



TINA M. CANNON
UTAH STATE AUDITOR



◦ STATE OF UTAH ◦

Dixie Technical College

Annual Financial Report and Government Auditing Standards Report

For the year ended June 30, 2024

Report No. 24-40

Office of the Utah State Auditor

Audit Leadership:

Tina Cannon, State Auditor

Jordan Kattelman, CPA, Audit Supervisor

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Table of Contents

Independent Auditor’s Report	1
Management’s Discussion and Analysis	5
Financial Statements	9
Statement of Net Position.....	9
Statement of Revenues, Expenses, and Changes in Net Position	10
Statement of Cash Flows.....	11
Notes to the Financial Statements	13
Required Supplementary Information	29
Schedule of Dixie Technical College’s Proportionate Share of the Net Pension Liability	29
Schedule of Dixie Technical College's Defined Benefit Pension Contributions	30
Independent Auditor’s Report	31
On Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31





TINA M. CANNON
UTAH STATE AUDITOR

Independent Auditor's Report

To the Board of Directors, Audit Committee
and
Jordan Rushton, President
Dixie Technical College

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Dixie 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 respective financial position of the College, as of June 30, 2024, 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.

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 Pension Contributions, as noted 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 April 1, 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 State Auditor
Salt Lake City, Utah
April 1, 2025

Management's Discussion and Analysis

As Management of the Dixie Technical College (College), we offer this narrative overview and analysis of the financial activities of the College for the fiscal year ended June 30, 2024 to the readers of the College's financial statements.

The College was established effective September 1, 2001, by the Utah State Legislature to offer vocational and related instruction to secondary and adult students. The College operates in accordance with Section 53B-2-101 of the *Utah Code Annotated* 1953, as amended, as a member of the Utah System of Higher Education and is governed by the Utah Board of Higher Education with appropriate responsibilities and authority delegated to the College Board of Trustees.

Overview of the Financial Statements

This management's discussion and analysis is intended to serve as an introduction to the College's financial statements. The College's financial statements include 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 (similar to a Balance Sheet) provides information on the College's assets, deferred outflows, liabilities, and deferred inflows at the end of the fiscal year, with the difference being 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 evaluate, 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 (similar to a Statement of Income) 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 its stewardship responsibilities and other aspects of its duties.

Statement of Cash Flows. The Statement of Cash Flows provides information about the cash receipts and cash payments of the College 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 on 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 that is essential to a full understanding of the data provided in the financial statements.

Financial Analysis

Statement of Net Position. The following schedule presents a summary of the College's assets, deferred outflows, liabilities, deferred inflows, and net position as of June 30, 2024 and 2023:

Condensed Statement of Net Position

	Year Ended June 30, 2024 Amount	Year Ended June 30, 2023 Amount	Amount of Change	Percent Change
Assets				
Current & Other Assets	\$ 2,866,344	\$ 2,315,069	\$ 551,275	23.81%
Capital Assets, Net	43,818,182	44,604,526	(786,344)	(1.76%)
Total Assets	46,684,526	46,919,595	(235,069)	(.50%)
Deferred Outflows of Resources	333,025	298,285	34,740	11.65%
Liabilities				
Current Liabilities	1,932,412	1,971,909	(39,497)	(2.00%)
Noncurrent Liabilities	29,044	7,417,613	(7,388,569)	(99.61%)
Total Liabilities	1,961,456	9,389,522	(7,428,066)	(79.11%)
Deferred Inflows of Resources	618	8,009	(7,391)	(92.28%)
Net Position				
Net Investment in Capital Assets	43,746,014	36,753,701	6,992,313	19.02%
Restricted	138,175	609,072	(470,897)	(77.31%)
Unrestricted	1,171,288	457,576	713,712	155.98%
Total Net Position	\$ 45,055,477	\$ 37,820,349	\$ 7,235,128	19.13%

Total assets of the College were 0.50% lower in fiscal year 2024 compared to the previous year. The almost 24% increase in current assets was primarily from increased student accounts receivable. There were 63% more students with a receivable balance in fiscal year 2024 compared to fiscal year 2023. That increase was partially offset by a reduction in cash when the Washington County bond was defeased. In capital assets, depreciation of fixed assets was the primary driver of the reduction and was partially offset by new capital acquisitions.

Total liabilities were down year over year by 79.11%. Current liabilities were slightly lower due to the timing of insurance payments. Non-current liabilities were reduced 99.61% with the defeasement of the Washington County bond.

The net position of the College was up 19.13% year over year. Almost all of this change is explained by the defeasement of a bond agreement with Washington County that was funded by an allocation from the Utah Legislature. Defeating this bond resulted in an increase in the amount invested in capital assets of \$6.99 million.

Statement of Revenues, Expenses, and Changes in Net Position. The following schedule presents a summary of changes in net position for the College for the fiscal years ended June 30, 2024 and 2023:

Condensed Statement of Revenue, 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	\$ 2,892,085	\$ 2,468,879	\$ 423,206	17.14%
Operating Expenses	19,744,165	17,199,646	2,544,519	14.79%
Operating Income (Loss)	(16,852,080)	(14,730,767)	(2,121,313)	(14.40%)
Nonoperating Revenues	23,429,332	14,174,905	9,254,427	65.29%
Income (Loss) Before Other Items	6,577,252	(555,862)	7,133,114	1283.25%
Other Revenues and Expenses	657,876	241,312	416,564	172.62%
Increase (Decrease) in Net Position	7,235,128	(314,550)	7,549,678	2400.15%
Net Position – Beginning of Year	37,820,349	38,134,899	(314,550)	(.82%)
Net Position – End of Year	\$ 45,055,477	\$ 37,820,349	\$ 7,235,128	19.13%

Dixie Technical College grew again in fiscal year 2024. Membership hours were up by 18.8% while program headcount increased 18.7%. Operating revenues increased by 17.14% year over year, driven by student enrollment growth. Operating expenses increased 14.79% as labor and benefits increased to serve the increased volume of students and programs offered.

Nonoperating revenue was up 65.29% in fiscal year 2024 compared to fiscal year 2023. This increase of \$9.3 million was a \$6.9 million appropriation for defeasement of the Washington County bond as well as an increase in the operational appropriation.

Other revenues were up by 172.62%. This revenue comes from projects completed by the Utah Division of Facilities Construction and Management that were transferred to the College during the fiscal year.

Statement of Cash Flows. The final statement presented is the Statement of Cash Flows.

Condensed Statement of Cash Flows

	Year Ended June 30, 2024 Amount	Year Ended June 30, 2023 Amount	Amount of Change	Percent Change
Cash provided (used) by:				
Operating activities	\$ (15,613,272)	\$ (12,980,377)	\$ (2,632,895)	20.28%
Noncapital financing activities	22,965,353	14,262,215	8,703,138	61.02%
Capital financing activities	(8,045,043)	(1,053,153)	(6,991,890)	663.90%
Investing activities	474,896	47,430	427,466	901.26%
Net change in cash	(218,067)	276,114	(494,181)	(178.98%)
Cash - Beginning of year	1,350,864	1,074,749	276,114	25.69%
Cash - End of year	\$ 1,132,797	\$ 1,350,864	\$ (218,067)	(16.14%)

College operation used 20.28% more cash in fiscal year 2024 compared to the prior year with substantially more students being taught as noted. Cash provided by noncapital financing activities was up 61.02%. This was primarily due to increased state appropriations both for operations and for defeasement of the Washington County bond. Cash used in financing operations changed by 663.90%. This was from the one-time event of the bond defeasement. Cash from investing activities was significantly higher year over year as the appropriated funds for the defeasement generated interest income while in the College's PTIF account.

Outlook for the Coming Fiscal Year

Dixie Technical College continues to grow in membership hours and students served. In fiscal year 2025 this growth trend is expected to continue. The regular state appropriation for fiscal year 2025 was increased by nearly 13.9 percent. Higher costs from the inflationary environment of the past few years will continue to challenge the College to meet the demand for training within the budget as allocated by the legislature. The faculty and staff are aware of these challenges and are working to improve efficiency wherever possible while always maintaining focus on the institutional mission to train students to master essential skills they will take directly to the workforce, enabling them to support their families, strengthen the community, and contribute to local industry while advancing their careers.

Financial Statements

Statement of Net Position

As of June 30, 2024

ASSETS

Current Assets:

Cash and Cash Equivalents (Notes 1 and 2)	\$ 1,132,797
Accounts Receivable (Note3) (Net Allowance of \$38,964)	1,017,345
Due from Primary Government / Related Parties (Note 3)	234,264
Inventories (Note 1)	142,869
Prepaid Expenses	46,481
Total Current Assets	<u>2,573,756</u>

Noncurrent Assets:

Net Pension Asset (Notes 1 and 9)	292,588
Land (Notes 1 and 5)	2,500,430
Buildings and Land Improvements (Notes 1 and 5)	48,393,457
Equipment and Software (Notes 1 and 5)	5,239,117
Less Accumulated Depreciation (Notes 1 and 5)	(12,314,822)
Work in Progress	-
Total Noncurrent Assets	<u>44,110,770</u>
Total Assets	<u>46,684,526</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows Relating to Pensions (Notes 1 and 9)	\$ 333,025
Total Deferred Outflows of Resources	<u>333,025</u>

LIABILITIES

Current Liabilities

Accounts Payable	378,270
Due to Primary Government / Related Parties	45,457
Accrued Salaries and Wages Payable	242,154
Unearned Revenue	487,256
Notes Payable	65,192
Accrued Liabilities	337,530
Compensated Absences (Current Portion) (Notes 1 and 6)	376,553
Total Current Liabilities	<u>1,932,412</u>

Noncurrent Liabilities

Net Pension Liability (Notes 1, 6, and 9)	22,068
Long Term Notes Payable	6,976
Compensated Absences (Notes 1 and 6)	-
Total Noncurrent Liabilities	<u>29,044</u>
Total Liabilities	<u>1,961,456</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows Relating to Pensions (Notes 1 and 9)	\$ 618
Total Deferred Inflows of Resources	<u>618</u>

NET POSITION

Net Investment in Capital Assets	43,746,014
Restricted for	
Nonexpendable – Scholarships	-
Expendable – Scholarships and Other	138,175
Expendable – Capital Gifts	-
Unrestricted	1,171,288
Total Net Position	<u>\$ 45,055,477</u>

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

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2024

REVENUES

Operating Revenues (Note 1)

Student Tuition and Fees (Net Allowance of \$1,367,897)	\$ 2,225,649
Auxiliary Enterprises	\$ 588,982
Other Operating Revenues	\$ 77,454
Total Operating Revenues	\$ 2,892,085

EXPENSES

Operating Expenses (Note 1)

Salaries and Wages	\$ 9,584,034
Benefits	\$ 3,465,420
Actuarial Calculated Pension Expense (Note 9)	\$ (77,171)
Professional and Technical Educational Services	\$ 433,121
Building Rent, Maintenance, and Utilities	\$ 483,662
General & Administrative	\$ 2,923,735
Scholarships and Grants in Aid	\$ 321,442
Depreciation	\$ 2,078,544
Cost of Goods Sold	\$ 531,378
Total Operating Expenses	\$ 19,744,165
Operating Loss	\$ (16,852,080)

NONOPERATING REVENUES (EXPENSES)

State Appropriations	20,534,200
Local Grants and Contracts	-
Federal Grants and Contracts (Pell Grant)	1,297,289
State Grants and Contracts	520,994
Gifts	236,258
Investment Income	474,896
Interest Expense	(598,472)
Gain (Loss) on Disposal of Capital Assets	(17,055)
Gain (Loss) on Notes Payable Defeasement	604,611
Other Nonoperating Revenues (Expenses)	376,611
Net Nonoperating Revenues	23,429,332
Income (Loss) Before Other Revenues (Expenses)	6,577,252

OTHER REVENUES

Capital Appropriations	657,876
Capital Grants & Gifts	-
Total Other Revenues	657,876
Increase (Decrease) in Net Position	7,235,128

NET POSITION

Net Position – Beginning of Year	37,820,349
Net Position – End of Year	\$ 45,055,477

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

Statement of Cash Flows

For the Year Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Tuition and Fees	\$ 2,045,182
Receipts from Grants and Contracts	-
Receipts from Auxiliary Enterprise Charges	625,496
Receipts from Other Operating Revenues	(119,308)
Payments to Employees for Salaries and Benefits	(13,263,392)
Payments to Suppliers	(4,579,808)
Payments for Scholarships	<u>(321,442)</u>
Net Cash Used by Operating Activities	<u>(15,613,272)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Receipts from State Appropriations	20,534,200
Receipts from Noncapital Contracts and Grants	1,818,283
Gifts Received	236,258
Additions to Quasi Endowments	-
Fiscal Agent Funds Receipts	-
Fiscal Agent Funds Payments	-
Other Nonoperating receipts	<u>376,612</u>
Net Cash Provided by Noncapital Financing Activities	<u>22,965,353</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Cash Paid for Capital Assets	(8,649,654)
Proceeds from Sale of Capital Assets	604,611
Capital Gifts Received	<u>-</u>
Net Cash Used by Capital and Related Financing Activities	<u>(8,045,043)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Receipt of Interest on Investments	<u>474,896</u>
Net Cash Provided by Investing Activities	<u>474,896</u>

Net Increase (Decrease) in Cash and Cash Equivalents (218,067)

CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR 1,350,864

CASH AND CASH EQUIVALENTS – END OF YEAR \$ 1,132,797

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**RECONCILIATION OF OPERATING LOSS TO
NET CASH USED BY OPERATING ACTIVITIES**

Operating Loss	(16,852,080)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	2,078,544
In-kind Gifts Received and Expensed	-
Difference between Actuarial Calculated Pension Expense and Actual Contributions	(316,859)
Changes in Assets and Liabilities:	-
Accounts Receivable/Due From State Agencies	(465,489)
Inventories	27,040
Prepaid Expenses	(44,684)
Accounts Payable/Due to State Agencies/Accrued Expenses	(208,158)
Unearned Revenue	142,665
Compensated Absences and Termination Benefits	25,749
Net Cash Used by Operating Activities	<u>\$ (15,613,272)</u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Capital Asset Additions through the State	657,876
Capital Gifts in-kind	-
Total Noncash Investing, Capital and Financing Activities	\$ 657,876

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

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

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

Estimates

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 a component unit of the State of Utah and is included in the State's Annual Comprehensive Financial Report.

The College was established effective September 1, 2001, by the Utah State Legislature to offer vocational and related instruction to secondary and adult students. The College operates in accordance with Section 53B-2-101 of the Utah Code Annotate 1953, as amended, as a member of the Utah System of Higher Education and is governed by the Utah Board of Higher Education with appropriate responsibilities and authority delegated to the College Board of Trustees.

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

Basis of Accounting

For financial reporting purposes, the College is considered a special purpose government entity engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Cash Equivalents

For the purposes of the Statement of Cash Flows, the College considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the Public Treasurers' Investment Fund (PTIF) are considered cash equivalents.

Accounts Receivable

Accounts receivable consist of tuition and fees charged to students, companies/sponsors of students, as well as other trade accounts. Accounts receivable also include amounts due from the Federal Government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivables are recorded net of estimated uncollectible amounts.

Inventories

All inventories are stated at the lower of cost or market using the first-in, first-out method or, on a basis which approximates cost determined on the first-in, first-out method.

Prepaid Expenses

As of June 30, 2024 there were prepaid expenses of \$46,481 primarily for a computer firewall with licensing for its use for 60 months.

Capital Assets

Capital assets are recorded at cost on the date of acquisition or acquisition value at the date of donation in the case of gifts. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life greater than two years. The College also capitalizes assets whose individual acquisition costs are less than the threshold for an individual asset if those assets, in the aggregate, are significant and the useful life is greater than two years. The amount which the College determined to be significant was \$20,000 for the fiscal year. Routine repairs and maintenance are charged to operating expenses in the year in which the expenses are incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets based on the State of Utah Standard Useful Life Table. Equipment has a useful life ranging from 3-15 years, and buildings have a useful life of 40 years.

Compensated Absences

Employee vacation and compensation pay is accrued at year end for financial statement purposes. The liability and expense incurred are recorded at year end as accrued liabilities in the Statement of Net Position. Non-Exempt and Exempt employees accumulate five hours per semi-monthly pay period, with additional hours after five years of service, and Executives accumulate 8.33 hours. At the conclusion of every fiscal year, each employee's hours are reduced to the maximum amount of vacation hours they can accumulate in a year. Upon termination of employment, employees are paid out all accrued vacation.

Pensions

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

Classification of Revenues and Expenses

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. Operating revenues include activities that have the characteristics of exchange transactions such as tuition and fees and auxiliary revenues. 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 expenses are incurred for purposes for which both restricted and unrestricted resources are available, it is the College's general policy to use restricted resources first.

Net Position

The College's net position is classified as follows:

Net Investment in Capital Assets

This amount represents the College's total investment in capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted Net Position – Expendable

Restricted expendable net position includes resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted Net Position

Unrestricted net position represents resources derived from student tuition and fees, state appropriations, sales and services of educational departments, and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

Note 2. Deposits and Investments*Deposits**Custodial Credit Risk*

Custodial credit risk is the risk that, in the event of a bank failure, the College's deposits may not be returned to it. The College does not have a formal deposit policy for custodial credit risk. As of June 30, 2024, \$250,000 of the College's total bank balances of \$505,385 were insured, while \$255,385 were uninsured and uncollateralized.

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 (*Utah Code*, Title 51, Chapter 7) that relate to the deposit and investment of public funds.

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

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 and 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 Measurements

As noted above, the College holds investments that are measured at fair value on a recurring basis. The College categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices for identical investments in active markets; Level 2 inputs are observable inputs other than quoted market prices; and Level 3 inputs are significant unobservable inputs.

The College's \$677,365 held in the PTIF is valued using Level 2 inputs by applying the June 30, 2024 fair value factor, as calculated by the Utah State Treasurer, to the College's June 30 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.

As of June 30, 2024, the College had investments of \$677,365 with the PTIF. The entire balance had a maturity of less than one year.

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. At June 30, 2024, the College's PTIF investment was unrated.

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.

Note 3. Accounts Receivable

Accounts receivable consisted of the following:

	<u>June 30, 2024</u>
Student tuition and fees	\$ 1,004,798
Due from primary government/related parties	234,264
Misc. customers and partners	<u>51,511</u>
Less allowance for doubtful accounts	<u>(38,964)</u>
Total Accounts Receivable	<u>\$ 1,251,609</u>

Note 4. Restricted Expendable Net Position

Restricted expendable net position consisted of the following:

	<u>June 30, 2024</u>
Custom Fit	\$ 17,913
Private Donor Scholarships	117,450
State Funded Scholarships	2,812
Total Restricted Expendable	<u>\$ 138,175</u>

Note 5. Capital Assets

The following are the changes in capital assets of the College for the year ended June 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Buildings	\$ 44,348,500	\$635,368	\$ -	\$ 44,983,868
Land	2,500,430	-	-	2,500,430
Land Improvements	3,354,396	55,193	-	3,409,589
Projects in Progress	-	-	-	-
Equipment	4,637,478	601,639	-	5,239,117
Total Capital Assets	54,840,804	1,292,200	-	56,133,004
Less Accumulated Depreciation:				
Buildings	6,004,106	1,193,700		7,197,806
Land Improvements	1,084,187	274,087		1,358,274
Equipment	3,147,984	610,758		3,758,742
Total Accumulated Depreciation	10,236,277	2,078,545	-	12,314,822
Net Capital Assets	<u>\$ 44,604,527</u>	<u>\$ (786,345)</u>	<u>\$ -</u>	<u>\$ 43,818,182</u>

Note 6. Long-Term Liabilities

The following is a summary of the changes to the College's long-term liabilities during the fiscal year ended June 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Notes Payable	\$ 7,850,825	\$ -	\$ 7,778,657	\$ 72,168	\$ 65,192
Compensated Absences	266,114	376,553	266,114	376,553	376,553
Net Pension Liability	10,834	11,234	-	22,068	-
 Total Noncurrent Liabilities	 <u>\$ 8,127,773</u>	 <u>\$ 387,787</u>	 <u>\$ 8,044,771</u>	 <u>\$ 470,789</u>	 <u>\$ 441,745</u>

Note 7. SBITA (GASB 96) and Leases (GASB87)

GASB 96 regarding the treatment of subscription-based information technology (SBITA) agreements became applicable for Dixie Technical College in fiscal year 2023. The College performed an analysis of all technology subscription agreements in effect during the fiscal year to determine which of them, if any, met the definition of SBITA as described in GASB 96. It was determined that there were no material SBITA arrangements.

Under GASB 87 the College has the same two remaining notes payable at the end of fiscal year 2024 - Hewlett Packard network server, and a lease contract for one Canon Image Press printer signed on January 1, 2023. The bond held by Washington County was defeased in fiscal year 2024, and the four other Canon printers under lease were purchased in fiscal year 2024, ending the lease.

The future payments for all notes payable are as follows:

<u>Fiscal Year Ending June 30 of:</u>	<u>Notes Payable- Principal</u>	<u>Notes Payable- Interest</u>
2025	65,192	3,993
2026	2,790	-
2027	2,790	-
2028	1,395	-
2029	-	-
Total future payments	\$ 72,168	\$ 3,993

Note 8. Risk Management

Due to the diverse risk exposure of the College, the insurance portfolio contains a full variety of coverage. The College participates in basic general liability, tort claim coverage, directors and officers' liability, and property and casualty programs provided by the State of Utah Department of Risk Management. The College's liabilities for this policy are limited to the cost of premiums.

Commercial Cyber and Privacy Liability coverage is provided by Evolve Insurance Services.

All College employees are covered by workers' compensation insurance administered by the Workers Compensation Fund of Utah.

Note 9. Pension Plans and Retirement Benefits

The College provides retirement benefits to all benefit eligible employees in accordance with the requirements of Title 49 of the *Utah Code*, Annotated, 1953, as amended. Employees participate in the Utah Retirement Systems and/or an alternate defined contribution plan depending on hire date and employee classification.

Defined Benefit Plans

Eligible plan participants are provided with pensions through the Utah Retirement Systems (Systems). The Systems comprise several pension trust funds, the following in which employees of the College participate:

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple-employer, cost sharing, 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 Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and

other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

Summary of Benefits by System

The Systems provide retirement, disability, and death benefits to plan members and beneficiaries in accordance with the retirement statutes.

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% 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%

* Actuarial reductions are applied

** 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 Utah State Retirement 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 as of June 30, 2024 are as follows:

	<u>Employee Contribution</u>	<u>College Contribution Rates</u>
Noncontributory System	N/A	22.19%
Tier 2 Public Employees System	N/A	19.84%
Tier 2 DC Only	N/A	10.02%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2024, the employer and employee contributions to the Systems were as follows:

	College Contributions	Employee Contributions
Noncontributory System	\$ 152,974	-
Tier 2 Public Employees System	77,747	-
Tier 2 DC Only	9,022	-
Total Contributions	\$ 239,743	\$ -

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Relating to Pensions

At June 30, 2024, we reported a net pension liability of \$22,068 and a net pension asset of \$292,588.

	Net Pension Asset	Net Pension Liability	Proportionate Share December 31, 2023	Proportionate Share December 31, 2022	Change
Noncontributory System	\$ 292,588	\$ -	0.3696740%	0.3784754%	(0.0088014)%
Tier 2 Public Employees System	-	22,068	0.0113378%	0.0099493%	0.0013885 %
Total Net Pension Asset / Liability	\$ 292,588	\$ 22,068			

The net pension asset and liability was 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 System during the plan year.

For the year ended June 30, 2024, we recognized a pension expense of (\$ 77,171).

At June 30, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 68,118	\$ 361
Changes in assumptions	44,410	18
Net difference between projected and actual earnings on pension plan investments	90,677	-
Changes in proportion and differences between contributions and proportionate share of contributions	3,696	239
Contributions subsequent to the measurement date	126,124	-
Total	\$ 333,025	\$ 618

Contributions of \$126,124 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 the 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 in pension expense as follows.

<u>Year Ending December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2024	\$ 35,187
2025	\$ 21,209
2026	\$ 173,824
2027	\$ (36,529)
2028	\$ 2,259
Thereafter	\$ 10,335

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	3.25 - 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 improvement using the ultimate rates from the MP-2020 improvement scale 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 in the January 1, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

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	35.00%	6.87%	2.40%
Debt Securities	20.00%	1.54%	0.31%
Real Assets	18.00%	5.43%	0.98%
Private Equity	12.00%	9.80%	1.18%
Absolute Return	15.00%	3.86%	0.58%
Cash & Cash Equivalents	0.00%	0.24%	0.00%
Totals	100.00%		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% that 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.

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 it were calculated using a discount rate that is 1.00 percentage point lower (5.85 percent) or 1.00 percentage point higher (7.85 percent) than the current rate:

Proportionate Share of Net Pension (Asset) / Liability

	1% Decrease ▼ (5.85%)	Discount Rate ▼ (6.85%)	1% Increase ▼ (7.85%)
Noncontributory System	\$ 741,864	\$ (292,588)	\$ (1,161,036)
Tier 2 Public Employees System	75,822	22,068	(19,618)
Total	<u>\$ 817,686</u>	<u>\$ (270,520)</u>	<u>\$ (1,180,654)</u>

Detailed information about the pension plans fiduciary net position is available in the Systems' separately issued financial report.

Defined Contribution Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401 (k), 457(b) and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Dixie Technical College participates in the following Defined Contribution Savings

- 401 (k) Plan
- 457(b) Plan
- Roth IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30th were as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
401(k) Plan			
Employer Contributions	\$ 83,108	75,312	68,940
Employee Contributions	\$ 17,903	10,947	9,447
457 Plan			
Employer Contributions	\$ -	30	-
Employee Contributions	\$ -	-	-
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 7,200	900	-

Nationwide 403(b) and 457 Contribution Plans

The College's current 403(b) and 457 defined contribution plans are with Nationwide Mutual Insurance Company (Nationwide). Each participating employee is set up with a 403(b) retirement account at Nationwide. Benefits provided to retired employees are generally based on the value of the individual retirement accounts and the estimated life expectancy of the employee at retirement, and are fully vested from the date of employment. 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 403(b) defined contribution plan was \$908,945, which is 14.2 percent of the employees' eligible salaries. The College has no further liability once annual contributions are made. Additionally, in fiscal year 2024, College employees contributed \$168,173 to their individual 403(b) accounts, and \$31,385 to their individual 457 accounts.

In September 2011, the College voted to discontinue participation in Social Security Administration. As a result, beginning in October 2011, the College began contributing 6.2 percent of retirement eligible employee's salaries into their respective 403(b) in place of the Employer Social Security contribution. For Nationwide, the College's contributions totaled \$409,057 for the year ended June 30, 2024.

Note 10. Defeasement of Bond Issued By Washington County

In 2023 the Utah State Legislature appropriated funds to Dixie Technical College to defease a bond with a par value of \$8,510,000 issued by Washington County. The bond was issued in 2017 to pay for a portion of the construction costs of the College's campus on Tech Ridge in St. George, Utah.

This defeasement closed on June 18, 2024. The College paid to Zions Bancorporation, the escrow agent of the trust established for defeasement, the amount of \$7,027,220. The encumbrances on the College's property were released and the College's obligations satisfied. A non-operating gain of

\$604,611 was recognized in fiscal year 2024. This was the difference between the reacquisition price and the note payable carrying amount remaining at the time of the defeasement.

The bonds will be redeemed by the trust on October 1, 2027 when redeemable. The remaining obligations on the bond held in the trust as of 6/30/2024 were:

Maturity Date	Par Amount	Coupon Rate
10/1/2024	\$451,589	-
4/1/2025	52,158	-
10/1/2025	412,158	-
4/1/2026	43,158	-
10/1/2026	\$6,068,157	3.542%

Required Supplementary Information

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

Noncontributory and Tier 2 Public Employees Systems of the Utah Retirement Systems – Last 10 Years

	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
<i>Noncontributory System</i>										
Proportion of Net Pension Liability (Asset)	0.3696740%	0.3784754%	0.3778869%	0.3778869%	0.3557913%	0.0204772%	0.0127362%	0.0110763%	0.0078734%	0.0075955%
Proportionate Share of Net Pension Liability (Asset)	\$ (292,588)	\$ (6,625)	\$ (928,809)	\$ (372,705)	\$ 417,354	\$ 761,858	\$ 311,446	\$ 358,974	\$ 247,326	\$ 190,839
Covered Payroll	\$ 731,055	\$ 744,858	\$ 756,389	\$ 877,719	\$ 850,537	\$ 667,088	\$ 431,728	\$ 363,890	\$ 227,197	\$ 217,549
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	-40.02%	-0.89%	-122.80%	-42.46%	49.07%	114.21%	72.14%	98.65%	108.86%	87.72%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.46%	100.10%	111.80%	104.70%	94.20%	84.10%	89.20%	84.90%	84.50%	87.20%
<i>Tier 2 Public Employees System²</i>										
Proportion of Net Pension Liability (Asset)	0.0113378%	0.0099493%	0.0064275%	0.0038225%	0.4249500%	0.0028150%				
Proportionate Share of Net Pension Liability (Asset)	\$ 22,068	\$ 10,834	\$ (2,720)	\$ 550	\$ 956	\$ 1,206				
Covered Payroll	\$ 293,121	\$ 216,721	\$ 119,138	\$ 61,119	\$ -	\$ 32,337				
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	7.53%	5.00%	-2.28%	0.90%	0.00%	3.73%				
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.58%	92.30%	103.80%	98.30%	96.50%	90.80%				

¹ The College began participation in the Tier 2 Public Employees System in the year 2018.

Schedule of Dixie 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 30¹

<i>Noncontributory System</i> ¹	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 152,974	\$ 168,698	\$ 154,442	\$ 180,192	\$ 181,719	\$ 166,426	\$ 100,665	\$ 77,524	\$ 64,492	\$ 40,463
Contributions in Relation to the Contractually Required Contribution	152,974	168,698	154,442	180,192	181,719	166,426	100,665	77,524	64,492	40,463
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 720,773	\$ 775,795	\$ 709,161	\$ 838,627	\$ 875,344	\$ 799,069	\$ 506,836	\$ 391,964	\$ 308,812	\$ 182,348
Contributions as a Percentage of Covered Payroll	21.22%	21.75%	21.78%	21.49%	20.76%	20.83%	19.86%	19.78%	20.88%	22.19%

<i>Tier 2 Public Employees System</i> ^{1,2,3}	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contribution	\$ 77,747	\$ 47,203	\$ 31,810	\$ 15,662	\$ 11,607	\$ 10,509	\$ 845
Contributions in Relation to the Contractually Required Contribution	77,747	47,203	31,810	15,662	11,607	10,509	845
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 391,870	\$ 237,918	\$ 163,971	\$ 81,890	\$ 61,119	\$ 55,690	\$ 4,583
Contributions as a Percentage of Covered Payroll	19.84%	19.84%	19.40%	19.13%	18.99%	18.87%	18.44%

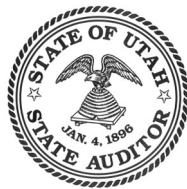
<i>Tier 2 Public Employees System DC Only</i> ^{1,2,4}	2024	2023	2022	2021
Contractually Required Contribution	\$ 9,022	\$ 6,607	\$ 6,246	\$ 5,083
Contributions in Relation to the Contractually Required Contribution	9,022	6,607	6,246	5,083
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 90,039	\$ 65,936	\$ 62,336	\$ 50,724
Contributions as a Percentage of Covered Payroll	10.02%	10.02%	10.02%	10.02%

1 Contributions as a percentage of covered payroll may be different than the board certified rate due to rounding and other administrative issues.

2 Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems.

3 The College began participation in the Tier 2 Public Employee System in the year 2018.

4 The College began participation in the Tier 2 Public Employee System DC Only in the year 2021.



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 Directors, Audit Committee
and
Jordan Rushton, President
Dixie 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 Dixie 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 1, 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. 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

Salt Lake City, Utah

April 1, 2025