



OFFICE OF THE
UTAH STATE AUDITOR



◦ STATE OF UTAH ◦

Tooele Technical College

Government Auditing Standards Report

For the year ended June 30, 2024

Report No. 24-34

Office of the Utah State Auditor

Audit Leadership:

Tina Cannon, State Auditor

Andrew Driggs, CPA, Audit Manager

Taylor Whitman, CPA, Audit Senior

Table of Contents

Independent Auditor’s Report	1
Findings & Recommendations	3
Finding 1. Errors in Reporting Preparation Process.....	3



TINA M. CANNON
UTAH STATE AUDITOR

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 were engaged to audit, 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, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated April 2, 2025.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and recommendations as Finding 1 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

College's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the findings identified in our engagement and described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the engagement to audit the financial statements and, accordingly, we express no opinion on it.

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 engagement to perform an audit 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

Salt Lake City, Utah

April 2, 2025

Findings & Recommendations

Finding 1. Errors in Reporting Preparation Process

Finding Type: Significant Deficiency

The College did not have adequate internal controls to ensure it prepared its financial statements in accordance with generally accepted accounting principles. As a result, multiple adjustments were needed to fairly present the College's financial activity, including:

- a. A \$100,000 gift for the College's building addition was reclassified from Gifts to Capital Gifts.
- b. A \$175,000 adjustment to record a capital gift for an in-kind donation that was not originally recorded in the general ledger.
- c. The College miscalculated its Unearned Revenues, State Grants & Contracts and Federal Pell Grants, resulting in a respective increase of \$57,655 and \$24,028 to Unearned Revenues and State Grants & Contracts and a respective decrease of \$48,820 and \$32,863 to Beginning Net Position and Federal Pell Grants.

These adjustments were caused by the College's inexperience with capital gifts and how to record them. Additionally, College personnel were unable to give adequate attention to the details of the revenue and unearned revenue accounts.

Without proper review and analysis of financial statement data, material misstatements in the financial statements may go undetected.

Recommendations:

We recommend that the College financial personnel perform sufficient reviews and analyses to ensure information presented in the financial statements materially reflects the College's financial position and its changes.

College's Response:

Tooele Technical College agrees with the finding of errors in the reporting preparation process. To address this issue and prevent reoccurrence, we will implement additional internal controls and reviews to provide assurance that transactions are appropriately and timely recorded in the financial statements.