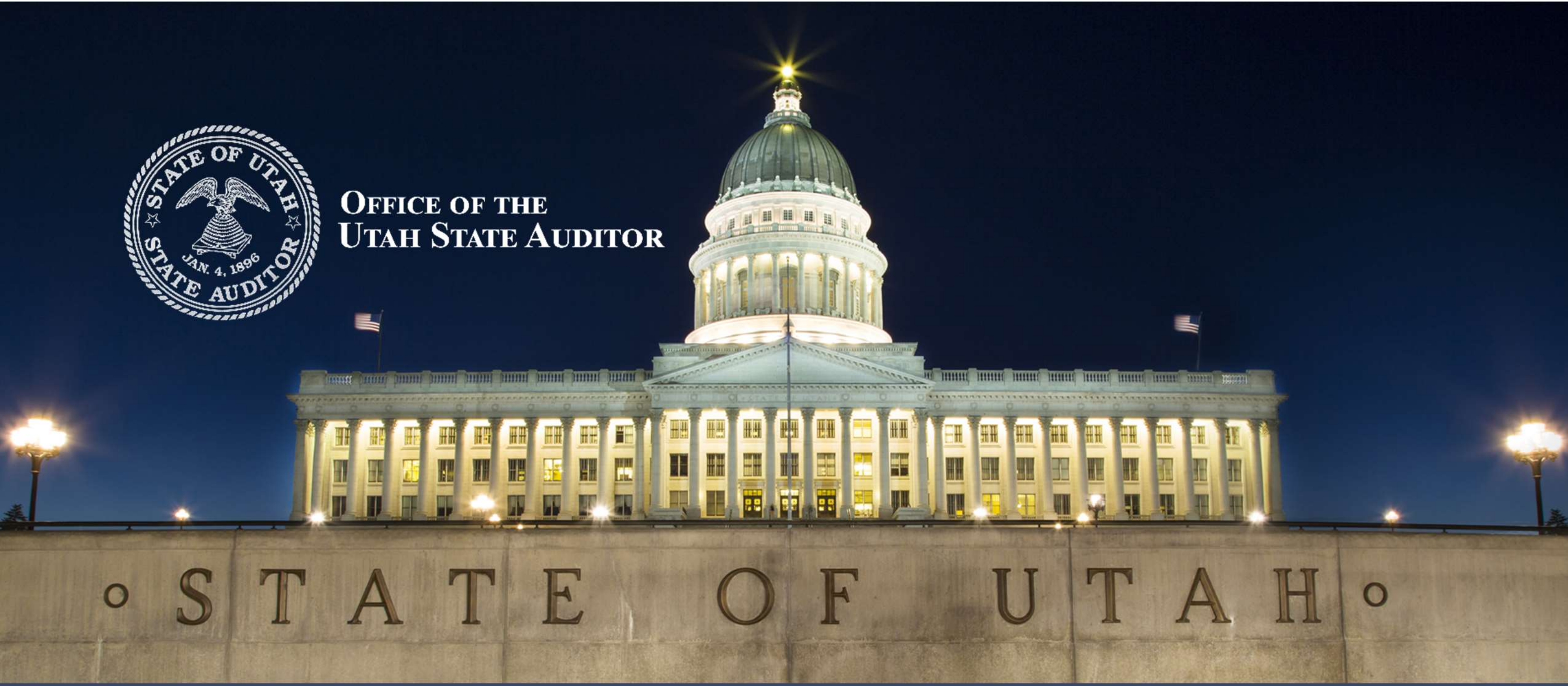

Tooele Technical College

Annual Financial Report

For the year ended June 30, 2024

Report No. 24-39

Office of the Utah State Auditor

Audit Leadership:
Tina Cannon, State Auditor
Andrew Driggs, CPA, Audit Manager
Taylor Whitman, CPA, Audit Senior

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State of Utah
Office of the Utah State Auditor

Tina M. Cannon
Utah 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, 2024, 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 financial position of the College, as of June 30, 2024, and the changes in financial position and 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.

Utah State Capitol, Suite 260, Salt Lake City, UT 84114, (801) 538-1025

Emphasis of Matter

As described in Note 1, the College restated the Beginning Net Position for fiscal year 2024 for the correction of an error found in the fiscal year 2023 financial statements relating to unearned revenues. Our opinion is not modified with respect to this matter.

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 required supplementary information, such as Management's Discussion and Analysis, the Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Defined Benefit Pension Contributions, 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 April 2, 2025 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 Utah State Auditor
Salt Lake City, Utah
April 2, 2025

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, 2024. This discussion is an overview of the College's financial activities for the year and is based on the comparative data presented.

The College continued with 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 March 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, 2024, and 2023:

Condensed Statement of Net Position

	June 30, 2024 Amount	June 30, 2023* Amount	Amount of Change	Percent Change
Assets				
Current Assets	$ 2,496,966	$ 2,541,739	$ (44,773)	(1.76%)
Noncurrent Assets				
Capital Assets	13,937,665	13,238,270	699,395	5.28%
Other Assets	155,000	55,000	100,000	181.82%
Total Assets	16,589,631	15,835,009	754,622	4.77%
Deferred Outflows of Resources	814,930	660,460	154,470	23.39%
Liabilities				
Current Liabilities	649,036	581,544	67,492	11.61%
Noncurrent Liabilities	1,168,940	1,082,844	86,096	7.95%
Total Liabilities	1,817,976	1,664,388	153,588	9.23%
Deferred Inflows of Resources	6,212	25,589	(19,377)	(75.72%)
Net Position				
Net Investment in Capital Assets	13,915,504	13,174,195	741,309	5.63%
Restricted	155,000	55,000	100,000	.00%
Unrestricted	1,509,869	1,576,297	(66,428)	(4.21%)
Total Net Position	$ 15,580,373	$ 14,805,492	$ 774,881	5.23%

**Includes prior period adjustment to Current Liabilities and Net Position (See Note 1)*

The College's total assets increased by $754,622 during the fiscal year. A decrease in current assets of $44,773 consists of a decrease in cash and cash equivalents of $540,269, primarily due to an increase in purchasing equipment related to construction and a receivable from Primary Government of $486,676 for the same equipment purchases which will be reimbursed to the College. Inventory increased by $30,053 as a result of building inventory to manage increased bookstore sales.

The College's capital assets (net of accumulated depreciation and amortization) as of June 30, 2024, amount to $13,937,665. The net increase of $699,395 is due to the capitalization of new assets of $1,186,737, less depreciation and amortization of $764,064.

Other assets are comprised of $155,000 of restricted noncurrent cash. These funds are restricted to be used for the construction of the building expansion. It is expected that these funds will be used in a future period. This amount increased by $100,000 from a capital donation from the O.C. Tanner Family Trust.

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 $814,930.

Total liabilities of the College increased by $153,588 for the fiscal year 2024.

Current liabilities increased by $67,492. Unearned Revenue decreased by $34,821 due to a prior period adjustment correction in prepayments by sponsors for student scholarships. See Note 1 for additional information on the prior period adjustment. Accrued Leave Payable increased by $40,179 due to longer employee tenure and a continued rise in eligible employees. Accounts Payable increased $67,818, in the normal course of business.

Noncurrent liabilities increased by $86,096. This is due to a change in the Net Pension Liability, that increased by $86,648. 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 $19,377.

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, 2024, and 2023.

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

	Year Ended June 30, 2024 Amount	Year Ended June 30, 2023* Amount	Amount of Change	Percent Change
Operating Revenues	$ 1,164,750	$ 926,094	$ 238,656	25.8%
Operating Expenses	10,887,203	9,342,517	1,544,686	16.5%
Operating Income (Loss)	(9,722,453)	(8,416,423)	(1,306,030)	15.5%
Nonoperating Revenues	9,396,950	7,911,670	1,485,280	18.8%
Income (Loss) Before Other Items	(325,503)	(504,753)	179,250	(35.5%)
Other Revenues	1,100,384	6,330	1,094,054	17283.6%
Increase (Decrease) in Net Position	774,881	(498,423)	1,273,304	(255.5%)
Net Position – Beginning of Year	14,805,492	15,303,915	(498,423)	(3.3%)
Net Position – End of Year	$ 15,580,373	$ 14,805,492	$ 774,881	5.2%

**Includes prior period adjustment to Nonoperating Revenues and Net Position (See Note 1)*

The College experienced a net operating loss of $9,722,453 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 2024 were $8,567,000. Included in nonoperating revenues, the College received State Grants for scholarships of $156,440, a Talent Ready Utah grant of $116,404, and Federal Pell Grants of $299,758.

The College received a capital appropriation of $827,481, these funds were used to construct an outdoor amphitheater to improve the facility to host graduation and other events.

After considering nonoperating revenues and other items, the College's net position increased by $774,881.

Revenues. The following schedule presents a summary of the College revenues for the fiscal years ended June 30, 2024 and 2023:

	Year Ended June 30, 2024 Amount	Percent of Total Revenue	Year Ended June 30, 2023* Amount	Amount of Change	Percent Change
Operating Revenues					
Student Tuition and Fees	$ 578,307	4.96%	$ 390,326	$ 187,981	48.16%
Corporate Training Fees	140,311	1.20%	142,841	(2,530)	(1.77%)
Sales and Services of Educational Activities	82,122	.70%	97,769	(15,647)	(16.00%)
Bookstore Sales	242,220	2.08%	216,963	25,257	11.64%
Other Operating Revenues	121,790	1.04%	78,195	43,595	55.75%
Total Operating Revenues	1,164,750	9.98%	926,094	238,656	25.77%
Nonoperating Revenues					
State Appropriations	8,567,000	73.46%	7,078,900	1,488,100	21.02%
Grants and Contracts	272,844	2.34%	475,305	(202,461)	(42.60%)
Federal Pell Grants	299,758	2.57%	200,292	99,466	49.66%
Gifts	60,481	.53%	18,215	42,266	232.04%
Interest Earnings	196,867	1.69%	138,958	57,909	41.67%
Total Nonoperating Revenues	9,396,950	80.58%	7,911,670	1,485,280	18.77%
Other Revenues (Expenses)					
Capital Appropriations	827,481	7.10%	-	827,481	100.00%
Capital Gifts	275,000	2.36%	-	275,000	100.00%
Gain (Loss) on Asset Disposal	(2,097)	(.02%)	6,330	(8,427)	(133.13%)
Total Other Revenues	1,100,384	9.44%	6,330	1,094,054	17283.63%
Total Revenues	$11,662,084	100.00%	$ 8,844,094	$ 2,817,990	31.86%

* Includes prior period adjustment to Nonoperating Grants and Contracts Revenues (See Note 1).

The revenue comparison between the fiscal years 2024 and 2023 shows an increase in total revenues of $2,817,990.

Total operating revenues increased by $238,656 due to an increase in Tuition and Fees of $187,981. Net Tuition and Fees increased because the College's associated allowance decreased by 248,404. In prior years, the allowance included COVID grant funds that were applied to student accounts because the grant funds were recognized as nonoperating grant revenue. In FY24, the extent of these funds decreased by approximately 275,000, causing the increase in Net Tuition and Fees.

Nonoperating revenue increased by $1,485,280. State Appropriations by the State legislature increased by $1,488,100. Grants and Contracts decreased by $202,461 due to a phase-out of state-funded scholarships. Contributions for gifts increased by $42,266 as a result of targeted fundraising for scholarships. Interest earnings increased by $57,909 due to increased interest rates due to the Federal Reserve's actions.

Other revenues increased by $1,094,054 from the previous year. Capital appropriations, which are State of Utah-funded projects for capital improvement, increased by $827,481. These funds constructed an outdoor amphitheater, improving the facility to provide for graduation and other events. Capital donations of cash and in-kind donations amounted to $275,000.

Expenses. The following schedule presents a summary of the College's operating expenses for the fiscal years ended June 30, 2024, and 2023:

	Year Ended June 30, 2024 Amount	Percent of Total Expense	Year Ended June 30, 2023 Amount	Amount of Change	Percent Change
Operating Expenses					
Cost of Goods Sold	$ 237,393	2.18%	$ 217,495	$ 19,898	9.15%
Salaries and Wages	5,462,822	50.18%	4,531,989	930,833	20.54%
Employee Benefits	1,696,198	15.58%	1,457,904	238,294	16.34%
Actuarial Calculated Pension Expense	448,213	4.12%	360,837	87,376	24.21%
Scholarships	320,985	2.95%	156,391	164,594	105.25%
Services and Supplies	1,305,455	11.99%	1,237,129	68,326	5.52%
Lease Expense	152,777	1.40%	21,309	131,468	616.96%
Depreciation and Amortization	764,064	7.02%	712,216	51,848	7.28%
Non-Capitalized Equipment Purchases	11,820	.11%	210,733	(198,913)	(94.39%)
Utilities and Maintenance	233,750	2.15%	195,292	38,458	19.69%
Other Operating Expenses	253,726	2.33%	241,222	12,504	5.18%
Total Operating Expenses	$ 10,887,203	100.00%	$ 9,342,517	$ 1,544,686	16.53%

Total operating expenses for the year were $1,544,686 higher than the prior year. Salaries and wages increased by $930,833 due to the hiring of new faculty and staff, along with merit increases for existing employees. Employee benefits increased by $238,294 due to adding new employees. Scholarships increased by $164,594 as a result of increased Pell grants and scholarships for certain training programs. The actuarially calculated pension expense increased by $87,376 from the prior period. Lease expenses increased by $131,468 due to leasing instructional space during construction. Non-capitalized equipment purchases, the cost of which was below the capitalization level of $5,000 for an individual asset, decreased by $198,913, as most equipment purchases were related to new construction and over the threshold.

Economic Outlook

The College will complete the building expansion in March 2025. The construction project has stifled student enrollment and increased operational costs. Once the project is finished, the college will be able to add additional training programs and increase enrollment in all programs. Projected enrollment will be flat for FY2024-2025, with a change of increasing enrollments in subsequent years.

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, 2024

Assets	
Current Assets	
Cash and Cash Equivalents (Note 2)	1,823,531
Accounts Receivable (Note 3)	
From Primary Government	506,157
From Others	4,880
Inventory (Note 1)	100,823
Prepaid Expense	61,575
Total Current Assets	2,496,966
Noncurrent Assets	
Restricted Cash and Cash Equivalents	155,000
Capital Assets (Note 4)	
Land	237,008
Leases	66,000
SBITA (Note 5)	122,935
Construction in Progress	198,400
Buildings	16,693,917
Equipment	2,518,249
Less Accumulated Depreciation and Amortization	(5,898,844)
Total Noncurrent Assets	14,092,665
Total Assets	16,589,631
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions (Note 7)	814,930
Total Deferred Outflows of Resources	814,930
Liabilities	
Current Liabilities	
Accounts Payable (Note 3)	
To Primary Government	94,387
To Others	112,017
Salaries and Benefits Payable	28,184
Accrued Leave Payable (Note 6)	314,425
SBITA Payable (Note 5)	12,976
Unearned Revenue	87,047
Total Current Liabilities	649,036
Noncurrent Liabilities:	
Accrued Leave Payable (Note 6)	72,240
SBITA Payable (Note 5)	9,185
Net Pension Liability (Note 7)	1,087,515
Total Noncurrent Liabilities	1,168,940
Total Liabilities	1,817,976
Deferred Inflows of Resources	
Deferred Inflows Related to Pensions (Note 7)	6,212
Total Deferred Inflows of Resources	6,212
Net Position	
Net Investment in Capital Assets	13,915,504
Restricted	155,000
Unrestricted	1,509,869
Total Net Position	$ 15,580,373

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, 2024

Operating Revenues	
Student Tuition and Fees (Net of Allowance of $224,120)	$ 578,307
Corporate Training Fees	140,311
Sales and Services of Educational Activities	82,122
Bookstore Sales	242,220
Other Operating Revenue	121,790
Total Operating Revenues	1,164,750
Operating Expenses	
Cost of Goods Sold	237,393
Salaries and Wages	5,462,822
Employee Benefits	1,696,198
Actuarial Calculated Pension Expense (Note 7)	448,213
Scholarships	320,985
Services and Supplies	1,305,455
Short Term Lease and Rent Expense	152,777
Depreciation and Amortization	764,064
Non-Capitalized Equipment Purchases	11,820
Utilities and Maintenance	233,750
Other Operating Expenses	253,726
Total Operating Expenses	10,887,203
Operating Income (Loss)	(9,722,453)
Nonoperating Revenues	
State Appropriations	8,567,000
Grants and Contracts	272,844
Federal Pell Grants	299,758
Gifts	60,481
Interest Earnings	196,867
Total Nonoperating Revenues	9,396,950
Increase (Decrease) in Net Position Before Other Revenues	(325,503)
Other Revenues (Expenses)	
Capital Appropriations	827,481
Capital Gifts	275,000
Gain (Loss) on Asset Disposal	(2,097)
Total Other Revenues	1,100,384
Increase (Decrease) in Net Position	774,881
Net Position – Beginning of Year as Previously Reported	14,854,312
Prior Period Adjustment (See Note 1)	(48,820)
Net Position - Beginning of Fiscal Year 2024 as Restated	14,805,492
Net Position – End of Year	$ 15,580,373

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

Statement of Cash Flows

For the Year Ended June 30, 2024

Cash Flows from Operating Activities	
Receipts from Tuition and Fees	$ 587,197
Receipts from Bookstore Sales	254,150
Receipts from Sales and Services of Educational Activities	222,433
Receipts from Other Operating Activities	121,790
Payments to Employees for Salaries and Benefits	(7,667,386)
Payments to Students and Suppliers	(2,495,026)
Net Cash Provided (Used) by Operating Activities	(8,976,842)
Cash Flows from Noncapital Financing Activities	
Receipts from Grants and Contracts	514,372
Receipts from State Appropriations	8,567,000
Receipts from Gifts for Other than Capital Purposes	60,481
Net Cash Provided (Used) by Noncapital Financing Activities	9,141,853
Cash Flows from Capital and Related Financing Activities	
Receipts from Gifts for Capital Purposes	100,000
Purchase of Capital Assets	(854,822)
Net Cash Provided (Used) By Capital and Related Financing Activities	(754,822)
Cash Flows from Investing Activities	
Receipt from Sale of Fixed Assets	(47,325)
Receipt of Interest Earnings	196,867
Net Cash Provided (Used) by Investing Activities	149,542
Net Increase (Decrease) in Cash and Cash Equivalents	(440,269)
Cash and Cash Equivalents – Beginning of Year	2,418,800
Cash and Cash Equivalents – End of Year	1,978,531
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(9,722,453)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Depreciation Expense	$ 764,064
Changes in Assets and Liabilities	
(Increase) Decrease in Receivables	20,820
(Increase) Decrease in Inventories	(30,053)
(Increase) Decrease Prepaid Expenses	(23,791)
Increase (Decrease) in Accounts Payable	67,818
Increase (Decrease) in Accrued Liabilities	33,952
Increase (Decrease) in Pension Liabilities	(87,199)
Net Cash Provided (Used) by Operating Activities	(8,976,842)
Noncash Investing, Capital, and Financing Activities	
Noncash Capital Appropriations	$ 827,481
Noncash Capital Asset Additions from Gifts and Grants	198,400
Total Noncash Investing, Capital, and Financing Activities	$ 1,025,881

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

The College has recognized an intangible right-to-use lease 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.

The College has recognized a subscription liability and an intangible right-to-use subscription asset. The subscription liability was measured at the present value of payments expected to be made during the subscription term, less any vendor incentives. The subscription asset was measured at the amount of the initial measurement of the subscription liability, plus any payments made to the vendor at the commencement of the subscription term and capitalizable initial implementation costs.

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.

Prior Period Adjustment to Net Position

During fiscal year 2024, it was discovered that the College incorrectly accounted for unearned revenues related to scholarships. This error resulted from recording transactions from a subsidiary ledger to the general ledger. The effect of the restatement was to decrease the beginning net position as of July 1, 2023, by $48,820.

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, 2024, the College's bank balance was $101,238, which was insured by the 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.

On June 30, 2024, 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	$ 1,991,040	$ 1,991,040

The value of the College's investment in the PTIF is calculated by applying the June 30, 2024, fair value factor, as calculated by the Utah State Treasurer, to the College's June 30, 2024 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, 2024, consisted of amounts due from students. The majority of amounts due from Primary Government are due to pending reimbursements for expenditures the College made as a result of the construction. See the chart below for a breakout of receivables:

Amounts Due from Primary Government	$ 506,157
Total Due from Primary Government	**$ 506,157**
Amounts Due from Others:	
Other Receivables – Tuition and Fees	$ 4,880
Total Due from Others	**$ 4,880**

The following schedule presents the accounts payable of the College as of June 30, 2024:

Amounts Due to Primary Government:	
Supplies and Contracted Services	$ 94,387
Total Due to Primary Government	$ 94,387
Amounts Due to Others:	
Vendors for Supplies and Services	$ 112,017
Total Due to Others	$ 112,017

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, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Land	237,008	$ -	$ -	237,008
Construction in Progress	-	198,400		198,400
Leases	66,000		-	66,000
SBITA	89,841	33,094	-	122,935
Buildings	15,866,436	827,481	-	16,693,917
Equipment	2,158,994	410,049	(50,795)	2,518,248
Total	18,418,279	1,469,024	(50,795)	19,836,508
Less Accumulated Depreciation and Amortization:				
Leases	(3,666)	(44,000)	-	(47,666)
SBITA	(25,879)	(24,811)		(50,690)
Buildings	(3,898,792)	(445,901)	-	(4,344,693)
Equipment	(1,251,673)	(249,351)	45,228	(1,455,796)
Total Accumulated Depreciation	(5,180,010)	(764,063)	45,228	(5,898,845)
Net Capital Assets	$ 13,238,269	$ 704,961	$ (5,567)	$ 13,937,663

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 Construction and Management will manage the construction project. Construction began in June 2023 and will be completed by March 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 for educational and administrative purposes. The duration of these agreements varies from one to five years. Total future obligations are $24,253, comprising $22,161 in principal and $2,092 in imputed interest. The college used the prime rate as an imputed rate since it maintains no debt. SBITAs are amortized using the straight-line method over the shorter of the SBITA term or useful life of the underlying asset.

Fiscal Year	Principal	Interest	Total
SBITA Payable			
2025	$ 12,976	$ 857	$ 13,833
2026	4,398	812	5,210
2027	4,787	423	5,210
2028	-	-	-
Total SBITA Payable	$ 22,161	$ 2,092	$ 24,253

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, 2024.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Accrued Leave Payable	$ 348,281	$ 389,160	$ 350,776	$ 386,665	$ 314,425
Net Pension Liability	1,000,867	86,648	-	1,087,515	-
Total Long-Term Liabilities	$ 1,349,148	$ 475,808	$ 350,776	$ 1,474,180	$ 314,425

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
Noncontributory System	N/A	22.19%
Tier 2 Contributory System	N/A	19.84%

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, 2024, the employer and employee contributions to the System were as follows:

	Employer Contributions	Employee Contributions
Noncontributory System	$ 303,689	N/A
Tier 2 Public Employees System	208,844	N/A
Total Contributions	$ 512,533	

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

On June 30, 2024, the College reported a net pension asset of $0 and a net pension liability of $1,087,514.

(Measurement Date): December 31, 2023

	Net Pension Asset	Net Pension Liability	Proportionate Share December 31, 2023	Proportionate Share December 31, 2022	Change
Noncontributory System	$ -	$ 1,019,865	0.0497741%	0.0448683%	0.0049058 %
Tier 2 Public Employees System	-	67,649	0.0347565%	0.0294216%	0.0053349 %
Total Net Pension Asset / Liability	$ -	$ 1,087,514			

The net pension asset and liability were measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023, 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, 2024, the College recognized a pension expense of $448,213.

On June 30, 2024, 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	$ 220,210	$ 1,108
Changes in assumptions	136,501	53
Net difference between projected and actual earnings on pension plan investments	137,295	-
Changes in proportion and differences between contributions and proportionate share of contributions	53,153	5,051
Contributions subsequent to the measurement date	267,770	-
Total	**$ 814,929**	**$ 6,212**

Contributions of $267,770 made prior to the College's fiscal year end but subsequent to the measurement date of December 31, 2023, 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
2024	138,389
2025	149,111
2026	265,795
2027	(50,000)
2028	6,750
Thereafter	30,903

The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.5 – 9.5 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, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate, with projected improvements using the ultimate rates from the MP-2020 improvement scale using a base year of 2020. 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, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

Changes in Assumptions

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

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%	6.87%	2.40%
Debt Securities	20%	1.54%	0.31%
Real Assets	18%	5.43%	0.98%
Private Equity	12%	9.80%	1.18%
Absolute Return	15%	3.86%	0.58%
Cash and Cash Equivalents	0%	0.24%	0.00%
Totals	100%		5.45%
	Inflation		2.50%
	Expected Arithmetic Nominal Return		7.95%

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	$ 2,703,055	$ 1,019,865	$ (391,039)
Tier 2 Public Employees System	232,434	67,649	(60,141)
Total	$ 2,935,489	$ 1,087,514	$ (451,180)

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 contributions. During the year ending June 30, 2024, College contributions totaled $282,411.

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, 2024, 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, 2024, the College contributed $256,387 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. The College will continue the lease on a month-to-month basis until the construction is complete and the training program is able to move into the new space.

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 FY2024, the College paid $85,996 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.

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, 2024.

Tooele ATC Foundation
Condensed Financial Statements
For the Fiscal Year Ended June 30, 2024

Statement of Net Position

Assets	
Current Assets	
Cash	$ 74,694
Pledge Receivable	-
Total Current Assets	74,694
Noncurrent Assets	55,000
Total Assets	$ 129,694
Liabilities	
Payable to College	$ -
Total Liabilities	$ -
Net Position	
Restricted	55,000
Unrestricted	74,694
Total Net Position	$ 129,694

Statement of Revenues, Expenses, and Changes in Net Position

Operating Revenues	
Gifts	$ -
Fundraisers	60,481
Total Operating Revenues	60,481
Operating Expenses	
Scholarships	13,069
Capital Donations to College	-
Other Expenses	10,227
Total Operating Expenses	23,296
Operating Income	$ 37,185
Change in Net Position	$ 37,185
Net Position at beginning of year	92,509
Net Position at end of year	$ 129,694

Statement of Cash Flows

Cash flow from Operating Activities	
Cash received through contributions and fundraisers	$ 60,481
Cash payments for scholarships	(13,069)
Cash payments for other expenses	(10,227)
Net Cash provided by Operating Activities	$ 37,185
Increase in Cash and Cash Equivalents	$ 37,185
Cash and Cash Equivalents at beginning of year	92,509
Cash and Cash Equivalents at end of year	$ 129,694

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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, 2023	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)	0.0497741%	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)	$ 1,019,865	$ 968,830	$ (299,200)	$ 617,162	$ 966,680	$ 1,370,519	$ 831,098	$ 1,037,110	$ 983,889	$ 695,830
Covered Payroll	$ 1,320,466	$ 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	77.24%	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	92.49%	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)	0.0347565%	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)	$ 67,649	$ 32,037	$ (10,290)	$ 2,996	$ 5,220	$ 11,707	$ 1,888	$ 2,403	$ (55)	$ (1,192)
Covered Payroll	$ 898,582	$ 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	7.53%	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	89.58%	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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 303,689	$ 268,084	$ 235,416	$ 262,562	$ 248,097	$ 221,793	$ 200,607	$ 189,830	$ 172,031	$ 170,314
Contributions in Relation to the Contractually Required Contribution	303,689	268,084	235,416	262,562	248,097	221,793	200,607	189,830	172,031	170,314
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 1,415,771	$ 1,255,531	$ 1,110,204	$ 1,236,800	$1,172,012	$ 1,051,511	$ 904,653	$ 855,475	$ 775,263	$ 767,525
Contributions as a Percentage of Covered Payroll	21.45%	21.35%	21.20%	21.23%	21.17%	21.09%	22.18%	22.19%	22.19%	22.19%

*Tier 2 Public Employees System**	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 208,844	$ 148,098	$ 105,469	$ 66,444	$ 60,216	$ 67,334	$ 46,712	$ 31,633	$ 31,743	$ 30,023
Contributions in Relation to the Contractually Required Contribution	208,844	148,098	105,469	66,444	60,216	67,334	46,712	31,633	31,743	30,023
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 1,052,644	$ 746,460	$ 543,655	$ 347,329	$ 317,093	$ 356,832	$ 253,318	$ 173,428	$ 174,030	$ 164,327
Contributions as a Percentage of Covered Payroll	19.84%	19.84%	19.40%	19.13%	18.99%	18.87%	18.44%	18.24%	18.24%	18.27%

* 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.