Tooele Technical College

Annual Financial Report and Government Auditing Standards Report

For the year ended June 30, 2023

Report No. 23-30
March 7, 2024

Office of the State Auditor

Audit Leadership:
John Dougall, State Auditor
Andrew Driggs, CPA, Audit Manager
Taylor Whitman, CPA, Audit Senior

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OFFICE OF THE
STATE AUDITOR

Independent Auditor's Report

To the Board of Trustees, Audit Committee
and
Paul E. Hacking, President
Tooele Technical College

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Tooele Technical College (College) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 College's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2024 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Office of the State Auditor

Office of the State Auditor
Salt Lake City, Utah
March 7, 2024

Management's Discussion and Analysis

The Tooele Technical College (the College) is proud to present its financial statements for the fiscal year ended June 30, 2023. This discussion is an overview of the College's financial activities for the year and is based on the comparative data presented.

The College embarked on a significant building expansion managed by the State of Utah's Division of Facilities and Construction Management (DFCM). This project will add 61,995 square feet for $27,505,603. The funding comes from the State of Utah legislature. The construction began in May 2023 and will be completed by January 2025. The College entered into leases with related parties to continue providing training during the construction. See Note 9 for additional information regarding the related party leases.

Overview of the Financial Statements

This management discussion and analysis is intended to serve as an introduction to the College's financial statements. The College's financial statements comprise four components: 1) the Statement of Net Position, 2) the Statement of Revenues, Expenses, and Changes in Net Position, 3) the Statement of Cash Flows, and 4) the Notes to the Financial Statements.

Statement of Net Position. The Statement of Net Position provides information on the College's assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the end of the fiscal year, with the difference reported as net position. The information provided in the Statement of Net Position, along with disclosures and other information contained in the Statement of Revenues, Expenses, and Changes in Net Position; the Statement of Cash Flows; and accompanying notes, helps users assess, among other things, the College's liquidity and its ability to meet its obligations.

Statement of Revenues, Expenses, and Changes in Net Position. The Statement of Revenues, Expenses, and Changes in Net Position provides information to users both about the operating performance of the College and the effects of nonoperating transactions and events that change the amount of net position of the College. The information in this statement, together with information in the Statement of Net Position, the Statement of Cash Flows, and accompanying notes, should assist users of the College's financial statements in evaluating the College's performance during the fiscal year and how well management has discharged their stewardship responsibilities and other aspects of their duties.

Statement of Cash Flows. The Statement of Cash Flows provides information about the College's cash receipts and cash payments during the fiscal year. When used with related disclosures and information in other financial statements, a statement of cash flows should help financial statement report users assess the College's ability to generate future net cash flows, its ability to meet its obligations as they come due, the reasons for differences between operating income and the associated cash receipts and payments; and the effects on the College's financial position of both its cash and noncash investing, capital, and financing transactions during the fiscal year.

Notes to the Financial Statements. The Notes to the Financial Statements provide additional information essential to fully understanding the data provided in the financial statements.

Financial Analysis

Condensed Statement of Net Position. The following schedule presents a summary of the College's net position as of June 30, 2023, and 2022:

Condensed Statement of Net Position

	June 30, 2023 Amount	June 30, 2022 Amount	Amount of Change	Percent Change
Assets				
Current Assets	$ 2,541,739	$ 2,775,682	$ (233,943)	(8.43%)
Noncurrent Assets				
Capital Assets	13,238,270	13,486,068	(247,798)	(1.84%)
Other Assets	55,000	309,490	(254,490)	(82.23%)
Total Assets	15,835,009	16,571,240	(736,231)	(4.44%)
Deferred Outflows of Resources	660,460	530,426	130,034	24.52%
Liabilities				
Current Liabilities	532,724	464,142	68,582	14.78%
Noncurrent Liabilities	1,082,844	56,912	1,025,932	1802.66%
Total Liabilities	1,615,568	521,054	1,094,514	210.06%
Deferred Inflows of Resources	25,589	1,275,692	(1,250,103)	(97.99%)
Net Position				
Net Investment in Capital Assets	13,223,015	13,486,068	(263,053)	(1.95%)
Restricted	55,000	55,000	-	.00%
Unrestricted	1,576,297	1,763,852	(187,555)	(10.63%)
Total Net Position	$ 14,854,312	$ 15,304,920	$ (450,608)	(2.94%)

The College's total assets decreased by $736,231 during the fiscal year. The decrease in current assets of $233,943 consists of a decrease in cash and cash equivalents of $72,081, primarily due to an increase in spending and operating costs. Accounts Receivable decreased by $78,133 due to a decrease in sponsor balances. Inventory increased by $27,893 due to new learning resources for new training programs.

The College's capital assets (net of accumulated depreciation and amortization) as of June 30, 2023, amount to $13,238,270. The net decrease of $247,798 is due to the capitalization of new assets of $475,737, less depreciation and amortization of $723,535. The College entered a lease, valued at $66,000, with a related party, Peterson Industrial Depot; see Note 9 for additional information. The

College implemented GASB 96, Subscription Based IT Arrangements (SBITA). Recognizing these SBITA's increased capital assets by $89,841. SBITA's are amortized straight line over the remaining years of the right-to-use asset. See Note 5 for additional information regarding SBITA arrangements.

Other assets is comprised of $55,000 of restricted noncurrent cash. These funds are restricted to be used for the construction of the building expansion. It is expected these funds will be used in a future period.

The Net Pension Asset, an amount calculated by an actuary, was reduced to zero. For additional information regarding the net pension asset and the GASB 68 requirement, see Note 7.

Deferred Outflows of Resources represent a consumption of net position that applies to a future period(s); this is an actuarially calculated amount. For this reporting period, the amount increased to $660,460.

Total liabilities of the College increased by $1,094,514 for the fiscal year 2023.

Current liabilities increased by $68,582 due in part to an increase in Accrued Leave Payable, which increased by $36,037 due to longer employee tenure and an overall rise in eligible employees.

Noncurrent liabilities increased by $1,025,932. Of this amount, Net Pension Liability, calculated by an actuary, was increased by $1,000,867. For additional information regarding the net pension liability and the GASB 68 requirement, see Note 7.

Deferred Inflows of Resources represents an acquisition of net position that applies to a future period(s); this is an actuarially calculated amount. For this reporting period, the amount decreased by $1,250,103.

Condensed Statement of Revenues, Expenses, and Changes in Net Position. The following schedule presents a summary of revenues, expenses, and changes in net position for the College for the fiscal years ended June 30, 2023, and 2022.

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30, 2023 Amount	Year Ended June 30, 2022 Amount	Amount of Change	Percent Change
Operating Revenues	$ 926,094	$ 909,583	$ 16,511	1.8%
Operating Expenses	9,342,517	8,259,851	1,082,666	13.1%
Operating Income (Loss)	(8,416,423)	(7,350,268)	(1,066,155)	14.5%
Nonoperating Revenues	7,960,490	7,682,263	278,227	3.6%
Income (Loss) Before Other Items	(455,933)	331,995	(787,928)	(237.3%)
Other Revenues	6,330	309,894	(303,564)	(98.0%)
Increase (Decrease) in Net Position	(449,603)	641,889	(1,091,492)	(170.0%)
Net Position – Beginning of Year	15,303,915	14,663,031	640,884	4.4%
Net Position – End of Year	$ 14,854,312	$ 15,304,920	$ (450,608)	(2.9%)

The College experienced a net operating loss of $8,416,423 during the fiscal year. The College receives a significant portion of its revenues from State appropriations. These appropriations are classified in the financial statements as nonoperating revenues. State appropriations are anticipated as a means of covering a majority of the costs of operating the College. State appropriations during fiscal year 2023 were $7,078,900. Included in nonoperating revenues, the College received State Grants for scholarships of $524,125 and Federal Pell Grants of $200,292.

After considering nonoperating revenues and other items, the College had a decrease in net position of $449,603.

Revenues. The following schedule presents a summary of College revenues for the fiscal years ended June 30, 2023 and 2022:

	Year Ended June 30, 2023 Amount	Percent of Total Revenue	Year Ended June 30, 2022 Amount	Amount of Change	Percent Change
Operating Revenues					
Student Tuition and Fees	$ 390,326	4.39%	$ 326,259	$ 64,067	19.64%
Corporate Training Fees	142,841	1.61%	245,783	(102,942)	(41.88%)
Sales and Services of Educational Activities	97,769	1.10%	109,552	(11,783)	(10.76%)
Bookstore Sales	216,963	2.44%	141,969	74,994	52.82%
Other Operating Revenues	78,195	.88%	86,020	(7,825)	(9.10%)
Total Operating Revenues	926,094	10.42%	909,583	16,511	1.82%
Nonoperating Revenues					
State Appropriations	7,078,900	79.60%	5,997,300	1,081,600	18.03%
Grants and Contracts	524,125	5.89%	1,379,761	(855,636)	(62.01%)
Federal Pell Grants	200,292	2.25%	208,620	(8,328)	(3.99%)
Gifts	18,215	.21%	80,691	(62,476)	(77.43%)
Interest Earnings	138,958	1.56%	15,891	123,067	774.44%
Total Nonoperating Revenues	7,960,490	89.51%	7,682,263	278,227	3.62%
Other Revenues (Expenses)					
Capital Appropriations	-	.00%	275,694	(275,694)	(100.00%)
Gain (Loss) on Asset Disposal	6,330	.07%	34,200	(27,870)	(81.49%)
Total Other Revenues	6,330	.07%	309,894	(303,564)	(97.96%)
Total Revenues and Amortization	$ 8,892,914	100.00%	$ 8,901,740	$ (8,826)	(.10%)

The revenue comparison between the fiscal years 2023 and 2022 shows a decrease in total revenues of $8,826.

Total operating revenues increased by $16,511 due to an increase in Tuition and Fees of $64,067 related to fees for the Commercial Driver's License program and a decrease in Corporate Training Fees of $102,942. The fiscal year 2022 training fees included a few high dollar trainings that did not carryforward to the current fiscal year. Bookstore sales increased by $74,994 due to an increase in learning resources required for training programs.

Nonoperating revenue increased by $278,227. State Appropriations by the State legislature increased by $1,081,600. Grants and Contracts decreased by $855,636 due to a phase-out of Federal stimulus related to Covid relief. Contributions for gifts decreased by $62,476; the prior year had a large donation for a Capital Development project. Interest earnings increased by $123,067 due to increased interest rates due to the Federal Reserve's actions.

Other revenues decreased by $303,564 from the previous year. Capital appropriations, which are State of Utah-funded projects for capital improvement, decreased by $275,594; the College did not recognize capital appropriations for fiscal year 2023.

Expenses. The following schedule presents a summary of College operating expenses for the fiscal years ended June 30, 2023, and 2022:

	Year Ended June 30, 2023 Amount	Percent of Total Expense	Year Ended June 30, 2022 Amount	Amount of Change	Percent Change
Operating Expenses					
Cost of Goods Sold	$ 217,495	2.33%	$ 229,454	$ (11,959)	(5.21%)
Salaries and Wages	4,531,989	48.51%	3,780,887	751,102	19.87%
Employee Benefits	1,457,904	15.61%	1,272,657	185,247	14.56%
Actuarial Calculated Pension Expense	360,837	3.86%	(54,634)	415,471	(760.46%)
Scholarships	156,391	1.67%	705,325	(548,934)	(77.83%)
Services and Supplies	1,237,129	13.24%	1,230,086	7,043	.57%
Lease Expense	21,309	.23%	13,046	8,263	63.34%
Depreciation and Amortization	712,216	7.62%	585,032	127,184	21.74%
Non-Capitalized Equipment Purchases	210,733	2.26%	133,489	77,244	57.87%
Utilities and Maintenance	195,292	2.09%	176,783	18,509	10.47%
Other Operating Expenses	241,222	2.58%	187,726	53,496	28.50%
Total Operating Expenses	$ 9,342,517	100.00%	$ 8,259,851	$ 1,082,666	13.11%

Total operating expenses for the year were $1,082,666 higher than the prior year. Salaries and wages increased by $751,102 due to the hiring of new faculty and staff, along with merit increases for existing employees. Employee benefits increased by $185,247 due to Health Insurance cost increases. The actuarially calculated pension expense increased by $415,471 from the prior period. Non-capitalized equipment purchases, the cost of which was below the capitalization level of $5,000 for an individual asset, increased by $77,244.

Economic Outlook

The economic outlook in the State of Utah continues to be promising. The Utah working population continues to increase, bringing in additional tax revenues directly benefiting higher education. The College receives a significant portion of its funding through legislative appropriations from the State of Utah; therefore, the state's general economic condition directly impacts the College's ability to provide services to students and employers in Tooele County. The College anticipates that typical State of Utah appropriations will continue.

Requests for Information

This financial report is designed to provide a general overview of the College's finances and show its accountability for the money it receives. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Fiscal Services Office, Tooele Technical College, 88 South Tooele Blvd., Tooele, Utah 84074.

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Financial Statements

Statement of Net Position

As of June 30, 2023

Assets	
Current Assets	
Cash and Cash Equivalents (Note 2)	$ 2,363,800
Accounts Receivable (Note 3)	
From Primary Government	19,481
From Others	16,810
Inventory (Note 1)	70,770
Prepaid Expense	70,878
Total Current Assets	2,541,739
Noncurrent Assets	
Restricted Cash and Cash Equivalents	55,000
Capital Assets (Note 4)	
Land	237,008
Leases	66,000
SBITA (Note 5)	89,841
Buildings	15,866,436
Equipment	2,158,993
Less Accumulated Depreciation and Amortization	(5,180,008)
Total Noncurrent Assets	13,293,270
Total Assets	15,835,009
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions (Note 7)	660,460
Total Deferred Outflows of Resources	660,460
Liabilities	
Current Liabilities	
Accounts Payable (Note 3)	
To Primary Government	59,714
To Others	78,872
Salaries and Benefits Payable	39,522
Accrued Leave Payable (Note 6)	274,246
SBITA Payable (Note 5)	7,313
Unearned Revenue	73,057
Total Current Liabilities	532,724
Noncurrent Liabilities:	
Accrued Leave Payable (Note 6)	74,035
SBITA Payable (Note 5)	7,942
Net Pension Liability (Note 7)	1,000,867
Total Noncurrent Liabilities	1,082,844
Total Liabilities	1,615,568
Deferred Inflows of Resources	
Deferred Inflows Related to Pensions (Note 7)	25,589
Total Deferred Inflows of Resources	25,589
Net Position	
Net Investment in Capital Assets	13,223,015
Restricted	55,000
Unrestricted	1,576,297
Total Net Position	$ 14,854,312

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

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2023

Operating Revenues	
Student Tuition and Fees (Net of Allowance of $472,524)	$ 390,326
Corporate Training Fees	142,841
Sales and Services of Educational Activities	97,769
Bookstore Sales	216,963
Other Operating Revenue	78,195
Total Operating Revenues	926,094
Operating Expenses	
Cost of Goods Sold	217,495
Salaries and Wages	4,531,989
Employee Benefits	1,457,904
Actuarial Calculated Pension Expense (Note 7)	360,837
Scholarships	156,391
Services and Supplies	1,237,129
Lease Expense	21,309
Depreciation and Amortization	712,216
Non-Capitalized Equipment Purchases	210,733
Utilities and Maintenance	195,292
Other Operating Expenses	241,222
Total Operating Expenses	9,342,517
Operating Income (Loss)	(8,416,423)
Nonoperating Revenues	
State Appropriations	7,078,900
Grants and Contracts	524,125
Federal Pell Grants	200,292
Gifts	18,215
Interest Earnings	138,958
Total Nonoperating Revenues	7,960,490
Increase (Decrease) in Net Position Before Other Revenues	(455,933)
Other Revenues (Expenses)	
Gain (Loss) on Asset Disposal	6,330
Total Other Revenues	6,330
Increase (Decrease) in Net Position	(449,603)
Net Position – Beginning of Year	15,303,915
Net Position – End of Year	$ 14,854,312

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

Statement of Cash Flows

For the Year Ended June 30, 2023

Cash Flows from Operating Activities	
Receipts from Tuition and Fees	$ 433,068
Receipts from Grants and Contracts	35,391
Receipts from Bookstore Sales	216,963
Receipts from Sales and Services of Educational Activities	240,610
Receipts from Other Operating Activities	78,195
Payments to Employees for Salaries and Benefits	(6,361,640)
Payments to Students and Suppliers	(2,361,911)
Net Cash Provided (Used) by Operating Activities	(7,719,324)
Cash Flows from Noncapital Financing Activities	
Receipts from Grants and Contracts	724,417
Receipts from State Appropriations	7,078,900
Receipts from Gifts for Other than Capital Purposes	18,215
Net Cash Provided (Used) by Noncapital Financing Activities	7,821,532
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(308,577)
Repayments of Leases	(66,000)
Net Cash Provided (Used) By Capital and Related Financing Activities	(374,577)
Cash Flows from Investing Activities	
Receipt from Sale of Fixed Assets	6,330
Receipt of Interest Earnings	138,958
Net Cash Provided (Used) by Investing Activities	145,288
Net Increase (Decrease) in Cash and Cash Equivalents	(127,081)
Cash and Cash Equivalents – Beginning of Year	2,545,881
Cash and Cash Equivalents – End of Year	2,418,800
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(8,416,423)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Depreciation Expense	$ 712,216
Changes in Assets and Liabilities	
(Increase) Decrease in Receivables	78,133
(Increase) Decrease in Inventories	(27,893)
(Increase) Decrease Prepaid Expenses	(89,224)
Increase (Decrease) in Accounts Payable	9,805
Increase (Decrease) in Accrued Liabilities	83,842
Increase (Decrease) in Pension Liabilities	(69,780)
Net Cash Provided (Used) by Operating Activities	(7,719,324)

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

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Tooele Technical College (College) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Reporting Entity

The College is an independent college within the Utah System of Higher Education. It is considered a component unit of the State of Utah and is included in the State's *Annual Comprehensive Financial Report.* The College is considered a component unit because it was established under Utah statute, receives appropriations from the state, and is financially accountable to the state.

The Utah State Legislature established the College to offer career and technical education to secondary and adult students. On July 1, 2020, as a result of changes in state statute, the College was placed under the governance of the Utah Board of Higher Education. The College maintains a local Board of Trustees, is a body politic and corporate, and is a component unit of the State of Utah.

Funding for the College is received primarily from direct appropriations from the Utah Legislature, tuition and fees, and grants and contracts with federal, state, and local agencies.

The College's financial statements encompass its operations, including auxiliary enterprises, restricted and unrestricted funds, and the Tooele ATC Foundation (Foundation). The Foundation is a component unit and, as such, is presented in the College's financial statements as a blended component unit. Further information can be found in Note 10.

Measurement Focus and Basis of Accounting

The College's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The College distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the College's principal mission of instruction and job training. Operating expenses include the cost of services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available, it is the College's policy to use restricted resources first, then unrestricted resources as needed.

Deposits and Investments

The College's cash and cash equivalents are considered to be cash on hand, demand deposits, short-term investments with original maturities of three months or less from the date of acquisition, and amounts invested with the Utah Public Treasurers' Investment Fund.

Cash and investment management at the College is administered in accordance with the State of Utah Money Management Act (*Utah Code,* Title 51, Chapter 7).

Investments are recorded at fair value in accordance with GASB Statement No. 72, Fair Value Measurement and Application. Accordingly, the change in the fair value of investments is recognized as an increase or decrease in investment assets and investment income. The College distributes earnings from pooled investments based on the average daily investment of each participating account.

Inventories

Inventories are carried at the lower of cost or market on either the first-in, first-out ("FIFO") basis or on the average cost basis.

Capital Assets

Capital assets include property, buildings, equipment, and right-to-use assets. The College defines capital assets as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the capacity of the asset or materially extend the life of the asset are not capitalized. All land is capitalized and not depreciated.

Using the straight-line depreciation method, capital assets are depreciated over their estimated useful lives. The estimated useful life of an asset is determined at acquisition based on the College's adopted policies and the professional judgment of the applicable department head.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	25-40
Improvements	5-40
Equipment and Vehicles	3-15

As the lessee, the College has recognized an intangible right-to-use asset. The lease asset was measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs, and are amortized over the shorter of the lease term or useful life of the underlying asset.

During the fiscal year 2023, the College implemented GASB Statement No. 96 *Subscription Based IT Arrangements (SBITA),* which changed the accounting for specific subscription-based software as capital assets with the associated short-term and long-term debt accounting and reporting principles. As a result of implementing GASB Statement No. 96, the College recorded a change to the beginning Net Position of $1,005, SBITA asset of $89,841, Accumulated Amortization of $23,130, Amortization Expense of $14,560, Short-term liability of $7,313, and a long term liability of $7,942. SBITA's are amortized straight-line over the remaining years of the right-to-use asset. See Note 5 for additional information.

Pensions

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

Deferred Outflows/Inflows of Resources

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

Note 2. Deposits and Investments

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

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

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that the College's deposits may not be returned in the event of a bank failure. The College does not have a formal deposit policy for custodial credit risk. As of June 30, 2023, the College's bank balance was $252,482, of which all but $2,482 was insured by FDIC.

Investments

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

Statutes authorize the College to invest in negotiable or nonnegotiable deposits of qualified or permitted depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. Government-sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the state; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; reciprocal deposits and negotiable brokered certificates of deposit in accordance with the Act; and the Utah State Public Treasurers' Investment Fund (PTIF).

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

Fair Value of Investments

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

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

At June 30, 2023, the College had the following recurring fair value measurements. The investments were valued using level 2 measurements and were unrated.

			Investment Maturities (in years)
Investment Type	Level	Fair Value	Less than 1 year
Public Treasurers' Investment Fund	2	$ 2,377,680	$ 2,377,680

The value of the College's investment in the PTIF is calculated by applying the June 30, 2023, fair value factor, as calculated by the Utah State Treasurer, to the College's June 30, 2023 balance in the fund.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed-rate negotiable deposits, and fixed-rate corporate obligations to 270 days–15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. Government-sponsored enterprises; and bonds, notes, and other evidence of indebtedness of state political subdivisions to 10 years for institutions of higher education. In addition, variable-rate negotiable deposits and variable-rate securities may not have a remaining term to final maturity exceeding three years. The Foundation does not have a formal policy for interest rate risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College's policy for reducing its exposure to credit risk is to comply with the Act, as previously discussed. The Foundation does not have a formal policy for credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10%, depending upon the total dollar amount held in the portfolio at the time of purchase. The Foundation does not have a formal policy for concentration of credit risk.

Note 3. Accounts Receivable and Accounts Payable

Accounts receivable on June 30, 2023, consisted of amounts due from students. Amounts due from Primary Government are due to scholarships that are pending payment. See the chart below for a breakout of receivables:

Amounts Due from Primary Government	$ 19,481
Total Due from Primary Government	**$ 19,481**
Amounts Due from Others:	
Other Receivables – Tuition and Fees	$ 16,810
Total Due from Others	**$ 16,810**

The following schedule presents the accounts payable of the College as of June 30, 2023:

Amounts Due to Primary Government:	
Supplies and Contracted Services	$ 59,714
Total Due to Primary Government	**$ 59,714**
Amounts Due to Others:	
Vendors for Supplies and Services	$ 78,872
Total Due to Others	**$ 78,872**

Note 4. Capital Assets

Additions to capital assets include amounts paid for by the College. Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Land	$ 237,008	$ -	$ -	237,008
Leases	-	66,000	-	66,000
SBITA	-	89,841	-	89,841
Buildings	15,866,436	-	-	15,866,436
Equipment	1,839,098	319,896	-	2,158,994
Total	17,942,542	475,737	-	18,418,279
Less Accumulated Depreciation and Amortization:				
Leases	-	(3,666)	-	(3,666)
SBITA		(25,879)		(25,879)
Buildings	(3,451,856)	(446,936)	-	(3,898,792)
Equipment	(1,004,619)	(247,054)	-	(1,251,673)
Total Accumulated Depreciation and Amortization:	(4,456,475)	(723,535)	-	(5,180,010)
Net Capital Assets	$ 13,486,067	$ (247,798)	$ -	$ 13,238,269

During Fiscal year 2022, the College was appropriated $24,749,039 from the State of Utah Legislature to complete a building expansion to meet the needs of students as enrollment growth has occurred. Due to escalating costs, the College received additional appropriations of $2,756,564 for a total amount of $27,505,603. The Division of Facilities and Capital Management will manage the construction project. Construction began in June 2023 and will be completed by February 2025.

Note 5. Subscription-Based IT Arrangements (SBITA)

The College has entered into several SBITA agreements for the use of various software programs. A SBITA is a contract that conveys control of the right to use another party's information technology software. The software subscriptions are used for educational and administrative uses. The duration of these agreements varies from one to five years. Total future obligations are $15,255, comprising $13,404 in principal and $1,851 in imputed interest. An interest rate of 8.25%, the prime rate, was used since the College maintains no debt.

Fiscal Year	Principal	Interest	Total
SBITA Payable			
2024	$ 6,100	$ 1,213	$ 7,313
2025	7,304	638	7,942
2026	-	-	-
2027	-	-	-
Total SBITA Payable	$ 13,404	$ 1,851	$ 15,255

Note 6. Long-Term Liabilities

The following is a summary of the changes to the College's long-term liabilities during the fiscal year ending June 30, 2023.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Accrued Leave Payable	$ 295,122	$ 344,129	$ 290,970	$ 348,281	$ 274,246
Net Pension Liability	-	1,000,867	-	1,000,867	-
Total Long-Term Liabilities	$ 295,122	$ 1,344,996	$ 290,970	$ 1,349,148	$ 274,246

Note 7. Retirement Plans

Defined Benefit Plans

The Utah Retirement Systems (Systems) provides eligible plan participants with pensions. The Systems comprise several pension trust funds in which employees of the College participate:

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple-employer, cost-sharing, public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple-employer, cost-sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Systems are members of the Tier 2 Public Employees System.

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

The Systems issue a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102, by calling 1-800-365-8772, or visiting the website: www.urs.org.

Summary of Benefits by System

The Systems provide retirement benefits, disability, and death benefits to plan members and beneficiaries in accordance with the retirement statutes. Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* *with actuarial reductions*

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

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

	Employee Contributions	Employer Contribution Rates	Employer Rate for 401K Plan
Noncontributory System	N/A	22.19%	1.50%
Tier 2 Contributory System	N/A	19.84%	0.18%

Tier 2 rates include a statutorily required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans. For the fiscal year ended June 30, 2023, the employer and employee contributions to the System were as follows:

	Employer Contributions	Employee Contributions
Noncontributory System	$ 268,084	N/A
Tier 2 Public Employees System	148,098	N/A
Total Contributions	$ 416,182	

Pension Assets, Liabilities, Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

On June 30, 2023, the College reported a net pension asset of $0 and a net pension liability of $1,000,867.

(Measurement Date): December 31, 2022

	Net Pension Asset	Net Pension Liability	Proportionate Share December 31, 2022	Proportionate Share December 31, 2021	Change
Noncontributory System	$ -	$ 968,830	0.0448683%	0.0437911%	0.0010772 %
Tier 2 Public Employees System	-	32,037	0.0294216%	0.0243117%	0.0051099 %
Total Net Pension Asset / Liability	$ -	$ 1,000,867			

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

For the year ending June 30, 2023, the College recognized a pension expense of $360,837.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 179,469	$ 1,271
Changes in assumptions	65,838	81
Net difference between projected and actual earnings on pension plan investments	179,410	-
Changes in proportion and differences between contributions and proportionate share of contributions	23,927	24,236
Contributions subsequent to the measurement date	211,816	-
Total	**$ 660,460**	**$ 25,588**

Contributions of $211,816 made prior to the College's fiscal year end but subsequent to the measurement date of December 31, 2022, are reported by the College as deferred outflows of resources related to pensions.

These contributions will be recognized as a reduction of net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending December 31,	Deferred Outflows (Inflows) of Resources
2023	9,745
2024	37,481
2025	75,717
2026	286,771
2027	2,669
Thereafter	10,672

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

Inflation	2.50 percent
Salary Increases	3.25 – 9.25 percent, average, including inflation
Investment Rate of Return	6.85 percent, net of pension plan investment expense, including inflation

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

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

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

	Expected Return Arithmetic Basis		
Asset Class	**Target Asset Allocation**	**Real Return Arithmetic Basis**	**Long-Term Expected Portfolio Real Rate of Return**
Equity Securities	35%	6.58%	2.30%
Debt Securities	20%	1.08%	0.22%
Real Assets	18%	5.72%	1.03%
Private Equity	12%	9.80%	1.18%
Absolute Return	15%	2.91%	0.44%
Cash and Cash Equivalents	0%	-0.11%	0.00%
Totals	100%		5.17%
Inflation			2.50%
Expected Arithmetic Nominal Return			7.67%

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

The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability (asset) would be if calculated using a discount rate that is one percentage point lower (5.85%) or one percentage higher (7.85%) than the current rate:

Sensitivity of Proportionate Share of Net Pension (Asset) / Liability

	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	$ 2,421,492	$ 968,830	$ (246,722)
Tier 2 Public Employees System	139,984	32,037	(51,123)
Total	$ 2,561,476	$ 1,000,867	$ (297,845)

Defined Contribution Plans

401(k) Plan

The College participates in a 401(k) defined contribution plan as administered by the Systems. The College is required by statute to contribute 1.5% of eligible employees' salaries for employees in the Noncontributory System and 0.18% for employees in the Tier 2 Public Employees System. For employees participating in the Tier 2 Public Employees defined contributions (Tier 2 DC) plan, the College is required to contribute 20.02% of the employees' salaries, of which 10% is paid into a 401(k)/457 plan while the remaining is contributed to the unfunded liabilities in the Tier 1 Systems as required by law.

Employees who are eligible for retirement benefits voted in a referendum on September 6, 2011, to opt out of participating in the Federal Social Security system, as permitted under Internal Revenue Service regulations. As a result, Tooele Technical College will not participate in the Federal Social Security system retroactively, effective January 1, 2008, except for the 1.45% of wages paid toward Medicare benefits. Beginning in October 2011, the College began contributing 6.2% of these eligible employees' salaries into their respective System-administered 401(k) accounts in place of the employer's social security contribution. During the year ending June 30, 2023, college contributions totaled $227,563.

Under certain IRS and plan restrictions, employees can make additional 401(k), Roth IRA, and 457B contributions. Employee contributions for the same period totaled $54,252. The Systems hold plan assets, and all plan funds are fully vested to the employees at the time of deposit.

Teachers Insurance and Annuity Association

The College's eligible faculty and professional/administrative employees participate in the Teachers Insurance and Annuity Association Fund (TIAA). Eligible faculty and professional/ administrative employees who were employed by the College and enrolled in the Systems on or before April 29, 2005, were allowed to elect to continue participation in the Systems or to begin participation in TIAA.

TIAA provides individual retirement fund contracts with each participating employee. Benefits provided to retired employees are based on the value of individual contracts and the employee's estimated life expectancy at retirement. Participation in TIAA is authorized by Title 49 of the *Utah Code.* Contributions by the College to the employee's contract become vested at the time the contribution is made. Employees are eligible to participate from the date of employment and are not required to contribute to the fund. For the year ended June 30, 2023, the College's contribution to this defined contribution pension plan was 14.2% of the employees' annual salaries. The College has no further liability once contributions are made. During the year ending June 30, 2023, the College contributed $215,669 to the plan, and employees did not make any voluntary contributions to the plan.

Note 8. Risk Management

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

Note 9. Related Party Transactions

The College entered into a property lease agreement to continue teaching the Commercial Driver's License program that was displaced due to construction on the main campus. After reviewing two proposals, the Peterson Industrial Depot proposal was selected as the most beneficial option. Aaron Peterson, the Board Chair of Tooele Technical College, is also the President of Peterson Industrial Depot. During FY2023, the College prepaid $66,000 for the rent of a building and driving range for the duration of the construction.

In addition, the College entered into a lease agreement with Utah State University – Tooele for classroom space during construction. Utah State University is a member of the Utah System of Higher Education. During FY2023, the College paid $8,551 for lease expenses to Utah State University - Tooele.

Note 10. Tooele ATC Foundation

The Tooele ATC Foundation (Foundation) is the College's legally separate, tax-exempt component unit. The Foundation was organized as an Internal Revenue Code Section 501(c)(3) organization and is operated exclusively as a tax-exempt organization to support the educational purposes of the College. The majority of the resources or income the Foundation holds and invests is restricted to the activities of the College by the donors. Additionally, the officers of the Foundation are the College President, College Vice-President of Finance and Operations, and a member of the College Board. These resources held by the Foundation can only be used by or for the College's benefit. For these reasons, the Foundation is considered a blended component unit of the College and is presented in the College's financial statements.

During fiscal year 2021-2022, the foundation received donations of $55,000 for a capital development project. It is anticipated those funds will be used at the end of the projects. For this purpose those funds are classified as restricted noncurrent assets and restricted net position.

Elimination of internal balances and transactions between Tooele Technical College and the Tooele ATC Foundation and a presentation of eliminating balances and transactions in a separate column is required by GASB Statement 34. However, because there are no such internal balances and transactions, the following is a single-column, condensed version of the Foundation financial statements for the fiscal year ended June 30, 2023.

Tooele ATC Foundation
Condensed Financial Statements
For the Fiscal Year Ended June 30, 2023

Statement of Net Position

Assets		
Current Assets		
Cash	$	37,509
Pledge Receivable		-
Total Current Assets		37,509
Noncurrent Assets		55,000
Total Assets	$	92,509
Liabilities		
Payable to College	$	-
Total Liabilities	$	-
Net Position		
Restricted		55,000
Unrestricted		37,509
Total Net Position	$	92,509

Statement of Revenues, Expenses, and Changes in Net Position

Operating Revenues		
Gifts	$	567
Fundraisers		17,648
Total Operating Revenues		18,215
Operating Expenses		
Scholarships		22,803
Capital Donations to College		-
Other Expenses		11,586
Total Operating Expenses		34,389
Operating Income	$	(16,174)
Change in Net Position	$	(16,174)
Net Position at beginning of year		108,683
Net Position at end of year	$	92,509

Statement of Cash Flows

Cash flow from Operating Activities		
Cash received through contributions and fundraisers	$	18,215
Cash payments for scholarships		(22,803)
Cash payments for other expenses		(11,586)
Net Cash provided by Operating Activities	$	(16,174)
Increase in Cash and Cash Equivalents	$	(16,174)
Cash and Cash Equivalents at beginning of year		108,683
Cash and Cash Equivalents at end of year	$	92,509

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Required Supplementary Information

Schedule of Tooele Technical College's Proportionate Share of the Net Pension Liability

Noncontributory and Tier 2 Public Employees Systems of the Utah Retirement Systems

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Noncontributory System									
Proportion of Net Pension Liability (Asset)	0.044868%	0.043791%	0.046295%	0.043511%	0.036837%	0.033987%	0.032005%	0.003132%	0.002769%
Proportionate Share of Net Pension Liability (Asset)	$ 968,830	$ (299,200)	$ 617,162	$ 966,680	$ 1,370,519	$ 831,098	$ 1,037,110	$ 983,889	$ 695,830
Covered Payroll	$ 1,175,343	$ 1,161,212	$ 1,247,614	$ 1,112,867	$ 965,007	$ 881,980	$ 821,093	$ 781,163	$ 670,725
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	82.42%	-25.77%	49.47%	86.86%	142.02%	94.23%	126.31%	125.95%	103.74%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.60%	102.70%	94.30%	90.10%	84.10%	89.20%	84.90%	84.50%	87.20%
Tier 2 Public Employees System									
Proportion of Net Pension Liability (Asset)	0.02942160%	0.02431170%	0.02028295%	0.02320097%	0.027335%	0.021414%	0.021538%	0.025153%	0.393419%
Proportionate Share of Net Pension Liability (Asset)	$ 32,037	$ (10,290)	$ 2,996	$ 5,220	$ 11,707	$ 1,888	$ 2,403	$ (55)	$ (1,192)
Covered Payroll	$ 640,209	$ 450,123	$ 332,994	$ 322,714	$ 318,095	$ 209,285	$ 176,628	$ 162,492	$ 192,654
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	5.00%	-2.29%	0.90%	1.62%	3.68%	0.90%	1.36%	-0.03%	-0.62%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.30%	103.80%	98.30%	96.50%	90.80%	97.40%	95.10%	100.20%	103.50%

* The College implemented GASB Statements No. 68 and 71 in fiscal year 2015. Information on the College's portion of the plans' net pension liability (asset) is not available for periods prior to fiscal year 2015.

Schedule of Tooele Technical College's Defined Benefit Pension Contributions

Noncontributory and Tier 2 Public Employees Systems of the Utah Retirement Systems

Last 10 Fiscal Years Ending June 30

Noncontributory System	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 268,084	$ 235,416	$ 262,562	$ 248,097	$ 221,793	$ 200,607	$ 189,830	$ 172,031	$ 170,314	$ 119,026
Contributions in Relation to the Contractually Required Contribution	268,084	235,416	262,562	248,097	221,793	200,607	189,830	172,031	170,314	119,026
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 1,255,531	$ 1,110,204	$ 1,236,800	$1,172,012	$ 1,051,511	$ 904,653	$ 855,475	$ 775,263	$ 767,525	$ 581,750
Contributions as a Percentage of Covered Payroll	21.35%	21.20%	21.23%	21.17%	21.09%	22.18%	22.19%	22.19%	22.19%	20.46%

*Tier 2 Public Employees System**	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 148,098	$ 105,469	$ 66,444	$ 60,216	$ 67,334	$ 46,712	$ 31,633	$ 31,743	$ 30,023	$ 34,605
Contributions in Relation to the Contractually Required Contribution	148,098	105,469	66,444	60,216	67,334	46,712	31,633	31,743	30,023	34,605
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 746,460	$ 543,655	$ 347,329	$ 317,093	$ 356,832	$ 253,318	$ 173,428	$ 174,030	$ 164,327	$ 206,597
Contributions as a Percentage of Covered Payroll	19.84%	19.40%	19.13%	18.99%	18.87%	18.44%	18.24%	18.24%	18.27%	16.75%

* Tier 2 rates include a 9.94% required contribution to finance the unfunded actuarial accrued liability of the Tier 1 systems.
**The Tier 2 Contributory System began enrollments in fiscal year 2012. Prior to the implementation of GASB Statements No. 68 and 71, Tier 2 information was not separately available.

Note to Tooele Technical College's Schedule of Contributions:

Changes in Assumptions

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

Independent Auditor's 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*

To the Board of Trustees, Audit Committee
and
Paul E. Hacking, President
Tooele Technical College

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 Tooele Technical College (College), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated March 7, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) to determine the 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 College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College'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 to 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College'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 determination of financial statement amounts. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to *Utah Code* Title 63G Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.

Office of the State Auditor

Office of the State Auditor
Salt Lake City, Utah
March 7, 2024