as self-supporting activities. Auxiliary sales revenue includes dining, housing, student medical services, store sales, event ticket sales, sponsorships, Church affiliate education services and other services. Goods and services revenues are recognized, equal to the applicable exchange consideration, at the time of sale or over the life of the contract as performance obligations are met. Amounts received in advance are recorded as deferred revenues. Auxiliary enterprises may also be supported by appropriations, contributions, and investment income.

**Fair Value Measurements**—Certain financial instruments, presented in investments, and retirement and postretirement plan assets are carried at fair value, as discussed in Notes 9 and 10, respectively.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is based on assumptions that market participants would use, including consideration of non-performance risk.

In determining fair value, the University uses various valuation techniques and prioritizes the use of observable inputs. The availability of observable inputs varies from instrument to instrument and depends on a variety of factors, including the type of instrument, whether the instrument is traded in active markets, and other characteristics particular to the investment. Equity and fixed income portfolio investments are valued at fair value, based upon the underlying investments, using the net asset values provided by a Church affiliate (Note 7). Equity securities are valued at the closing price reported on the active market on which the securities are traded. Fixed income securities are generally valued using pricing models maximizing the use of observable inputs. Real estate and limited partnership investments are generally valued at fair value, based upon the underlying investments, using either the published net asset value per unit or the net asset values provided by the general partners, updated as

necessary using analytical tools to benchmark returns, appraisals, public market data, and/or inquiry of the general partners.

The University assesses the inputs used to measure fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market. Level 1 inputs include quoted prices for identical assets or liabilities in an active market. Level 2 inputs include quoted prices for similar assets and observable inputs such as interest rates, currency exchange rates, commodity rates, and yield curves. Level 3 inputs are not observable in the market and include management's judgments about the assumptions market participants would use in pricing the asset or liability.

Transfers between levels occur when there is a change in the observability of significant inputs. This may occur between Level 1 and Level 2 when the availability of quoted prices changes, or when market activity significantly changes to active or inactive. A transfer between Level 2 and Level 3 generally occurs when the underlying inputs become, or can no longer be, corroborated with observable market data. The University recognizes all transfers at the end of each reporting period.

**Accounting for Retirement and Postretirement Plans**—The University recognizes the over/under funded status of retirement and postretirement plans in the statement of financial position. For retirement plans, funding status is measured as the difference between the fair value of plan assets and the projected benefit obligation. For postretirement plans, funding status is measured as the difference between the fair value of plan assets and the accumulated postretirement benefit obligation.

The University also recognizes all previously unrecognized actuarial gains and losses, prior service cost, and transition liability in net assets without donor restrictions and provides all required additional disclosure.

**Income Tax Status**—The University is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and state income taxes under similar state tax provisions on income related to exempt purposes. Accordingly, no provision for income taxes is made in the financial statements.

**Use of Estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The University's liquidity needs are met from the following sources: tuition received, monthly Church affiliate appropriations for operations and reimbursements for operating expenses at the Missionary Training Center and Jerusalem Center, funding for Church affiliate-supported capital projects as costs are incurred, contributions received by the University through Philanthropies, also a Church affiliate (Note 7), and grants from federal and state agencies and others. In order to meet additional liquidity needs, the University may redeem investments from its investment portfolios on a monthly basis with a minimum notice period of 5 business days. Excess cash from daily operational needs is managed in cash accounts held by Church affiliates. Excess cash that is not projected to be needed for 90 days or greater is invested in the University's investment portfolios. The investment portfolios are diversified as designated by the University's Investment Committee (the Committee).

The table below presents the University's financial assets, reduced by amounts unavailable for general use within one year because of contractual or donor-imposed restrictions, or internal designations. Amounts unavailable include amounts set aside for long-term investing in the operating and capital reserves that could be drawn upon if management approves that action. The following table presents the availability of financial assets as of December 31, 2020 and 2019 (in thousands of dollars):

	<u>2020</u>	<u>2019</u>
Cash	\$ 62,022	\$ 72,593
Accounts and notes receivable, net, exchange transactions	18,359	17,667
Accounts and notes receivable, net, non-exchange transactions	58,478	47,844
Investments	4,037,996	3,561,666
Beneficial interest in trusts	54,715	44,986
Total financial assets	4,231,570	3,744,756
Less those unavailable for general expenditure within one year:		
Accounts and notes receivable, net	3,493	3,665
Other investments and other assets	18,641	14,979
Beneficial interest in trusts	50,446	44,741
Board-designated endowments, net of projected payout	1,507,236	1,373,562
Endowments, net of projected payout	962,515	796,451
Reserved for capital projects	124,774	133,270
Other donor restrictions	12,460	18,941
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,552,005</u>	<u>\$ 1,359,147</u>

### 3. INVESTMENTS

Investments primarily consist of unitized interests in investment pools managed by a Church affiliate (Note 7). Other investment instruments may range in liquidity from bank checking or certificate of deposit accounts to real property. Investments as of December 31, 2020 and 2019 are as follows (in thousands of dollars):

	<u>2020</u>	<u>2019</u>
Investments at fair value:		
Time deposits and cash equivalents	\$ 27	\$ 31
Equity portfolios, domestic	2,139,778	1,845,045
Equity portfolios, international	545,601	457,980
Fixed income portfolios, domestic	1,262,658	1,171,431
Other equity and fixed income investments	<u>21,382</u>	<u>22,734</u>
Total investments at fair value	<u>3,969,446</u>	<u>3,497,221</u>
Other investments carried at cost or estimated value at the date of donation:		
Equity securities	5,577	3,791
Real estate	58,022	55,392
Other assets	<u>4,951</u>	<u>5,262</u>
Total other investments	<u>68,550</u>	<u>64,445</u>
Total investments	<u>\$ 4,037,996</u>	<u>\$ 3,561,666</u>

### 4. BENEFICIAL INTEREST IN TRUSTS

The University is named as a beneficiary or remainderman for a number of irrevocable charitable trusts. Most of these trusts are administered by a Church affiliate (Note 7). Expected receipts from these trusts as of December 31, 2020 and 2019, respectively, determined using discount rates ranging from approximately 1.60 to 5.02 percent, are as follows (in thousands of dollars):

	<u>2020</u>	<u>2019</u>
Less than one year	\$ 7,138	\$ 436
One to five years	4,807	9,436
More than five years	<u>42,770</u>	<u>35,114</u>
Total beneficial interest in trusts	<u>\$ 54,715</u>	<u>\$ 44,986</u>

## 5. LAND, BUILDINGS, AND EQUIPMENT

As of December 31, 2020 and 2019, land, buildings and equipment included (in thousands of dollars):

	<b>2020</b>	<b>2019</b>
Land, buildings, and improvements	\$ 2,373,601	\$ 2,297,447
Furniture, fixtures, equipment, and other	479,197	459,753
Library books	274,126	264,800
Construction in progress	<u>117,664</u>	<u>125,606</u>
Total land, buildings, and equipment, gross	3,244,588	3,147,606
Less accumulated depreciation	<u>1,407,239</u>	<u>1,357,854</u>
Total land, buildings, and equipment, net	<u>\$ 1,837,349</u>	<u>\$ 1,789,752</u>

## 6. LOANS AND NOTES PAYABLE

Loans and notes payable consist primarily of unsecured loans extended by a Church affiliate (Note 7) to the University for the acquisition of housing-related facilities. Initial loan borrowings totaled \$281,224,000. The outstanding balance of loans from a Church affiliate totaled \$250,991,000 and \$242,300,000 at December 31, 2020 and 2019, respectively. These loans bear interest at a rate of 2.0 percent and are payable monthly over a 40-year term. The loans have issue dates ranging from 2013 to 2020 and maturity dates range from 2053 to 2060.

The amounts of future principal payments as of December 31, 2020 are (in thousands of dollars):

<b>Years Ending December 31,</b>	
2021	\$ 4,353
2022	5,336
2023	5,443
2024	5,553
2025	5,665
2026 and thereafter	<u>224,882</u>
Total loans and notes payable	<u>\$ 251,232</u>

## 7. RELATED PARTIES

The University operates under the direction of a Board of Trustees (the Board) composed of General Authorities and other officers of the Church. The University is provided certain accounting and other management services and is also included in the property and liability insurance programs of Church affiliates, all at no cost to the University.

The following table presents balances due to and from or administered through Church affiliates, and activities with or processed by Church affiliates, included in the financial statements as of and for the years ended December 31, 2020 and 2019 (in thousands of dollars):

	<b>2020</b>	<b>2019</b>
Cash	\$ 61,426	\$ 58,457
Accounts receivable	49,241	37,797
Investments	3,948,064	3,474,487
Beneficial interest in trusts	54,715	44,935
Accounts payable and accrued liabilities	6,371	4,745
Retirement and postretirement benefits obligation	445,629	395,990
Loans and notes payable	250,991	242,300
Appropriations:		
Operations	565,585	508,574
Capital expenditures	166,886	148,747
Contributions processed from donors	116,910	80,747
Investment income—net	464,609	609,879
Auxiliary sales	47,760	57,324
Other revenue—interest	741	1,028
Expenses:		
Benefit plans	182,045	171,345
Products and services	4,760	5,582
Interest	4,268	4,001
Retirement and postretirement plans adjustment*	48,610	35,725

\* In the prior year financial statements, the Retirement and Postretirement Plans Adjustment for 2019 was presented in the table above within Benefit plans expense.

## 8. ENDOWMENTS

The University's endowment fund consists of individual donor-restricted endowment funds and funds designated by the Board to function as endowments (board-designated endowments). The net assets associated with endowment funds, including board-designated endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board has interpreted the adopted Utah "Uniform Prudent Management of Institutional Funds Act" (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as net assets with donor restriction, (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (d) the remaining portion of the

donor-restricted endowment fund, until those amounts are allocated for expenditure by the University in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the University considers the following factors in making a determination to allocate or accumulate endowment funds:

- The preservation of the fund
- The purposes of the University and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and appreciation of investments
- Other resources of the University
- The investment policies of the University

When the Board designates funds without donor restrictions to function as endowments, they remain classified as net assets without donor restrictions. When the Board designates donor-restricted non-endowment funds to function as endowments, they are classified as net assets with donor restrictions. Board-designated endowments are used to fund management priorities as approved by the Board. Also, from time to time, the fair value of assets associated with individual donor endowment funds may fall below the value of the initial and subsequent donor gift amounts creating a deficit (underwater endowment funds).

The following tables present the University's endowment net asset composition, changes, and classifications as of and for the indicated years (in thousands of dollars):

**Endowment Net Asset Composition by Type of Fund as of December 31, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	N/A	\$ 972,789	\$ 972,789
Board-designated endowment funds	\$ 1,545,039	36,443	1,581,482
Underwater endowment funds			-
Total endowment funds	<u>\$ 1,545,039</u>	<u>\$ 1,009,232</u>	<u>\$ 2,554,271</u>

**Changes in Endowment Net Assets for the Year Ended December 31, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 1,397,025	\$ 860,735	\$ 2,257,760
Investment income, net	179,702	112,239	291,941
Contributions and other revenue	5,837	61,024	66,861
Allocated for expenditure	(45,450)	(31,550)	(77,000)
Reclassifications		6,784	6,784
Other changes:			
Transfers to/from board-designated endowment funds, net	<u>7,925</u>		<u>7,925</u>
Endowment net assets, end of year	<u>\$ 1,545,039</u>	<u>\$ 1,009,232</u>	<u>\$ 2,554,271</u>



### Endowment Net Asset Composition by Type of Fund as of December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	N/A	\$ 827,761	\$ 827,761
Board-designated endowment funds	\$ 1,397,025	32,974	1,429,999
Underwater endowment funds			-
Total endowment funds	<u>\$ 1,397,025</u>	<u>\$ 860,735</u>	<u>\$ 2,257,760</u>

### Changes in Endowment Net Assets for the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,169,537	\$ 708,759	\$ 1,878,296
Investment income, net	231,479	141,422	372,901
Contributions and other revenue	4,595	35,905	40,500
Allocated for expenditure	(43,735)	(26,008)	(69,743)
Reclassifications		657	657
Other changes:			
Transfers to/from board-designated endowment funds, net	<u>35,149</u>		<u>35,149</u>
Endowment net assets, end of year	<u>\$ 1,397,025</u>	<u>\$ 860,735</u>	<u>\$ 2,257,760</u>

### Description of Endowment Net Assets with Donor Restriction

	2020	2019
The portion of perpetual endowment funds required to be retained permanently either by explicit donor stipulation or UPMIFA	\$ 573,129	\$ 504,374
The portion of perpetual endowments subject to a time restriction under UPMIFA, net of underwater amount:		
Without purpose restrictions	1,523	1,342
With purpose restrictions	398,137	322,045
Term endowment funds	<u>36,443</u>	<u>32,974</u>
Total endowment funds classified as net assets with donor restriction	<u>\$ 1,009,232</u>	<u>\$ 860,735</u>

**Endowment Funds with Deficits (Underwater Endowments)**—As of December 31, 2020 and 2019 there were no endowments with deficits.

**Return and Risk Objectives**—The University has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets. Under this policy endowment assets are invested in a manner that is intended to yield a long-term rate of return of approximately 5.0 to 7.0 percent annually, while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

**Strategies Employed for Achieving Investment Objectives**—To achieve its long-term rate of return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The University targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

**Relationship of Spending Policy to Investment Objectives**—The Committee determines the method to allocate endowment funds for expenditure. The allocation amount is determined as of the end of the year, one year prior to when it becomes available for expenditure, and is approved up to 5.0 percent (4.5 percent beginning in 2021) of the preceding twelve quarters' average ending fair value. In establishing this method, the Committee considered the range of the expected long-term rate of return on the investment of the University's endowment funds. Accordingly, over the long-term, the University expects the current spending policy to allow its endowment to grow at an average of 2.0 percent annually, consistent with its intention to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts. Depending upon market conditions and the needs and available resources of the University, allocations for expenditure from individual endowments may be temporarily suspended to facilitate preservation of the endowment.

## 9. FINANCIAL INSTRUMENTS AT FAIR VALUE

Certain financial instruments of the University, which are presented in investments, are reported at fair value and are either categorized into a three-level hierarchy based on the nature of the inputs to the valuation technique, or presented as investments measured at net asset value per share, as discussed in Note 1. The following tables present these financial instruments as of December 31, 2020 and 2019 (in thousands of dollars):

	Fair Value Measurements as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Time deposits and cash equivalents	\$ 27	\$ -	\$ -	\$ 27
Equity and fixed income investments	15,829	5,553		21,382
Investments measured at net asset value per share	N/A	N/A	N/A	3,948,037
Total investments	15,856	5,553	-	3,969,446
Beneficial interest in trusts			54,715	54,715
Total assets carried at fair value	<u>\$15,856</u>	<u>\$5,553</u>	<u>\$54,715</u>	<u>\$4,024,161</u>

<b>Fair Value Measurements as of December 31, 2019</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Time deposits and cash equivalents	\$ 31	\$ -	\$ -	\$ 31
Equity and fixed income investments	17,381	5,353		22,734
Investments measured at net asset value per share	N/A	N/A	N/A	3,474,456
Total investments	17,412	5,353	-	3,497,221
Beneficial interest in trusts			44,563	44,563
Total assets carried at fair value	<u>\$17,412</u>	<u>\$5,353</u>	<u>\$44,563</u>	<u>\$3,541,784</u>

The table below presents the following changes in Level 3 financial instruments measured at fair value for the years ended December 31, 2020 and 2019 (in thousands of dollars):

<b>Fair Value Measurements Using Significant Unobservable Inputs</b>		
	<b>2020</b>	<b>2019</b>
Purchases	\$ 30	\$ 284
Transfers into (out of) Level 3		

The fair value of the beneficial interests in trusts is based upon the income approach. Significant inputs include the fair value of the trust assets, the discount rate, the annual amounts paid to the donor, and the estimated date of payout (Note 4).

Investments measured at net asset value per share consist of unitized interests in investment pools managed by a Church affiliate (Note 7). The University has no unfunded commitments and may redeem these investments on a once monthly basis, at the month-end net asset value, with a minimum notice period of 5 business days, except for private equity funds of \$446,129,000 and \$356,247,000 as of December 31, 2020 and 2019, respectively. These funds have an indeterminate holding life and are considered illiquid. The following table presents the fair value of investments measured at net asset value per share, as of December 31, 2020 and 2019 (in thousands of dollars):

<b>Fair Value Measurements of Investments Measured at Net Asset Value per Share</b>		
	<b>2020</b>	<b>2019</b>
Equity portfolios, domestic	\$ 2,139,778	\$ 1,845,045
Equity portfolios, international	545,601	457,980
Fixed income portfolios, domestic	<u>1,262,658</u>	<u>1,171,431</u>
Total investments measured at net asset value per share	<u>\$ 3,948,037</u>	<u>\$ 3,474,456</u>

Domestic and international equity portfolios consist of funds that invest in the common stock of either large, mid, or small-cap companies and are generally designed to either replicate the performance of an index or outperform an index through active security selection. Domestic equity portfolios also include private equity funds, which invest in small developing firms with sizeable growth opportunities, carry substantial risk, and have liquidity limitations. Fixed income portfolios consist of funds that invest in either U.S. government or corporate debt securities, each with a targeted duration.

## 10. RETIREMENT AND POSTRETIREMENT PLANS

The University is a participating employer within the Master Retirement Plan administered by a Church affiliate (Note 7). The retirement plan is a noncontributory defined benefit plan that covers substantially all full-time employees of the University hired before January 1, 2021. Effective January 1, 2021, new-hire full-time employees will be eligible to participate in an expanded defined contribution retirement plan. Those employees are not eligible to participate in the Master Retirement Plan.

The University is also a participating employer within the Retiree Medical and Life Plan, administered by a Church affiliate. Through this plan, the University provides a postretirement benefit plan that provides a fixed monthly dollar benefit toward the purchase of medical and life insurance for retired employees. Participating retirees pay the difference between the fixed amounts and the total premium rates. The University recognizes the estimated cost of these postretirement benefits during the years employees provide service. At the time the University adopted this method, it elected to recognize the cumulative effect of the postretirement benefit obligation over a period of twenty years.

Retirement and postretirement plan information presented below represents the University's proportionate share of the Master Retirement Plan and the Retiree Medical and Life Plan (the Plans), respectively.

The following table presents the funding status and the related amounts recognized in the Statements of Financial Position as of December 31, 2020 and 2019 (in thousands of dollars):

	Retirement Plan		Postretirement Plan	
	2020	2019	2020	2019
Fair value of plan assets	\$ 2,036,501	\$ 1,796,258	\$ 182,362	\$ 161,445
Benefit obligation	<u>(2,446,819)</u>	<u>(2,151,075)</u>	<u>(217,673)</u>	<u>(202,618)</u>
Amount underfunded	<u>\$ (410,318)</u>	<u>\$ (354,817)</u>	<u>\$ (35,311)</u>	<u>\$ (41,173)</u>

The accumulated benefit obligation for the retirement plan was \$2,130,114,000 and \$1,881,020,000 as of December 31, 2020 and 2019, respectively.

The following table presents information relating to the retirement and postretirement plans as of and for the years ended December 31, 2020 and 2019 (in thousands of dollars):

	<b>Retirement Plan</b>		<b>Postretirement Plan</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Selected changes in plan assets:				
Employer contributions	\$ 64,200	\$ 73,000	\$ 6,476	\$ 3,423
Plan participants' contributions	N/A	N/A	N/A	N/A
Benefits paid	80,461	77,981	5,866	6,413
Accumulated amounts reflected in the statements of financial position:				
Net loss	\$ 450,844	\$ 396,298	\$ 31,547	\$ 36,457
Prior service cost	<u>3,878</u>	<u>4,363</u>	<u>2,165</u>	<u>2,707</u>
Amount in net assets without donor restrictions	454,722	400,661	33,712	39,164
(Prepaid) accrued retirement/postretirement cost	<u>(44,404)</u>	<u>(45,844)</u>	<u>1,599</u>	<u>2,009</u>
Retirement/postretirement liability	<u>\$ 410,318</u>	<u>\$ 354,817</u>	<u>\$ 35,311</u>	<u>\$ 41,173</u>
Periodic benefit cost and other amounts recognized in net assets without donor restrictions reflected in the statements of activities:				
Service cost	\$ 60,607	\$ 50,267	\$ 5,314	\$ 4,699
Components other than service cost	<u>5,033</u>	<u>8,040</u>	<u>751</u>	<u>2,146</u>
Total benefit cost	65,640	58,307	6,065	6,845
Net loss (gain)	54,546	42,466	(4,910)	(5,347)
Prior service credit	<u>(485)</u>	<u>(853)</u>	<u>(541)</u>	<u>(541)</u>
Other amounts recognized in net assets without donor restrictions	<u>54,061</u>	<u>41,613</u>	<u>(5,451)</u>	<u>(5,888)</u>
Total benefit cost and other amounts recognized in net assets without donor restrictions	<u>\$ 119,701</u>	<u>\$ 99,920</u>	<u>\$ 614</u>	<u>\$ 957</u>

The Plans experience demographic changes from assumptions used during the prior year and could have benefit obligation transfers between related entity participants in the Plans. The Plans also include assumptions for discount rate, mortality, and salary scale that changed. For the postretirement plan, assumptions for base cost and trend, and high-cost, employer-sponsored health plan excise tax also changed. The table below shows the effect upon plan (gains) and losses for the year ended December 31, 2020 due to demographic and assumption changes:

	<b>Retirement Plan Effect on Benefit Obligation</b>	<b>Postretirement Plan Effect on Benefit Obligation</b>
Demographic changes		
Obligation transfer*	0.10 %	0.10 %
Demographic data	0.40	(0.20)
Total demographic change	0.40	(0.10)
Assumption changes		
Discount rate	12.80	13.20
Mortality	(0.90)	(0.40)
Termination rate	(0.70)	N/A
Base cost and trend	N/A	(7.10)
Benefit payments*	0.10	0.70
Total assumption change	11.00	5.40

\* These amounts may not be directly reflected in the liability loss amount

For the years ended December 31, 2020 and 2019, the following weighted-average assumptions were used in accounting for the Plans:

	<b>Retirement Plan</b>		<b>Postretirement Plan</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Benefit obligation:				
Discount rate	2.30 %	3.10 %	2.30 %	3.10 %
Rate of compensation increase	4.15	4.15	N/A	N/A
Net periodic benefit cost:				
Discount rate	3.10	4.10	3.10	4.10
Expected return on plan assets	5.00	5.00	5.00	5.00
Rate of compensation increase	4.15	4.44	N/A	N/A

Postretirement benefits are fixed dollar amounts, primarily for the purchase of health and life insurance, which might be adjusted in the future. For December 31, 2020 valuations, a 6.4% (5.9% for Medicare supplement) annual rate of increase in the per capita cost of covered health care benefits was assumed for 2021. The rate was assumed to change to 5.7% (6.0% for Medicare supplement) by 2030 and will continue to decrease until the rate reaches the ultimate level in 2076 of 3.9% (3.9% for Medicare supplement). For December 31, 2019 valuations, a 6.8% (6.5% for Medicare supplement) annual rate of increase in the per capita cost of covered health care benefits was assumed for 2020. The rate was assumed to decrease gradually to 5.7% (6.0% for Medicare supplement) by 2029 and will continue to decrease until the rate reaches the ultimate level in 2076 at 3.9% (3.9% for Medicare supplement).

According to investment policy, the Plans have established long-term strategic asset allocation targets and ranges, as shown below.

For 2020 and 2019, the 5.0% expected long-term return assumption on plan assets, shown below, was based primarily on forecasted returns for the next ten years by asset category, weighted by the asset allocation target.

The asset classes were updated in August 2020 as follows:

	<b>Asset Allocation</b>		<b>Expected Return</b>	
	<b>Target</b>	<b>Range</b>	<b>Weighting</b>	<b>Category Return</b>
Asset category:				
Domestic equity securities	20 %	10–30 %	20 %	5.11 %
International equity securities	10	5–20	10	5.70
Fixed income	25	15–40	25	2.50
Real estate	12	5–20	12	6.00
Private equities	15	5–20	15	7.50
Non-investment grade debt	10	0–15	10	4.10
Multi-assets	5	0–10	5	3.50
Real assets	3	0–10	3	3.75
Value from active management				0.25
Weighted-average return			100	5.00

In 2019 and through August 2020, the asset classes were defined as follows:

	<b>Asset Allocation</b>		<b>Expected Return</b>	
	<b>Target</b>	<b>Range</b>	<b>Weighting</b>	<b>Category Return</b>
Asset category:				
Domestic equity securities	20 %	10–30 %	20 %	5.11 %
International equity securities	10	5–20	10	5.70
Fixed income	25	15–40	25	2.50
Real estate	10	5–20	10	6.00
Private equities	15	5–20	15	7.50
Non-investment grade debt	10	0–15	10	4.10
Multi-assets	5	0–10	5	3.50
Real assets	5	0–10	5	3.75
Value from active management				0.25
Weighted-average return			100	5.00

The Plans set long-term strategic asset allocation target ranges and then use tactical asset allocation and active management with the intent of providing additional return. The investment policies have been designed to provide for the potential of reasonable long-term performance, yet control the magnitude of risk by setting policy ranges for asset allocation, domestic equity capitalization weighting, domestic equity active management exposure, derivatives exposure, and fixed-income quality.

The financial instruments of the Plans are reported at fair value and are either categorized into a three-level hierarchy based on the nature of the inputs to the valuation technique, or presented as investments measured at net asset value per share, as described in Note 1.

The tables below present the fair value of the Master Retirement Plan assets as of December 31, 2020 and 2019 (in thousands of dollars), of which the University's share was 26.55% and 26.48% as of the respective dates:

	Fair Value Measurements as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents—net of accruals	\$ 50,380	\$ -	\$ -	\$ 50,380
Investments:				
U.S. government securities		18,953		18,953
Corporate debt securities		400,641	23,760	424,401
Mutual funds	1,676,136			1,676,136
Common stocks	1,082,276		5,025	1,087,301
Preferred stocks	18,658	1,292	3,652	23,602
Government agency mortgage-backed securities		400,900		400,900
Private mortgage-backed securities		148,387	6,646	155,033
Derivatives		13,190	18	13,208
Investments measured at net asset value per share	N/A	N/A	N/A	3,820,126
Net Master Retirement Plan assets	<u>\$ 2,827,450</u>	<u>\$ 983,363</u>	<u>\$ 39,101</u>	<u>\$ 7,670,040</u>

	Fair Value Measurements as of December 31, 2019			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents—net of accruals	\$ 69,220	\$ -	\$ -	\$ 69,220
Investments:				
U.S. government securities		61,398		61,398
Corporate debt securities, domestic		338,696	26,455	365,151
Corporate debt securities, international		15,472		15,472
Mutual funds	2,085,316			2,085,316
Common stocks, domestic	531,209			531,209
Common stocks, international	375,346		7,672	383,018
Preferred stocks	10,920		2,975	13,895
Government agency mortgage-backed securities		394,124		394,124
Private mortgage-backed securities		139,704	6,717	146,421
Derivatives	6	1,143	8	1,157
Investments measured at net asset value per share	N/A	N/A	N/A	2,716,732
Net Master Retirement Plan assets	<u>\$ 3,072,017</u>	<u>\$ 950,537</u>	<u>\$ 43,827</u>	<u>\$ 6,783,113</u>



The tables below present the fair value of the Retiree Medical and Life Plan assets as of December 31, 2020 and 2019 (in thousands of dollars), of which the University's postretirement plan's share was 26.06% and 25.85% as of the respective dates:

	<b>Fair Value Measurements as of December 31, 2020</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents—net of accruals	\$ 4,013	\$ -	\$ -	\$ 4,013
Investments:				
U.S. government securities				-
Corporate debt securities		32,849	1,674	34,523
Mutual funds	360,177			360,177
Common stocks	37,290			37,290
Preferred stocks	1,378	133		1,511
Government agency mortgage-backed securities		249		249
Derivatives		120		120
Investments measured at net asset value per share	N/A	N/A	N/A	261,766
Net Retiree Medical and Life Plan assets	<u>\$ 402,858</u>	<u>\$ 33,351</u>	<u>\$ 1,674</u>	<u>\$ 699,649</u>

	<b>Fair Value Measurements as of December 31, 2019</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents—net of accruals	\$ 6,965	\$ -	\$ -	\$ 6,965
Investments:				
U.S. government securities		2,925		2,925
Corporate debt securities, domestic		25,552	307	25,859
Corporate debt securities, international		941		941
Mutual funds	356,085			356,085
Common stocks, domestic	25,867			25,867
Preferred stocks	623			623
Government agency mortgage-backed securities		263		263
Derivatives	1	156		157
Investments measured at net asset value per share	N/A	N/A	N/A	204,819
Net Retiree Medical and Life Plan assets	<u>\$ 389,541</u>	<u>\$ 29,837</u>	<u>\$ 307</u>	<u>\$ 624,504</u>

The tables below present additional information about Level 3 financial assets in the Master Retirement Plan for the years ended December 31, 2020 and 2019 (in thousands of dollars). Both observable and unobservable inputs may be used to determine the fair value of positions that the Plan has classified within Level 3.

Changes in Level 3 Financial Assets Year Ended December 31, 2020			
Level 3 Financial Assets	Purchases	Transfers In	Transfers Out
Corporate debt securities	\$ 17,919	\$ -	\$ -
Common stocks			(589)
Total	<u>\$ 17,919</u>	<u>\$ -</u>	<u>\$ (589)</u>

Changes in Level 3 Financial Assets Year Ended December 31, 2019			
Level 3 Financial Assets	Purchases	Transfers In	Transfers Out
Corporate debt securities, domestic	\$ 9,646	\$ 564	\$ (550)
Common stocks, international	4,970	2,452	
Government agency mortgage-backed securities			(58)
Private mortgage-backed securities	3,847	61	
Derivatives		8	
Total	<u>\$ 18,463</u>	<u>\$ 3,085</u>	<u>\$ (608)</u>

The tables below present additional information about Level 3 financial assets in the Retiree Medical and Life Plan for the years ended December 31, 2020 and 2019 (in thousands of dollars). Both observable and unobservable inputs may be used to determine the fair value of positions that the Plan has classified within Level 3.

Changes in Level 3 Financial Assets Year Ended December 31, 2020			
Level 3 Financial Assets	Purchases	Transfers In	Transfers Out
Corporate debt securities	<u>\$ 1,326</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$ 1,326</u>	<u>\$ -</u>	<u>\$ -</u>

Changes in Level 3 Financial Assets Year Ended December 31, 2019			
Level 3 Financial Assets	Purchases	Transfers In	Transfers Out
Corporate debt securities, domestic	<u>\$ 250</u>	<u>\$ 43</u>	<u>\$ -</u>
Total	<u>\$ 250</u>	<u>\$ 43</u>	<u>\$ -</u>

The University expects to contribute \$78,800,000 to its retirement plan and \$4,510,000 to its postretirement plan during the year ending December 31, 2021.

As of December 31, 2020, the following benefit payments, which reflect expected future service, are expected to be paid (in thousands of dollars):

	<b>Retirement Plan</b>	<b>Postretirement Plan</b>
<b>Years Ending December 31,</b>		
2021	\$ 85,841	\$ 7,051
2022	90,009	7,677
2023	94,158	7,981
2024	98,214	8,150
2025	101,972	8,437
2026–2030	558,163	46,985

The University also participates in supplementary defined contribution retirement plans. The plans are qualified retirement savings money purchase 401(a), 401(k), or Tax-Sheltered Annuity 403(b) plans. The plans cover substantially all full-time employees. These plans are provided through a Church affiliate and TIAA. Employees can contribute a portion of their salaries, not to exceed Internal Revenue Service limits, in qualified programs offered through these companies. For included classes of employees, the University contributes a percentage of employee salary to a Church affiliate, which during the years ended December 31, 2020 and 2019, totaled \$17,548,000 and \$17,012,000, respectively.

#### 11. NATURAL CLASSIFICATION OF EXPENSES

The University presents expenses on its Statements of Activities by functional classification. Its primary function is to provide Education services, including instruction and academic support, research and creative work, and student support. Other functions include Auxiliary and Administration, which support the University's primary mission. Each functional classification includes expenses presented below by natural classification. Operation and maintenance costs are allocated to functional categories primarily on the basis of occupied square footage. The following tables present these expenses for the years ended December 31, 2020 and 2019 (in thousands of dollars):

	<b>For the Year Ended December 31, 2020</b>			
	<b>Education</b>	<b>Auxiliary</b>	<b>Administration</b>	<b>Total</b>
Salaries	\$ 385,676	\$ 85,615	\$ 50,320	\$ 521,611
Benefits	147,773	31,122	19,411	198,306
Total compensation	533,449	116,737	69,731	719,917
Materials and supplies	21,432	7,680	11,383	40,495
General and administrative	33,157	57,040	35,091	125,288
Travel	5,888	5,764	249	11,901
Media, software, equipment	27,854	74,170	1,092	103,116
Physical facilities	20,995	24,215	2,126	47,336
Depreciation	63,091	33,513	5,661	102,265
Cost of sales	1,154	25,398		26,552
Interest		4,268	140	4,408
Other	6,176	524	5,657	12,357
Total expenses	<u>\$ 713,196</u>	<u>\$ 349,309</u>	<u>\$ 131,130</u>	<u>\$ 1,193,635</u>

	For the Year Ended December 31, 2019			
	Education	Auxiliary	Administration	Total
Salaries	\$ 375,346	\$ 88,372	\$ 47,666	\$ 511,384
Benefits	140,360	31,943	17,230	189,533
Total compensation	515,706	120,315	64,896	700,917
Materials and supplies	24,749	8,603	9,531	42,883
General and administrative	52,885	65,668	32,119	150,672
Travel	27,968	11,761	1,333	41,062
Media, software, equipment	26,506	84,282	2,450	113,238
Physical facilities	20,771	23,469	1,601	45,841
Depreciation	61,727	31,144	4,376	97,247
Cost of sales	1,243	35,049		36,292
Interest		4,001	143	4,144
Other	7,687	644	5,755	14,086
Total expenses	<u>\$ 739,242</u>	<u>\$ 384,936</u>	<u>\$ 122,204</u>	<u>\$ 1,246,382</u>

## 12. COMMITMENTS AND CONTINGENCIES

The University has commitments for construction projects totaling \$83,477,000 as of December 31, 2020. Of this amount, \$82,568,000 has been approved to be reimbursed by a Church affiliate and is expected to be received as costs are incurred.

The University has been named as a defendant in certain lawsuits. Other potential claims are pending. While the University cannot predict the results of these actions, management believes, based in part on the advice of in-house legal counsel, that any contingent liability resulting from such litigation and claims will not have a material effect on the University's operations or financial position. Financial responsibility for liability losses is assumed by a Church affiliate.

On March 11, 2020, the World Health Organization declared the global outbreak of the novel coronavirus (COVID) as a pandemic. The spread of COVID caused significant volatility in financial markets and the overall global economy. The University implemented precautionary measures to continue operations consistent with the guidance of government authorities. The University did not accept funds allocated to colleges and universities as part of the Coronavirus Aid, Relief, and Economic Security Act or, CARES Act enacted in March 2020 or the Coronavirus Response and Relief Support Act or, CRRSA Act enacted in December 2020. Instead, private funds were used to support students who suffered COVID-related financial challenges. Full-time enrollment in 2020 increased compared to previous years, while continuing education enrollment declined for the same period. Auxiliary operations' financial results were negatively affected in 2020, due to restrictions on activities and virtual learning. The resolution and ultimate effect of the pandemic and related actions remain uncertain.

### 13. FINANCIAL RESPONSIBILITY RATIO INFORMATION

The U.S. Department of Education issued regulations, effective July 1, 2020, regarding additional disclosures deemed necessary to calculate certain ratios for determining sufficient financial responsibility under Federal Title IV regulations (the Regulations). This information is intended for use by the Department of Education to ensure compliance with the Regulations.

Financial responsibility ratio information as of and for the year ended December 31, 2020, is as follows (in thousands of dollars):

	<u>2020</u>
<b>Land, buildings, and equipment:</b>	
Pre-implementation	\$ 1,575,948
Post-implementation with outstanding debt from original purchase	27,900
Post-implementation without outstanding debt from original purchase	115,837
Construction in progress	<u>117,664</u>
 Total land, buildings, and equipment	 <u><u>\$ 1,837,349</u></u>
 <b>Loans and notes payable:</b>	
Pre-implementation	\$ 223,332
Post-implementation	<u>27,900</u>
 Total loans and notes payable	 <u><u>\$ 251,232</u></u>

### 14. SUBSEQUENT EVENTS

The University has evaluated subsequent events for the period after December 31, 2020 through April 20, 2021, the date financial statements were available to be issued. No events have been identified that would have a material effect on the financial statements.

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# BRIGHAM YOUNG UNIVERSITY

## FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2020 (In thousands of dollars)

	Reference	Amounts
<b>Primary Reserve Ratio:</b>		
Expendable net assets:		
Net assets without donor restrictions	SOFP <sup>1</sup>	\$ 4,178,458
Net assets with donor restrictions	SOFP	1,110,863
Less:		
Term endowments with donor restrictions <sup>2</sup>	SOFP	(36,443)
Life income funds with donor restrictions <sup>3</sup>	SOFP	(55,723)
Net assets with donor restrictions: restricted in perpetuity	Note 8	(573,129)
Unsecured related party receivable	Note 7	(49,241)
Property, plant and equipment <sup>4</sup> pre-implementation	Note 13	(1,575,948)
Property, plant and equipment post-implementation with outstanding debt for original purchase	Note 13	(27,900)
Property, plant and equipment post-implementation without outstanding debt for original purchase	Note 13	(115,837)
Construction in progress	Note 13	(117,664)
Add:		
Post-employment and pension liabilities <sup>5</sup>	SOFP	445,629
Long-term debt—for long-term purposes <sup>6</sup> pre-implementation	Note 13	223,332
Long-term debt—for long-term purposes post-implementation	Note 13	27,900
<b>Total expendable net assets</b>		<b>\$ 3,434,297</b>
Expenses and losses:		
Total expenses without donor restrictions	SOA <sup>7</sup>	\$ 1,193,635
Other components of net periodic pension costs <sup>8</sup>	SOA	48,610
<b>Total expenses and losses</b>		<b>\$ 1,242,245</b>
<b>Equity Ratio:</b>		
Modified net assets:		
Net assets without donor restrictions	SOFP	\$ 4,178,458
Net assets with donor restrictions	SOFP	1,110,863
Less unsecured related party receivables	Note 7	(49,241)
<b>Total modified net assets</b>		<b>\$ 5,240,080</b>
Modified assets:		
Total assets	SOFP	\$ 6,124,649
Less unsecured related party receivables	Note 7	(49,241)
<b>Total modified assets</b>		<b>\$ 6,075,408</b>
<b>Net Income Ratio:</b>		
Change in net assets without donor restrictions	SOA	\$ 320,426
Total revenues without donor restrictions and gains without donor restrictions	SOA	1,562,671

<sup>1</sup> Statement of Financial Position

<sup>2</sup> Appears on SOFP as Board-designated endowments with donor restrictions

<sup>3</sup> Appears on SOFP as Beneficial interest in trusts with donor restrictions

<sup>4</sup> Appears on SOFP as Land, Buildings, and Equipment

<sup>5</sup> Appears on SOFP as Retirement and postretirement benefits obligation

<sup>6</sup> Appears on SOFP as Loans and notes payable

<sup>7</sup> Statement of Activities

<sup>8</sup> Appears on SOA as Retirement and Postretirement Plans Adjustment

# BRIGHAM YOUNG UNIVERSITY

## SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Agency and Pass-through Entity	CFDA Number	Direct Award	Pass-through Award	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER:				
Corporation for National & Community Service:				
CNCS AmeriCorps UCSV	94.006	\$ -	\$ 6,366	\$ 6,366
CNCS AmeriCorps UCSV 200896	94.006		4,908	4,908
Corporation for National & Community Service Total		-	11,274	11,274
Department of Agriculture:				
USDA 2020-67014-30867	10.310	49,448		49,448
USDA 58-2050-0-006	10.001	98,029		98,029
USDA 58-2080-0-014	10.001	19,855		19,855
USDA 59-2060-9-001	10.001	24,299		24,299
USDA ARS 58-2080-6-018	10.001	36,941		36,941
USDA ARS 58-5082-8-008	10.001	6,914		6,914
USDA ARS 58-8042-8-048	10.001	20,448		20,448
USDA ERS 58-4000-7-0072	10.253	7,448		7,448
USDA ERS 58-4000-8-0033-R	10.253	20,385		20,385
USDA FS 15-CS-11221632-084	10.600	5,645		5,645
USDA FS 15-JV-11221637-103	10.600	24,153		24,153
USDA FS 16-CS-11041000-022	10.600	21,058		21,058
USDA FS 16-JV-11272167-024	10.600	85,340		85,340
USDA FS 17-CS-11041000-007	10.600	37,732		37,732
USDA FS 19-JV-11221632-193	10.600	9,579		9,579
USDA USU 202319-649	10.215		15,810	15,810
Department of Agriculture Total		467,274	15,810	483,084
Department of Defense:				
DOD AFA FA7000-17-2-0008	12.800	117,363		117,363
DOD AFOSR FA9550-17-1-0302	12.800	62,648		62,648
DOD ARMY DPG Tech Support	12.000	9,096		9,096
DOD ARMY DUG W9126G-19-2-0053	12.005	102,997		102,997
DOD ARMY W9126G-18-2-0055	12.300	1,785		1,785
DOD DARPA FA8750-17-2-0082	12.910	78,468		78,468
DOD DOD ONR N00014-20-C-1085	12.000	52,014		52,014
DOD NAWCWD N00174-19-1-0021	12.300	170,521		170,521
DOD NAWCWD N6893619P0274	12.000	48,854		48,854
DOD NSA H98230-19-1-0009	12.901	4,170		4,170
DOD NSA H98230-20-I-0026	12.000	879		879
DOD ONR GRANT12671398	12.300	84,563		84,563
DOD ONR N00014-16-1-3025	12.300	167,339		167,339
DOD ONR N00014-18-1-2040	12.300	149,742		149,742
DOD ONR N00014-20-1-2802	12.300	103,000		103,000
DOD PEOSTRI W900KK-15-C-0028	12.100	10,003		10,003
DOD ACC-NJ NSC KUCR FY2017-054	12.000		125,220	125,220

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# BRIGHAM YOUNG UNIVERSITY

## SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Agency and Pass-through Entity	CFDA Number	Direct Award	Pass-through Award	Total Expenditures
DOD AF SSCI	12.000	\$ -	\$ 26,834	\$ 26,834
DOD AFOSR FIU 800011117-02UG	12.800		132,002	132,002
DOD AFRL BRRC 160176C-501	12.800		47,104	47,104
DOD AFRL Neff 0001	12.000		7,251	7,251
DOD AFRL Neff 0002	12.000		22,000	22,000
DOD AFRL TIPD LWFP-HVD	12.800		3,065	3,065
DOD ARMY ATI 2017-391	12.100		463,754	463,754
DOD ARMY BRRC 180223C-501B	12.000		121,074	121,074
DOD ARMY CU BOULDER 1557343	12.000		41,283	41,283
DOD ARMY Nielson Scientific	12.000		30,750	30,750
DOD ARMY PURDUE 13000844-025	12.000		8,340	8,340
DOD BATC 19S0197C	12.000		37,749	37,749
DOD CSU G-09928-01	12.300		18,577	18,577
DOD DPAA UW 0000000510	12.740		38,335	38,335
DOD DTRA PSU SA21-05	12.351		17,005	17,005
DOD IERUS 2020-BYU-001	12.000		3,410	3,410
DOD ISSI SB20245	12.000		22,000	22,000
DOD KSA	12.300		106,251	106,251
DOD NSEP IIE 0054-BYU-3-ARA-280-PO16	12.550		144,944	144,944
DOD NSEP IIE 0054-BYU-3-ARA-280-PO9	12.550		124,663	124,663
DOD NSEP IIE 0054-BYU-3-CHN-280-PO1	12.550		(81)	(81)
DOD NSEP IIE 0054-BYU-3-CHN-280-PO1	12.550		159,862	159,862
DOD NSEP IIE 0054-BYU-3-CHN-280-PO15	12.550		151,653	151,653
DOD NSEP IIE 0054-BYU-3-CHN-OS-280-PO12	12.550		363,969	363,969
DOD NSEP IIE 0054-BYU-3-CHN-OS-280-PO17	12.550		187,761	187,761
DOD NSEP IIE 0054-BYU-3-SSA-280-PO14	12.550		21,380	21,380
DOD NSEP IIE 0054-BYU-3-SSC-280-PO10	12.550		12,000	12,000
DOD NSEP IIE 0054-BYU-3-SSC-280-PO13	12.550		37,900	37,900
DOD ONR Carnegie 1140207-402510	12.300		299,847	299,847
DOD ONR GrammaTech GT S20-04	12.630		36,212	36,212
DOD ONR GrammaTech GT S20-07	12.000		16,565	16,565
DOD ONR N0343A-A	12.300		88,983	88,983
DOD ONR NAVSEA eCortex 1	12.300		20,341	20,341
DOD USACE BRRC 180224F-501	12.000		12,263	12,263
Department of Defense Total		<u>1,163,442</u>	<u>2,950,266</u>	<u>4,113,708</u>
Department of Education:				
ED P220A180023	84.220A	78,183		78,183
ED KU FY2016-128-M4	84.324		24,452	24,452
ED Provo School District	84.000		3,770	3,770
ED UCI	84.000		48,359	48,359
ED UofU 10050229	84.015A		64,055	64,055
ED UofU 10050288	84.015B		255,275	255,275
ED UofU 10050289	84.015A		91,703	91,703
ED UofU 10050290	84.015B		249,450	249,450
Department of Education Total		<u>78,183</u>	<u>737,064</u>	<u>815,247</u>

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# BRIGHAM YOUNG UNIVERSITY

## SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Agency and Pass-through Entity	CFDA Number	Direct Award	Pass-through Award	Total Expenditures
Department of Energy:				
DOE DE-FE0031928	81.089	\$ 1,801	\$ -	\$ 1,801
DOE DE-NE0000644 Wallace	81.121	50,601		50,601
DOE DE-NE0008866	81.121	165,976		165,976
DOE DE-NE0008870	81.121	386,962		386,962
DOE DE-SC0012587	81.049	167,307		167,307
DOE DE-SC0016441	81.049	85,915		85,915
DOE DE-SC0016446	81.049	19,666		19,666
DOE DE-SC0018329	81.049	83,369		83,369
DOE DE-SC0021134	81.049	735		735
DOE OFE DE-FE0029157	81.089	115,054		115,054
DOE ONE DE-NE0000644	81.121	9,630		9,630
DOE BEA 227960	81.000		23,000	23,000
DOE BEA 229456	81.000		23,356	23,356
DOE BEA 238361	81.000		28,225	28,225
DOE BEA 240519	81.000		21,000	21,000
DOE LANL 527136	81.000		67,910	67,910
DOE LANL 570561	81.000		44,000	44,000
DOE LANL 598103	81.000		3,374	3,374
DOE LANL SHREC	81.000		14,632	14,632
DOE LBNL UC-Berkeley 7451423	81.000		(12,102)	(12,102)
DOE LLNL B643228	81.000		9,160	9,160
DOE LLNL B643229	81.000		35,250	35,250
DOE LLNL B643355	81.000		9,552	9,552
DOE LLNL B643372	81.000		22,000	22,000
DOE Naval Nuclear Lab sub MDI	81.000		39,811	39,811
DOE Nielson Sci 20854-001	81.000		63,094	63,094
DOE NNSA LLNL B621785	81.000		20,646	20,646
DOE NREL SUB-2020-10009	81.000		86,632	86,632
DOE NREL XAT-8-70357-01	81.000		76,479	76,479
DOE ONE UIDAHO UA3008-SB-855959	81.121		36,269	36,269
DOE Rutgers 827418	81.135		58,844	58,844
DOE SANDIA 2093698	81.000		34,246	34,246
DOE Sandia National Labs SHREC	81.000		56,867	56,867
DOE SANDIA PO 2039945	81.000		21,844	21,844
DOE SLAC 200194	81.000		101,843	101,843
DOE SRNL 0000395264	81.000		145,154	145,154
DOE UNM 327090-87B1	81.121		57,855	57,855
DOE UofI 094892-17324	81.089		34,633	34,633
DOE UofIL 013683-9483	81.089		915	915
DOE UofU 10029200-BYU	81.124		36	36
DOE UofU 10052851-BYU	81.089		13,271	13,271
DOE UofU 10052969-BYU	81.089		104,374	104,374
DOE UTBAT 4000167342	81.087		13,407	13,407
DOE UTBAT 4000168452	81.087		(9,121)	(9,121)
Department of Energy Total		<u>1,087,016</u>	<u>1,246,456</u>	<u>2,333,472</u>

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# BRIGHAM YOUNG UNIVERSITY

## SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Agency and Pass-through Entity	CFDA Number	Direct Award	Pass-through Award	Total Expenditures
Department of Health and Human Services:				
DHHS NIH 1R01AG066874-01	93.866	\$ 302,889	\$ -	\$ 302,889
DHHS NIH 1R01AI116989-01	93.855	825,232		825,232
DHHS NIH 1R01DA035958-01A1	93.279			
DHHS NIH 1R01EB027096-01	93.286	296,071		296,071
DHHS NIH 1R01GM138931-01	93.859	13,626		13,626
DHHS NIH 1R15DA038092-01A1	93.279	48,152		48,152
DHHS NIH 1R15DA049260-01A1	93.279	8,367		8,367
DHHS NIH 1R15GM100376-01	93.859	2,929		2,929
DHHS NIH 1R15GM114789-01A1	93.859	77,231		77,231
DHHS NIH 1R15GM132852-01	93.859	49,750		49,750
DHHS NIH 1R15GM132868-01	93.859	129,757		129,757
DHHS NIH 1R15GM134476-01	93.859	184,797		184,797
DHHS NIH 1R15GM140388-01	93.859	7,246		7,246
DHHS NIH 1R15HD095737-01A1	93.865	146,367		146,367
DHHS NIH 1R15HD098969-01 Revised	93.865	142,075		142,075
DHHS NIH 1R15HD101969-01	93.865	121,839		121,839
DHHS NIH 1R15HL152257-01A1	93.838	263		263
DHHS NIH 1RF1AG054052-01	93.866	1,072,982		1,072,982
DHHS NIH 1UH2AR076723-01	93.846	264,580		264,580
DHHS NIH 2R01DC009616-06A1	93.173	514,793		514,793
DHHS NIH 2R01EY012287-10A2	93.867	93,246		93,246
DHHS NIH 2R01EY012287-18A1	93.867	34,895		34,895
DHHS NIH 2R15CA202618-02	93.396	238,053		238,053
DHHS NIH 2R15GM114789-02	93.859	31,402		31,402
DHHS NIH 2R15GM116055-02	93.859	101,151		101,151
DHHS NIH 2R15GM12305-02	93.859	54,000		54,000
DHHS NIH 3RF1AG054052-01S1	93.866	53,348		53,348
DHHS NIH 5R01DC016269-03	93.173	231,969		231,969
DHHS NIH 7K01DC016339-03	93.173	38,303		38,303
DHHS NIH NCCIH 1F32AT009945-01A1	93.213	78,264		78,264
DHHS NIH NEI R15EY029510	93.867	70,397		70,397
DHHS NIH NIGMS 1R15GM123405-01A1	93.859	111,652		111,652
DHHS NIH R33CA225248	93.353	315,328		315,328
DHHS NCI FHCRC 0001045665	93.394		7,668	7,668
DHHS NIH GaTech AWD-000927-G1	93.855		97,500	97,500
DHHS NIH McGill 216730	93.173		26,390	26,390
DHHS NIH Montana State G124-19-W7319	93.855		(4,842)	(4,842)
DHHS NIH MSU G370-20-W8460	93.855		80,472	80,472
DHHS NIH NIA Mt. Sinai 0255-4131-4609	93.866		21,663	21,663
DHHS NIH NWU 60046279 BYU	93.868		5,623	5,623
DHHS NIH NYU 16-A0-00-006114-0	93.394		127,910	127,910
DHHS NIH PNNL 428804	93.286		(7)	(7)
DHHS NIH RICE R23431	93.859		16,093	16,093

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# BRIGHAM YOUNG UNIVERSITY

## SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Agency and Pass-through Entity	CFDA Number	Direct Award	Pass-through Award	Total Expenditures
DHHS NIH Sanford Research SR-2018-16	93.838	\$ -	\$ 4,570	\$ 4,570
DHHS NIH TSRI 5-53453	93.855		63,749	63,749
DHHS NIH TSRI 5-53829	93.855		194,442	194,442
DHHS NIH U of L ULRF 18-0152	93.113		5,298	5,298
DHHS NIH UCSC A20-0105-S001	93.286		20,541	20,541
DHHS NIH UCSC COVID A20-0105-S001-P0720990	93.286		22,135	22,135
DHHS NIH UM SUBK00007138	93.866		38,262	38,262
DHHS NIH UMA 17-009425 A03	93.113		28,213	28,213
DHHS NIH UMMASS - COVID - OSP3	93.000		268,297	268,297
DHHS NIH UMinH H006592401	93.866		28,297	28,297
DHHS NIH UoP CNVA00061638 (131407-1)	93.838		14,975	14,975
DHHS NIH UoF 10038839-01	93.286		1,422	1,422
DHHS NIH UoF U00251779	93.859		15,010	15,010
DHHS NIH UPenn 570551	93.866		29,222	29,222
DHHS NIH UVU 20170060BYU	93.859		9,277	9,277
DHHS NIH UW UWSC9087	93.273		24,514	24,514
DHHS NIH VentureWell - COVID	93.000		10,956	10,956
DHHS NIH VUMC VUMC76828	93.855		37,500	37,500
Department of Health and Human Services Total		<u>5,660,954</u>	<u>1,195,150</u>	<u>6,856,104</u>
Department of Interior:				
DOI BLM JFS L17AC00233	15.232	38,485		38,485
DOI BLM L18AC00042	15.246	13,789		13,789
DOI BLM L19AC00198	15.245	48,668		48,668
DOI BLM L19AC00204	15.246	5,100		5,100
DOI BLM L19AC00213	15.247	15,663		15,663
DOI BLM L20AC00005	15.232	10,025		10,025
DOI BOR URMCC 17FC-UT-2170	15.000	21,552		21,552
DOI FWS F19AC00962	15.678	128,534		128,534
DOI NPS P16AC01260	15.945	20,132		20,132
DOI URMCC 19FC-UT-2330	15.200	105,716		105,716
DOI USGS G15PC00058	15.800	4,901		4,901
DOI USGS G17AC00155	15.808	15,412		15,412
DOI USGS G18AC00158	15.808	310		310
DOI USGS G19AC00400	15.808	3,631		3,631
DOI USGS G18AC00172	15.808	894		894
DOI FWS UDWR 206012	15.611		117,213	117,213
DOI USGS USU 200227-655	15.805		24,445	24,445
Department of Interior Total		<u>432,812</u>	<u>141,658</u>	<u>574,470</u>
Department of Justice:				
DOJ UDPS SAK-ML-M-2019:BFS001	16.560		75,429	75,429
Department of Justice Total		<u>-</u>	<u>75,429</u>	<u>75,429</u>

(Continued)

# BRIGHAM YOUNG UNIVERSITY

## SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Agency and Pass-through Entity	CFDA Number	Direct Award	Pass-through Award	Total Expenditures
Department of Transportation:				
DOT FAA ACRP BRRC 170193F-501	20.100	\$ -	\$ 5,964	\$ 5,964
DOT FHWA NAS HR 12-116	20.200		23,925	23,925
DOT GATECH AWD-001419-G1	20.701		3,196	3,196
Department of Transportation Total		-	33,085	33,085
Environmental Protection Agency:				
EPA Carnegie 1080358-364681	66.509		51,406	51,406
EPA UT Austin UTA16-001139	66.509		33,746	33,746
Environmental Protection Agency Total		-	85,152	85,152
National Aeronautics and Space Administration:				
NASA 80MSFC19M0047	43.009	37,950		37,950
NASA 80NSSC17K0101	43.001	173,107		173,107
NASA 80NSSC18K0440	43.001	127,500		127,500
NASA 80NSSC19K0057	43.001	107,197		107,197
NASA 80NSSC19K0221	43.012	158,120		158,120
NASA 80NSSC20K0155	43.001	168,387		168,387
NASA 80NSSC20K0157	43.001	136,267		136,267
NASA 80NSSC20K0319	43.001	61,144		61,144
NASA 80NSSC20K0528	43.001	54,105		54,105
NASA 80NSSC20P1794	43.000	2,053		2,053
NASA ARC 80NSSC18K0929	43.001	2,978		2,978
NASA FINES 80NSSC19K1369	43.001	41,744		41,744
NASA NNX15AM89G	43.001	8,832		8,832
NASA NNX16AN45G ROSES	43.001	6,268		6,268
NASA NSSC 80NSSC18K0411	43.001	81,970		81,970
NASA ASU ASUB00000231	43.001		52,421	52,421
NASA JHU 159541	43.000		1,534	1,534
NASA JHU 2003772131	43.001		14,382	14,382
NASA JPL 1622707	43.001		55,893	55,893
NASA NIA C18-201110-BYU	43.008		1,942	1,942
NASA NIA C20-202008-BYU	43.008		9,431	9,431
NASA R Cubed Engineering, LLC	43.000		23,383	23,383
NASA SSAI 22003-20-041	43.000		9,026	9,026
NASA UCSC A17-0601-S001-P0666413	43.001		202	202
NASA UofU 10037896 BYU	43.008		163,468	163,468
NASA UofU 10039555	43.001		773	773
NASA UofU 10042166	43.000		871	871
NASA UofU 10054954-BYU	43.008		8,793	8,793
NASA UofU 10054954-BYU	43.008		15,795	15,795
NASA UofU 10054954-BYU	43.008		1,731	1,731
NASA UofU 10054954-BYU	43.008		25,108	25,108
National Aeronautics and Space Administration Total		1,167,622	384,753	1,552,375

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# BRIGHAM YOUNG UNIVERSITY

## SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Agency and Pass-through Entity	CFDA Number	Direct Award	Pass-through Award	Total Expenditures
National Science Foundation:				
NSF 1253241	47.074	\$ 9,234	\$ -	\$ 9,234
NSF 1265714	47.074	(1,998)		(1,998)
NSF 1341736	47.050	129,099		129,099
NSF 1354791	47.000	19,804		19,804
NSF 1406578	47.070	64,762		64,762
NSF 1409739	47.070	13,197		13,197
NSF 1449370	47.000	11,833		11,833
NSF 1450398	47.000	9,805		9,805
NSF 1450398	47.000	19,320		19,320
NSF 1557114	47.074	19,077		19,077
NSF 1557114 REU R0112305	47.074	1,976		1,976
NSF 1561569	47.076	40,721		40,721
NSF 1564502	47.049	11,192		11,192
NSF 1603316	47.041	41,367		41,367
NSF 1606040	47.041	57,497		57,497
NSF 1607356	47.049	27,063		27,063
NSF 1610077	47.049	37,117		37,117
NSF 1610077 REU R0112317	47.049	556		556
NSF 1636645	47.049	878,597		878,597
NSF 1650547 CUAS	47.070	23,994		23,994
NSF 1650547 CUAS MIPR	47.070	121,638		121,638
NSF 1650547 CUAS Munitions	47.070	60,028		60,028
NSF 1650547 CUAS REU	47.070	19,245		19,245
NSF 1650547 CUAS Sensors	47.070	65,170		65,170
NSF 1650547 CUAS VRS	47.070	860		860
NSF 1650547 CUAS Whitby	47.070	93,807		93,807
NSF 1651832	47.070	72,042		72,042
NSF 1652950	47.070	141,109		141,109
NSF 1652950 REU R0112338	47.070	2,672		2,672
NSF 1654559	47.075	4,192		4,192
NSF 1654700	47.049	97,438		97,438
NSF 1655981	47.074	57,086		57,086
NSF 1655981 RET R0112358	47.074	13,000		13,000
NSF 1663345	47.041	61,833		61,833
NSF 1663345 REU R0112344	47.041	721		721
NSF 1663546	47.041	53,793		53,793
NSF 1663546 REU R0112365	47.041	2,194		2,194
NSF 1665015	47.049	45,756		45,756
NSF 1707123	47.041	64,285		64,285
NSF 1708185	47.049	94,038		94,038
NSF 1710574	47.049	105,327		105,327
NSF 1710727	47.041	39,286		39,286
NSF 1712056	47.076	33,854		33,854
NSF 1720410	47.076	205,374		205,374
NSF 1726667	47.076	74,327		74,327
NSF 1727010	47.070	205,887		205,887

(Continued)

# BRIGHAM YOUNG UNIVERSITY

## SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Agency and Pass-through Entity	CFDA Number	Direct Award	Pass-through Award	Total Expenditures
NSF 1738550 REU SHREC	47.070	\$ 5,054	\$ -	\$ 5,054
NSF 1738550 SHREC	47.070	196,237		196,237
NSF 1738550 SHREC MIPR	47.070	97,026		97,026
NSF 1749395	47.041	93,354		93,354
NSF 1753357	47.049	81,790		81,790
NSF 1753357	47.049	8,941		8,941
NSF 1755446	47.074	53,514		53,514
NSF 1757627	47.000	4,841		4,841
NSF 1757627 REU R0112374	47.000	11,812		11,812
NSF 1757998	47.049	16,445		16,445
NSF 1757998 REU R0112383	47.049	81,099		81,099
NSF 1761280	47.079	(924)		(924)
NSF 1761505	47.041	132,703		132,703
NSF 1764194	47.049	84,613		84,613
NSF 1805805	47.041	61,966		61,966
NSF 1805805 REU R0112395	47.041	11,286		11,286
NSF 1806056	47.041	89,386		89,386
NSF 1806056 REU R0112388	47.041	8,000		8,000
NSF 1816929	47.070	166,987		166,987
NSF 1817321	47.041	105,793		105,793
NSF 1822442 1852152 2011060	47.000	2,723		2,723
NSF 1834332	47.049	92,215		92,215
NSF 1840996	47.076	100,411		100,411
NSF 1846477	47.070	82,243		82,243
NSF 1851615	47.075	25,772		25,772
NSF 1851728	47.041	68,154		68,154
NSF 1851728 INTERN R0112396	47.041	34,125		34,125
NSF 1851728 REU R0112396	47.041	8,144		8,144
NSF 1856530	47.049	116,916		116,916
NSF 1901845	47.041	152,790		152,790
NSF 1902048	47.074	6,950		6,950
NSF 1904838	47.049	160,783		160,783
NSF 1910812	47.070	113,789		113,789
NSF 1910812 REU R0112417	47.070	10,983		10,983
NSF 1912028	47.041	5,829		5,829
NSF 1912883	47.049	63,680		63,680
NSF 1915620	47.076	155,240		155,240
NSF 1916565	47.050	84,885		84,885
NSF 1916696	47.041	85,047		85,047
NSF 1920953	47.041	6,624		6,624
NSF 1920953 REU R0112415	47.041	4,920		4,920
NSF 1926024	47.041	10,957		10,957
NSF 1926245	47.041	174,772		174,772
NSF 1926662	47.041	99,413		99,413
NSF 1926662 REU R0112414	47.041	2,811		2,811
NSF 1935767	47.041	66,528		66,528
NSF 1935767 REU R0112425	47.041	5,978		5,978
NSF 1937147	47.049	58,190		58,190
NSF 1938949	47.076	28,243		28,243
NSF 1938949	47.076	30,000		30,000
NSF 1946724	47.041	18,151		18,151

(Continued)

# BRIGHAM YOUNG UNIVERSITY

## SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Agency and Pass-through Entity	CFDA Number	Direct Award	Pass-through Award	Total Expenditures
NSF 1952420	47.049	\$ 3,550	\$ -	\$ 3,550
NSF 2002432	47.074	138,000		138,000
NSF 2003667	47.049	8,967		8,967
NSF 2005432	47.050	14,578		14,578
NSF 2006219	47.041	53,432		53,432
NSF 2009999	47.049	121,714		121,714
NSF 2011439	47.050	32,863		32,863
NSF 2012093	47.050	373		373
NSF 2012629	47.041	14,264		14,264
NSF 2016185	47.000	127,673		127,673
NSF 2024792	47.041	2,130		2,130
NSF 2029698 - COVID	47.041	14,090		14,090
NSF 2030165	47.041	114		114
NSF ASU CC0342-PG 08675-1-50/SUB	47.076		450	450
NSF Chief Dull Knife	47.000		5,520	5,520
NSF Col Univ 54(GG009393)	47.050		79	79
NSF Cornell 75548-10787	47.049		59,308	59,308
NSF CU 1555099	47.070		49,910	49,910
NSF CU 1555334	47.050		80,633	80,633
NSF CUAHSI 1338606-18-11	47.050		8,861	8,861
NSF GMU E204647-1	47.076		39,746	39,746
NSF Nielson Scientific	47.041		17,111	17,111
NSF NJH 20112101_BYU	47.074		1	1
NSF Planck Aerosystems Inc PA-STTR-002	47.000		37,257	37,257
NSF SFASU 18-016-19-006	47.076		9,018	9,018
NSF TAMU M2000768	47.074		251	251
NSF TAMU M20016672851545000003	47.070		36,429	36,429
NSF TEMPLE 264225-BYU	47.070		39,472	39,472
NSF TU 14-2-1206783-94802	47.041		168,146	168,146
NSF UofA 581198	47.041		909	909
NSF USU 201242-479	47.070		12,536	12,536
NSF UTOPIA C-UAS MEMBERSHIP	47.000		76,621	76,621
NSF VPISU 479716-19013	47.070		34,912	34,912
National Science Foundation Total		<u>6,868,112</u>	<u>677,170</u>	<u>7,545,282</u>
Nuclear Regulatory Commission				
NRC 31310019M0006	77.008	<u>134,444</u>		<u>134,444</u>
Nuclear Regulatory Commission Total		<u>134,444</u>	<u>-</u>	<u>134,444</u>
Social Security Administration:				
SSA BOSTON 5107172-BC20-S1	96.007		<u>18,524</u>	<u>18,524</u>
Social Security Administration Total		<u>-</u>	<u>18,524</u>	<u>18,524</u>
Research and Development Cluster Total		<u>17,059,859</u>	<u>7,571,791</u>	<u>24,631,650</u>
STUDENT FINANCIAL ASSISTANCE CLUSTER:				
Department of Education-Federal Direct Student Loans	84.268	33,074,544		33,074,544
Department of Education-Pell Grant Program	84.063	<u>60,460,293</u>		<u>60,460,293</u>
Student Financial Assistance Cluster Total		<u>93,534,837</u>	<u>-</u>	<u>93,534,837</u>
TOTAL FEDERAL EXPENDITURES		<u>\$110,594,696</u>	<u>\$7,571,791</u>	<u>\$118,166,487</u>

(Concluded)

# BRIGHAM YOUNG UNIVERSITY

## NOTES TO THE SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

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### 1. BASIS OF PRESENTATION

The accompanying supplementary schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Brigham Young University (the "University") under programs of the federal government for the year ended December 31, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the University, it is not intended and does not present the financial position, changes in net assets, or cash flows of the University.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. The University does not elect to use the de minimis indirect cost rate allowed under the Uniform Guidance.

### 3. FEDERAL LOANS PROGRAM

The University administers the Federal Direct Loan Program (including Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans), CFDA No. 84.268. The University is responsible for completing portions of the loan applications, verifying student eligibility, filing student confirmation reports, processing refunds, and disbursing loan proceeds. During the year ended December 31, 2020, the University authorized new loans under the Federal Direct Loan Program for a total of \$33,074,544.



# BRIGHAM YOUNG UNIVERSITY

## NOTES TO THE SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

### 4. PASS-THROUGH FUNDS

The University has passed through the following federal awards to subrecipients for the year ended December 31, 2020, as follows:

<b>Federal Sponsor</b>	<b>CFDA Number</b>	<b>Federal Expenditures</b>
Department of Agriculture: USDA ARS 58-5082-8-008	10.001	\$ 1,832
Department of Defense:		
DOD PEOSTRI W900KK-15-C-0028	12.100	10,003
DOD ARMY ATI 2017-391	12.100	340,530
DOD ONR N00014-16-1-3025	12.300	98,093
DOD NSEP IIE 0054-BYU-CHN-OS-280-PO12	12.550	291,363
DOD NSEP IIE 0054-BYU-3-CHN-OS-280-PO17	12.550	115,547
Total Department of Defense		855,536
Department of Energy:		
DOE DE-SC0016441	81.049	50,348
DOE DE-NE0008866	81.121	20,761
Total Department of Energy		71,109
Department of Health and Human Services:		
DHHS NIH 5R01DC016269-03	93.173	136,482
DHHS NIH 2R01DC009616-06A1	93.173	406,335
DHHS NIH 1R01DA035958-01A1	93.279	(3,885)
DHHS NIH R33CA225248	93.353	17,352
DHHS NIH 1R01AI116989-01	93.855	316,246
DHHS NIH 1R15HD101969-01	93.865	8,029
DHHS NIH 1RF1AG054052-01	93.866	675,076
DHHS NIH 2R01EY012287-10A2	93.867	51,452
Total Department of Health and Human Services		1,607,087
Department of Transportation:		
DOT FHWA NAS HR 12-116	20.200	5,504
National Aeronautics and Space Administration:		
NASA NSSC 80NSSC18K0411	43.001	11,920
NASA 80NSSC20K0528	43.001	37,383
Total National Aeronautics and Space Administration		49,303
National Science Foundation:		
NSF 1851728	47.041	1,093
NSF 1912028	47.041	4,955
NSF 1636645	47.049	479,682
Total National Science Foundation		485,730
TOTAL SUBRECIPIENT PAYMENTS		\$3,076,101

\* \* \* \* \*

## **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees  
Brigham Young University

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Brigham Young University (the "University"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 20, 2021.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

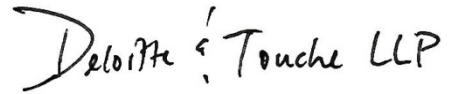
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

April 20, 2021

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE, REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees  
Brigham Young University

### **Report on Compliance for Each Major Federal Program**

We have audited Brigham Young University's (the "University") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended December 31, 2020. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the University's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

### **Report on Internal Control over Compliance**

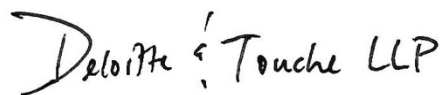
Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance

with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

April 20, 2021

# BRIGHAM YOUNG UNIVERSITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2020

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### PART I—SUMMARY OF AUDITORS' RESULTS

#### Financial Statements

1. The independent auditors' report on the financial statements expressed an unmodified opinion.
2. No deficiencies were identified in internal control over financial reporting that were considered to be significant deficiencies or material weaknesses.
3. No instance of noncompliance considered material to the financial statements was disclosed by the audit.

#### Federal Awards

4. No deficiencies were identified in internal control over compliance with requirements applicable to major federal award programs that were considered to be significant deficiencies or material weaknesses.
5. The independent auditors' report on compliance for each major federal program expressed an unmodified opinion.
6. The audit disclosed no compliance findings required to be reported by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
7. The University's major programs were:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Student Financial Assistance Cluster:	
Federal Direct Student Loans	84.268
Pell Grant Program	84.063

8. A threshold of \$3,000,000 was used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance.
9. The University did qualify as a low-risk auditee as that term is defined in the Uniform Guidance.

### PART II—FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS SECTION

None.

### PART III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

None.

# **BRIGHAM YOUNG UNIVERSITY**

## **SCHEDULE OF PRIOR-YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2020**

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None.