

STATE OF UTAH
OFFICE OF THE UTAH STATE AUDITOR



TINA M. CANNON
UTAH STATE AUDITOR

Bridgerland Technical College

Annual Financial Report
For the year ended June 30, 2025
Report No. 25-33

Office of the Utah State Auditor

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Table of Contents

Independent Auditor’s Report	1
Management’s Discussion and Analysis	5
Financial Statements	12
Statement of Net Position.....	12
Statement of Revenues, Expenses, and Changes in Net Position	13
Statement of Cash Flows.....	14
Statement of Fiduciary Net Position.....	16
Statement in Changes in Fiduciary Net Position	17
Notes to the Financial Statements	18
Required Supplementary Information	40
Schedule of Bridgerland Technical College’s Proportionate Share of the Net Pension Liability	40
Schedule of Bridgerland Technical College’s Pension Contributions	41
Independent Auditor’s Report	42
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.....	42





TINA M. CANNON
UTAH STATE AUDITOR

Independent Auditor's Report

To the Board of Trustees, Audit Committee
and
K. Chad Campbell, President
Bridgerland Technical College

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of Bridgerland Technical College (College) as of and for the year ended June 30, 2025, 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 business-type activities and fiduciary activities of the College, as of June 30, 2025, 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 Opinions

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 opinions.

Key Audit Matters

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2026 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

February 26, 2026

Management's Discussion and Analysis

As management of the Bridgerland Technical College (the College), we offer this narrative overview and analysis of the financial activities of the College for the fiscal year ended June 30, 2025, to the readers of the College's financial statements.

The College is one of 16 public colleges and universities within the Utah System of Higher Education. The College maintains a local Board of Trustees and is an independent technical college and component unit of the State of Utah.

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 are comprised of five components: 1) the Statement of Net Position, 2) the Statement of Revenues, Expenses, and Changes in Net Position, 3) the Statement of Cash Flows, 4) the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position, and 5) the Notes to the Financial Statements.

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 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.

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.

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.

The **Statement of Fiduciary Net Position** and the **Statement of Changes in Fiduciary Net Position** provide information on the financial position of trust funds held by the College.

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 net position as of June 30, 2025 and 2024:

<u>Net Position</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
		<i>as adjusted*</i>		
Current Assets	\$ 12,795,570	\$ 15,657,213	\$ (2,861,643)	(18.28%)
Noncurrent Assets	3,461,481	1,803,719	1,657,762	91.91%
Capital Assets, Net	<u>76,953,827</u>	<u>72,541,645</u>	<u>4,412,182</u>	6.08%
Total Assets	<u>93,210,878</u>	<u>90,002,577</u>	<u>3,208,301</u>	3.56%
Deferred Outflows of Resources	<u>1,439,849</u>	<u>1,501,378</u>	<u>(61,529)</u>	(4.10%)
Current Liabilities	1,462,290	2,250,638	(788,348)	(35.03%)
Noncurrent Liabilities	<u>1,314,889</u>	<u>1,266,785</u>	<u>48,104</u>	3.80%
Total Liabilities	<u>2,777,179</u>	<u>3,517,423</u>	<u>(740,244)</u>	(21.05%)
Deferred Inflows of Resources	<u>1,556,346</u>	<u>248,464</u>	<u>1,307,882</u>	526.39%
Net Position:				
Net Investment in Capital Assets	76,953,827	72,541,645	4,412,182	6.08%
Restricted for				
Expendable – Scholarships and Other	556,223	673,101	(116,878)	(17.36%)
Expendable – Capital Gifts	199,569	200,375	(806)	(.40%)
Unrestricted	<u>12,607,583</u>	<u>14,322,947</u>	<u>(1,715,364)</u>	(11.98%)
Total Net Position	<u>\$ 90,317,202</u>	<u>\$ 87,738,068</u>	<u>\$ 2,579,134</u>	2.94%

*See Note 1 for Details

Total assets of the College increased by \$3,208,301 or 3.56 percent during the fiscal year. Current assets decreased by \$2,861,643, which consisted primarily of a decrease in cash of \$2,463,324 due to various expenses in excess of revenue sources and a decrease in due from State agencies in the amount

of \$450,608 as a result of fewer grant expenses pending reimbursement from the Utah System of Higher Education.

Noncurrent assets increased by \$1,657,762, due primarily to an increase in leases receivable of \$1,366,673 due to a new lease agreement. See Note 5 for additional information. In addition, net pension asset increased by \$288,753, which is provided by the Utah Retirement Systems (the Systems) and is based on estimates derived from actuarial calculations. See Note 8 for additional information.

The College's capital assets as of June 30, 2025, increased from \$72,541,645 to \$76,953,827 (net of accumulated depreciation) for a total change of \$4,412,182. This investment in capital assets includes construction/implementation in progress, land, buildings and improvements, equipment and vehicles, and software subscription arrangements. Construction/implementation in progress includes remodel projects started but not completed by June 30, 2025. Land increased due to the acquisition of property located adjacent to College property. Buildings and improvements increased significantly due to a renovation to the College Business & Innovation Hub as well as multiple remodel projects throughout the College. Equipment and vehicle acquisitions (including donated assets) also increased substantially, with additions throughout the College to enhance student learning. Depreciation and amortization expense reduced the College's capital assets by \$3,601,710. See Note 4 for additional information.

Deferred outflows of resources are derived from information provided by the Systems as outlined by GASB 68, *Accounting and Financial Reporting for Pensions*. The decrease of \$61,529 represents the net difference between projected and actual earnings on pension plan investments, changes in assumptions, changes in proportion and differences between contributions and proportionate share of contributions, and timing of contributions. See Note 8 for additional information.

Total liabilities of the College decreased by \$740,244 or 21.05 percent during the fiscal year. Current liabilities decreased by \$788,348. Due to State agencies decreased by \$264,558 due to the timing of when obligations were incurred and payments were paid. Unearned revenue decreased by \$145,799 primarily as a result of a decrease in scholarships held for future use. Termination benefits decreased by \$200,969 as a result of fewer employees being approved for such benefits. Compensated absences decreased by \$147,922 primarily due to long-time employees with higher leave balances retiring during the fiscal year and the implementation of GASB 101, *Compensated Absences*.

Noncurrent liabilities increased by \$48,104, due to a decrease in termination benefits, an increase in compensated absences, an increase in software subscription arrangements, and an increase in the net pension liability, which is provided by the Systems and is based on estimates derived from actuarial calculations. See Note 8 for additional information.

Deferred inflows of resources increased by \$1,307,882 primarily as the result of entering into a new lease agreement. See Note 5 for additional information. In addition, there was a decrease of \$557 relating to pensions as derived from information provided by the Systems as outlined by GASB 68, *Accounting and Financial Reporting for Pensions*. The decrease represents the net difference between

projected and actual earnings on pension plan investments, changes in assumptions, and changes in proportion and differences between contributions and proportionate share of contributions. See Note 8 for additional information.

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, 2025 and 2024:

Net Position	Year Ended June 30, 2025 Amount	Year Ended June 30, 2024 Amount	Amount of Increase (Decrease)	Percent Increase (Decrease)
		<i>as adjusted*</i>		
Operating Revenues	\$ 6,501,548	\$ 6,838,019	\$ (336,471)	(4.92%)
Operating Expenses	(35,891,456)	(33,218,893)	(2,672,563)	8.05%
Operating Income (Loss)	(29,389,908)	(26,380,874)	(3,009,034)	11.41%
Nonoperating Revenues	28,796,511	30,072,192	(1,275,681)	(4.24%)
Other Revenues	3,172,531	51,372,556	(48,200,025)	(93.82%)
Increase (Decrease) in Net Position	2,579,134	55,063,874	(52,484,740)	(95.32%)
Net Position – Beginning of Year				
<i>(as adjusted*)</i>	87,738,068	32,674,194	55,063,874	168.52%
Net Position – End of Year	<u>\$ 90,317,202</u>	<u>\$ 87,738,068</u>	<u>\$ 2,579,134</u>	2.94%

*See Note 1 for Details

The College experienced a net operating loss of \$29,389,908 during the fiscal year. The College is a State institution and receives a large portion of its revenues from State appropriations. These appropriations are classified in the financial statements of the College as nonoperating revenues. State appropriations are anticipated as a means of covering a majority of the operating costs at the College. During fiscal year 2025, State appropriations, other nonoperating revenue, and other revenues were sufficient to offset the operating loss. The College will generally experience an increase in net position only in years where the Legislature appropriates funds for capital equipment purchases, capital improvement projects, or capital development and construction projects in an amount that exceeds the unfunded depreciation expense.

Revenues. The following schedule presents a summary of College revenues for the fiscal years ended June 30, 2025 and 2024:

<u>Revenues</u>	<u>Year Ended June 30, 2025 Amount</u>	<u>Percent of Total Revenue</u>	<u>Year Ended June 30, 2024 Amount</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Operating Revenues:					
Student Tuition and Fees	\$ 2,579,257	6.70%	\$ 2,572,541	\$ 6,716	.26%
Federal Grants and Contracts	301,541	.78%	459,100	(157,559)	(34.32%)
State Grants and Contracts	662,362	1.72%	934,053	(271,691)	(29.09%)
Local Grants and Contracts	875,913	2.28%	910,046	(34,133)	(3.75%)
Sales and Services of Educational Activities	1,284,148	3.34%	1,287,326	(3,178)	(.25%)
Auxiliary Enterprises	798,327	2.08%	674,953	123,374	18.28%
Total Operating Revenues	<u>6,501,548</u>	<u>16.90%</u>	<u>6,838,019</u>	<u>(336,471)</u>	<u>(4.92%)</u>
Nonoperating Revenues (Expenses):					
State Appropriations	25,220,926	65.56%	26,179,168	(958,242)	(3.66%)
Federal Grants and Contracts	1,363,959	3.55%	1,004,772	359,187	35.75%
State Grants and Contracts	256,535	.67%	156,693	99,842	63.72%
Gifts	577,936	1.50%	739,593	(161,657)	(21.86%)
Investment Income	835,176	2.17%	902,513	(67,337)	(7.46%)
Lease Income	434,297	1.13%	255,109	179,188	70.24%
Disposal of Capital Assets	10,158	.03%	4,737	5,421	114.44%
Other Nonoperating Revenues (Expenses)	97,524	.25%	829,607	(732,083)	(88.24%)
Total Nonoperating Revenues	<u>28,796,511</u>	<u>74.85%</u>	<u>30,072,192</u>	<u>(1,275,681)</u>	<u>(4.24%)</u>
Other Revenues:					
Capital Appropriations	3,037,536	7.90%	51,317,556	(48,280,020)	(94.08%)
Capital Gifts	134,995	.35%	55,000	79,995	145.45%
Total Other Revenues	<u>3,172,531</u>	<u>8.25%</u>	<u>51,372,556</u>	<u>(48,200,025)</u>	<u>(93.82%)</u>
Total Revenues	<u>\$38,470,590</u>	<u>100.00%</u>	<u>\$ 88,282,767</u>	<u>\$(49,812,177)</u>	<u>(56.42%)</u>

The revenue comparison between fiscal year 2025 and fiscal year 2024 shows a total revenue decrease in the amount of \$49,812,177. Operating revenues decreased by \$336,471. Federal and state grants and contracts decreased collectively by \$429,250 as the result of fewer grant expenditures reimbursed. Auxiliary enterprises increased by \$123,374 as a result of increased sales in the College bookstores and Cafe.

Nonoperating revenues decreased by a total of \$1,275,681. State appropriations decreased by \$958,242 as a result of funding changes by the Utah State Legislature and the Utah Division of Facilities Construction and Management (DFCM). Federal grants and contracts increased by \$359,187, which was the result of an increase in Pell Grant. Other nonoperating revenues decreased by \$732,083, which was primarily the result of completing a significant remodel for an area that houses a 7-12 grade charter school in fiscal year 2024.

Other revenues decreased by a total of \$48,200,025, which is primarily due to a decrease in Capital Appropriations from funding provided by DFCM for capital improvement needs at the College. These capital improvement projects are transferred from DFCM to the College at the time of substantial completion of the project. This decrease is mainly the result of the Frederick Quinney Lawson Health Sciences Building and the land and building purchased for the Business & Innovation Hub being transferred in fiscal year 2024.

Expenses. The following schedule presents a summary of College expenses for the fiscal years ended June 30, 2025 and 2024:

Expenses	Year Ended June 30, 2025 Amount	Percent of Total Expense	Year Ended June 30, 2024 Amount <i>as adjusted*</i>	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Operating Expenses:					
Salaries and Wages	\$ 14,236,712	39.67%	\$ 13,275,687	\$ 961,025	7.24%
Benefits	6,706,381	18.69%	6,121,595	584,786	9.55%
Actuarial Calculated Pension Expense	744,269	2.07%	(857,088)	1,601,357	(186.84%)
Professional and Technical Educational Services	968,525	2.70%	1,027,983	(59,458)	(5.78%)
Scholarships and Awards	1,359,870	3.79%	970,878	388,992	40.07%
Utilities	906,146	2.52%	982,506	(76,360)	(7.77%)
Depreciation and Amortization	3,601,710	10.04%	2,689,019	912,691	33.94%
Other Operating Expenses	7,367,843	20.53%	9,008,313	(1,640,470)	(18.21%)
Total Operating Expenses	<u>\$ 35,891,456</u>	<u>100.00%</u>	<u>\$ 33,218,893</u>	<u>\$ 2,672,563</u>	<u>8.05%</u>

*See Note 1 for Details

Expenses for the year ended June 30, 2025, increased by \$2,672,563 compared to fiscal year ended June 30, 2024, which represents an 8.05 percent increase. As derived from information provided by the Systems, the actuarial calculated pension expense caused \$1,601,357 of the change. Salaries and wages increased by \$961,025 and benefits increased by \$584,786 due to a 3.00 percent cost-of-living adjustment as well as continued efforts to enhance compensation and benefits throughout the College. Scholarships and awards increased by \$388,992 primarily as a result of an increase in Pell Grant. Other operating expenses decreased \$1,640,470, which was the result of a large decrease in funds received from DFCM for reimbursing supplies and equipment as part of the Frederick Quinney Lawson Health Sciences Building offset by increases to renovate the Business & Innovation Hub.

Debt Administration

The College's debt consists of liabilities for termination benefits, compensated absences, and software subscription arrangements which collectively decreased by \$300,412 during fiscal year 2025. See Note 6 for additional information.

Economic Outlook

Besides the effect of unfunded depreciation, the College is not aware of any current facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during this fiscal year beyond those unknown variations which have a global effect on virtually all types of business operations. The College continues to update and modernize facilities as budgets allow. Pending capital projects include continued infrastructure projects to update and modernize the College, particularly the Business & Innovation Hub. The unfunded depreciation expenses are likely to have a significant negative impact on the Changes in Net Position. Overall, the College's financial position is strong. The College will maintain a close watch over resources to maintain the College's ability to respond to unknown internal and external issues.

Requests for Information

This financial report is designed to provide a general overview of the College's finances for all those with an interest in the College's finances and to show the College's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Fiscal Services Office, Bridgerland Technical College, 1301 North 600 West, Logan, Utah 84321.

Financial Statements

Statement of Net Position

June 30, 2025

ASSETS	
Current Assets	
Cash and Cash Equivalents (Notes 1, 2)	\$ 10,888,147
Accounts Receivable (Note 3)	302,332
Due From State Agencies (Note 3)	150,459
Leases Receivable (Notes 1, 3, 5)	152,022
Inventories (Note 1)	1,013,695
Prepaid Expenses	288,915
Total Current Assets	<u>12,795,570</u>
Noncurrent Assets	
Restricted Cash and Cash Equivalents (Notes 1, 2)	271,837
Leases Receivable (Notes 1, 3, 5)	1,402,376
Capital Assets, Net of Depreciation and Amortization (Notes 1, 4)	76,953,827
Net Pension Asset (Notes 1, 8)	1,787,268
Total Noncurrent Assets	<u>80,415,308</u>
Total Assets	<u>93,210,878</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Relating to Pensions (Notes 1, 8)	1,439,849
Total Deferred Outflows of Resources	<u>1,439,849</u>
LIABILITIES	
Current Liabilities	
Accounts Payable (Note 3)	507,385
Due to State Agencies (Note 3)	61,322
Unearned Revenue	528,575
Accrued Payroll	136,249
Termination Benefits (Notes 6, 7)	160,909
Compensated Absences (Notes 6, 9)	51,828
Software Subscription Arrangements (Notes 1, 4, 5, 6)	16,022
Total Current Liabilities	<u>1,462,290</u>
Noncurrent Liabilities	
Termination Benefits (Notes 6, 7)	333,328
Compensated Absences (Notes 6, 9)	907,202
Software Subscription Arrangements (Notes 1, 4, 5, 6)	10,856
Net Pension Liability (Notes 1, 6, 8)	63,503
Total Noncurrent Liabilities	<u>1,314,889</u>
Total Liabilities	<u>2,777,179</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Relating to Pensions (Notes 1, 8)	1,948
Deferred Inflows Relating to Leases (Notes 1, 5)	1,554,398
Total Deferred Inflows of Resources	<u>1,556,346</u>
NET POSITION	
Net Investment in Capital Assets	76,953,827
Restricted for	
Expendable – Scholarships and Other	556,223
Expendable – Capital Gifts	199,569
Unrestricted	12,607,583
Total Net Position	<u>\$ 90,317,202</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, 2025

REVENUES

Operating Revenues (Note 1)

Student Tuition and Fees (Net of Scholarship Allowances of \$1,331,754)	\$ 2,579,257
Federal Grants and Contracts	301,541
State Grants and Contracts	662,362
Local Grants and Contracts	875,913
Sales and Services of Educational Activities	1,284,148
Auxiliary Enterprises (Net of Scholarship Allowances of \$22,036)	798,327
Total Operating Revenues	<u>6,501,548</u>

EXPENSES

Operating Expenses (Note 1)

Salaries and Wages	14,236,712
Benefits	6,706,381
Actuarial Calculated Pension Expense (Note 8)	744,269
Professional and Technical Educational Services	968,525
Scholarships and Awards	1,359,870
Utilities	906,146
Depreciation and Amortization	3,601,710
Other Operating Expenses	7,367,843
Total Operating Expenses	<u>35,891,456</u>
Operating Loss	<u>(29,389,908)</u>

NONOPERATING REVENUES (EXPENSES)

State Appropriations	25,220,926
Federal Grants and Contracts	1,363,959
State Grants and Contracts	256,535
Gifts	577,936
Investment Income	835,176
Lease Income	434,297
Disposal of Capital Assets	10,158
Other Nonoperating Revenues (Expenses)	97,524
Net Nonoperating Revenues	<u>28,796,511</u>

OTHER REVENUES

Capital Appropriations	3,037,536
Capital Gifts	134,995
Total Other Revenues	<u>3,172,531</u>
Increase (Decrease) in Net Position	<u>2,579,134</u>

NET POSITION

Net Position – Beginning of Year as Originally Stated	87,822,431
Net Position – Restatement (Note 1)	<u>(84,363)</u>
Net Position – Beginning of Year Restated	<u>87,738,068</u>
Net Position – End of Year	<u>\$ 90,317,202</u>

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

Statement of Cash Flows

For the year ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Tuition and Fees	\$ 2,589,437
Receipts from Grants and Contracts	2,254,495
Receipts from Auxiliary Enterprise Charges	798,787
Receipts from Sales and Services of Educational Activities	1,299,152
Payments to Employees for Salaries and Benefits	(22,268,100)
Payments to Suppliers	(9,618,139)
Payments for Scholarships	(1,359,870)
	<u>(26,304,238)</u>
Net Cash Used by Operating Activities	<u>(26,304,238)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Receipts from State Appropriations	25,178,600
Receipts from Noncapital Contracts and Grants	1,618,255
Gifts Received	450,327
Other Nonoperating Receipts	565,217
	<u>27,812,399</u>
Net Cash Provided by Noncapital Financing Activities	<u>27,812,399</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Cash Paid for Capital Assets	(4,811,880)
Cash Paid for Construction/Implementation in Progress	(4,675)
Proceeds from Sale of Capital Assets	12,230
	<u>(4,804,325)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(4,804,325)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Receipt of Interest on Investments	835,176
	<u>835,176</u>
Net Cash Provided by Investing Activities	<u>835,176</u>

Net Increase (Decrease) in Cash and Cash Equivalents (2,460,988)

CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR 13,620,972

CASH AND CASH EQUIVALENTS – END OF YEAR \$ 11,159,984

(continued next page)

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

Operating Loss	\$ (29,389,908)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation and Amortization Expense	3,601,710
In-kind Gifts Received and Expensed	1,500
Non-Capital Expenditures Received through the State of Utah (DFCM)	42,326
Difference between Actuarial Calculated Pension Expense and Actual Contributions	(212,134)
Changes in Assets and Liabilities:	
Accounts Receivable/Due From State Agencies	506,158
Inventories	(161,404)
Prepaid Expenses	(33,267)
Accounts Payable/Due to State Agencies	(269,309)
Unearned Revenue	(22,249)
Accrued Payroll	(40,371)
Termination Benefits/Compensated Absences	(327,290)
Net Cash Used by Operating Activities	<u>\$ (26,304,238)</u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Capital Asset Additions through the State of Utah (DFCM)	\$ 3,037,536
Capital Gifts	\$ 134,995

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

Statement of Fiduciary Net Position

June 30, 2025

	Bridgerland Technical College 401(k) Plan
ASSETS	
Investments (Note 2)	6,503,474
Participant Loans Receivable (Note 3)	63,928
Total Assets	<u>6,567,402</u>
LIABILITIES	
Liabilities	-
Total Liabilities	<u>-</u>
NET POSITION	
Restricted for	
Defined Contribution	6,567,402
Total Net Position	<u>\$ 6,567,402</u>

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

Statement in Changes in Fiduciary Net Position

For the year ended June 30, 2025

	Bridgerland Technical College 401(k) Plan
ADDITIONS	
Contributions	
Participant	\$ 464,800
Employer	1,270,516
Rollover	<u>65,353</u>
Total Contributions	1,800,669
Investment Earnings	
Increase (Decrease) in Fair Value of Instruments	641,756
Less Investment Costs	<u>49,416</u>
Net Investment Earnings	<u>592,340</u>
Total Additions	<u>2,393,009</u>
DEDUCTIONS	
Distributions	<u>221,095</u>
Total Deductions	<u>221,095</u>
Increase (Decrease) in Fiduciary Net Position	2,171,914
NET POSITION	
Net Position – Beginning of Year	<u>4,395,488</u>
Net Position – End of Year	<u>\$ 6,567,402</u>

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 Bridgerland Technical College (the 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 and maintains a local Board of Trustees. It is included as 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.

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.

Blended Component Units

The Bridgerland Technical College Continuing Education Foundation (CE Foundation) is a legally separate and tax-exempt organization that was formed to exclusively benefit the College and its students. The nature of the relationship between the CE Foundation and the College meets the requirements for the CE Foundation to be presented in the College's financial statements as a blended component unit. Further information and condensed financials for the CE Foundation can be found in Note 14.

The Bridgerland Innovation Foundation (Innovation Foundation) is a legally separate organization that was formed to exclusively benefit the College. The nature of the relationship between the Innovation Foundation and the College meets the requirements for the Innovation Foundation to be presented in the College's financial statements as a blended component unit. Further information and condensed financials for the Innovation Foundation can be found in Note 14.

Fiduciary Activities

The Bridgerland Technical College 401(k) Plan (the Plan) is a legally separate entity with a year-end of December 31 that was created to exclusively benefit the College and its employees by providing an alternate 401(k) defined contribution plan. The nature of the relationship between the Plan and the College meets the requirements for the Plan to be considered a fiduciary component unit and accounted for as a fiduciary activity as outlined by GASB 84, *Fiduciary Activities*. Further information is provided in the Statement of Fiduciary Net Position, the Statement of Changes in Fiduciary Net Position, and Note 8.

Measurement Focus and Basis of Accounting

The financial statements of the College are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues/additions are recorded when earned and expenses/deductions 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. 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 for use, the College uses restricted resources first and then unrestricted resources as they are 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 investments at the College are administered in accordance with the State of Utah Money Management Act (*Utah Code*, Title 51, Chapter 7).

Investments for the College are reported at fair value in accordance with GASB 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Investments for the Bridgerland Technical College 401(k) Plan are reported at fair value in accordance with GASB 72, *Fair Value Measurement and Application*.

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 and improvements, equipment, and vehicles with an initial, individual cost of \$5,000 or more 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 time of the donation.

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

Capital assets are depreciated over an estimated useful life using the straight-line method of depreciation. The estimated useful life of an asset is determined at acquisition based on guidelines provided in the State of Utah Standard Useful Life Table (Policy 9-2) and the professional judgment of the applicable department head. Assets typically have estimated useful lives as follows:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20-40
Equipment and Vehicles	3-15

Subscription-Based Information Technology Arrangements (SBITA)

The College recognized a subscription asset and a subscription liability for subscriptions purchased for educational programs and administrative uses. Subscription assets and subscription liabilities are recorded at the present value of payments expected to be made during the subscription term. The College measured the qualifying SBITAs using a 5-year discount rate. Subscription assets are amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying asset. See Notes 4, 5, and 6 for additional information.

Pensions

For purposes of measuring the net pension asset, 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 (the Systems) Pension Plan 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 benefits 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.

In accordance with GASB 87, *Leases*, the College has recognized a deferred inflow of resources for leases where the College is the lessor. The College will subsequently recognize revenue in a systematic and rational manner over the term of the lease. See Note 5 for additional information.

Adjustment to Beginning Net Position

The College implemented the provisions of GASB 101, *Compensated Absences*, effective for the fiscal year ended June 30, 2025. GASB 101 establishes recognition and measurement guidance for compensated absences including leave that has not yet been used but is attributable to services already rendered, subject to certain conditions. GASB 101 requires liabilities for compensated absences to be recognized when specific criteria are met and clarifies the measurement of those liabilities. See Notes 6 and 9 for additional information.

The adoption of GASB 101 resulted in an increase to the beginning liability for compensated absences and a corresponding reduction in beginning net position of \$84,363.

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 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 Utah Money Management Act (the 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.

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, 2025, \$0 of the College's bank balance of \$2,274 was uninsured and uncollateralized.

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 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.

The Bridgerland Technical College 401(k) Plan is governed by a trust agreement with the trustees as the legally authorized party. Based on coordination and recommendation from third party advisors, the trustees select available investment options from a variety of investment choices offered by Transamerica. Contributions by employees are invested in the investment choice they designate. Transamerica allocates contributions to the funds based on the underlying investments of each fund. Transamerica evaluates the investment choices using a detailed scorecard process. In addition, the trustees evaluate investment choices using information and recommendations from third party advisors. Investment choices that are available to employees are updated as needed.

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

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

At June 30, 2025, the College had \$210,705 held in money market mutual funds. The College's investments in the money market mutual funds were valued using Level 1 measurements based upon the published fair value per share (unit) for each fund.

At June 30, 2025, the College had \$11,420,009 held in the PTIF. The College's investment in the PTIF was valued using Level 2 measurements by applying the June 30, 2025, fair value factor as calculated by the Utah State Treasurer, to its June 30 balance in the fund.

The Bridgerland Technical College 401(k) Plan utilizes the same three-tiered fair value hierarchy for Level 1, 2, and 3 investments as the College (as shown above). The Plan's investments were measured using Level 2 measurements. The Plan invests primarily in commingled/collective investment trust funds and is valued based on the use of valuations provided by investment plan fund managers. Some investments do not have a market observed price; therefore, fair values for these assets are determined through subjective valuation methodologies, which may differ from actual value realized upon sale. These valuation methodologies are used to calculate a daily net asset value. There are no unfunded commitments, redemption notice periods, or other redemption restrictions for the investment funds. As of December 31, 2024, the Plan's investments were valued as follows:

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Debt Securities				
<i>Bond Funds</i>	\$ 121,418	-	\$ 121,418	-
Target Date Index Funds	5,461,709	-	5,461,709	-
Equity Funds				
<i>Equity Funds</i>	734,673	-	734,673	-
<i>Equity Mutual Funds</i>	185,674	-	185,674	-
	<u>\$ 6,503,474</u>	<u>-</u>	<u>\$ 6,503,474</u>	<u>-</u>

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 political subdivisions of the State 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 3 years. As of June 30, 2025, the average maturity of the College's investments was:

Investment Type	Fair Value	Investment Maturities (in years)
		Less than 1 year
Debt Securities		
<i>Money Market Mutual Funds</i>	\$ 210,705	\$ 210,705
<i>Utah Public Treasurers' Investment Fund</i>	11,420,009	11,420,009
	<u>\$ 11,630,714</u>	<u>\$ 11,630,714</u>

The Bridgerland Technical College 401(k) Plan uses weighted average to classify investment maturity. As of December 31, 2024, the average maturity of the Plan's investments was:

Investment Type	Fair Value	Investment Maturities (in years)				
		Less than 1 year	1-5	6-10	11-15	16-20
Debt Securities						
<i>Bond Funds</i>	\$ 121,418	\$ 17,109	\$ -	\$ 104,309	\$ -	\$ -
Target Date Index Funds	5,461,709	-	-	1,313,180	2,372,888	1,775,641
	<u>\$ 5,583,127</u>	<u>\$ 17,109</u>	<u>\$ -</u>	<u>\$ 1,417,489</u>	<u>\$ 2,372,888</u>	<u>\$ 1,775,641</u>

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, 2025, the College's investments were all unrated.

The Bridgerland Technical College 401(k) Plan invests in a variety of bond funds and target date index funds. At December 31, 2024, the Plan's investments were all unrated.

Note 3. Receivables and Payables

Accounts Receivable

The following schedule presents accounts receivable and due from State agencies at June 30, 2025, for the College:

Student Tuition and Fees	\$ 160,269
Federal Grants and Contracts	73,729
State and Local Grants and Contracts	87,406
Sales and Services of Educational Activities, Auxiliary Enterprises, Other	13,928
Less Allowance for Doubtful Accounts	<u>(33,000)</u>
Total Accounts Receivable, net	<u>\$ 302,332</u>
Amounts Due From State Agencies	<u>\$ 150,459</u>
Total Due From State Agencies	<u>\$ 150,459</u>

In addition, accounts receivable for the Bridgerland Technical College 401(k) Plan totaled \$63,928 for participant 401(k) loans as of December 31, 2024.

Leases Receivable

In accordance with GASB 87, *Leases*, the College recognized a current lease receivable of \$152,022 and a noncurrent lease receivable of \$1,402,376 to account for leases where the College is the lessor. See Note 5 for additional information.

Accounts Payable

Accounts payable for the College at June 30, 2025, consisted of vendor payments totaling \$507,385 and due to State agencies in the amount of \$61,322.

Note 4. Capital Assets

Additions to capital assets include amounts paid by the College as well as additions paid for by the Utah Division of Facilities Construction and Management (DFCM). Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Construction/Implementation in Progress	\$ 406,686	\$ 4,675	\$ 406,686	\$ 4,675
Land	2,778,778	2,957,895	-	5,736,673
Buildings and Improvements	90,101,161	4,302,354	3,247	94,400,268
Equipment and Vehicles	11,736,926	1,114,073	253,976	12,597,023
Software Subscription Arrangements	<u>36,030</u>	<u>43,653</u>	<u>36,030</u>	<u>43,653</u>
Total	105,059,581	8,422,650	699,939	112,782,292
Less Accumulated Depreciation and Amortization:				
Buildings, Improvements, Equipment, and Vehicles	(32,487,445)	(3,589,958)	(255,151)	(35,822,252)
Software Subscription Arrangements	<u>(30,491)</u>	<u>(11,752)</u>	<u>(36,030)</u>	<u>(6,213)</u>
Net Capital Assets	<u>\$ 72,541,645</u>	<u>\$ 4,820,940</u>	<u>\$ 408,758</u>	<u>\$ 76,953,827</u>

Note 5. Leases and Subscription-Based Information Technology Arrangements (SBITA)

Leases

The College provides space to various entities affiliated with the College's Business & Innovation Hub and has determined that these agreements are classified as short-term leases and do not meet the criteria for additional reporting as required by GASB 87, *Leases*.

The College entered into a lease agreement as the lessor for a portion of one of its buildings, effective August 11, 2022. The lease term runs through August 31, 2025. The agreement continues thereafter year to year, with an option by both parties to terminate the lease with a

six-month written notice. Lease payments include 1 partial monthly payment of \$12,141 and 36 monthly payments of \$17,923. The lease receivable is measured at a discount rate of 3.21 percent, which is a rate determined to estimate the College's incremental borrowing rate when the lease was first recorded. Based on an end date of August 31, 2025, the College recorded a lease receivable of \$35,703 as of June 30, 2025. Starting September 1, 2025, the lease will be classified as a short-term lease following GASB 87, *Leases*.

The College entered into a lease agreement as the lessor for a portion of one of its buildings, effective July 1, 2024. The lease term runs through June 30, 2034. Thereafter, the lessee has two optional renewal options for three years each. It is unknown as of June 30, 2025, if the leasing arrangement will continue beyond June 30, 2034. Lease payments are due at the beginning of each year starting at \$184,000 per year with an annual increase of 3.00 percent each year. The lease receivable is measured at a discount rate of 4.82 percent, which is a rate determined to estimate the College's incremental borrowing rate when the lease was first recorded. Based on an end date of June 30, 2034, the College recorded a lease receivable of \$1,518,695 as of June 30, 2025.

Subscription-Based Information Technology Arrangements (SBITA)

The College has entered into Subscription-Based Information Technology Arrangements (SBITAs) for educational programs and administrative uses. Future commitments for SBITA payables as of June 30, 2025, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Future SBITA Payments</u>
2026	\$ 16,022	\$ 753	\$ 16,775
2027	10,856	1,044	11,900

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, 2025:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Termination Benefits	\$ 813,618	\$ 16,136	\$ 335,517	\$ 494,237	\$ 160,909
Compensated Absences	966,939 *	-	7,909 **	959,030	51,828
Software Subscription Arrangements	-	26,878	-	26,878	16,022
Net Pension Liability	47,856	15,647	-	63,503	-
Total Noncurrent Liabilities	<u>\$ 1,828,413</u>	<u>\$ 58,661</u>	<u>\$ 343,426</u>	<u>\$ 1,543,648</u>	<u>\$ 228,759</u>

*Compensated absences beginning balance adjusted for GASB 101, *Compensated Absences*.

**The change in compensated absences is presented as a net change.

Note 7. Termination Benefits

In accordance with the College's Early Retirement Incentive Policy, benefits-eligible employees (1) whose accumulated age and years of service in the Utah Retirement Systems (the Systems) or Alternate Retirement Plan equal or exceed 75, (2) who have at least five years of service at the College, (3) who meet the eligibility requirements for retirement under rules established by the Systems or are eligible to retire and withdraw funds from the Alternate Retirement Plan without an early withdrawal penalty as determined by IRS (typically age 59 ½), and (4) who actually retire prior to reaching the age of eligibility for unreduced social security benefits (typically age 65), may apply for participation in the College's Voluntary Early Retirement Incentive Program.

Entrance or participation in the Voluntary Early Retirement Incentive Program is strictly voluntary and is not a right or entitlement but is a privilege available to level 3 benefits-eligible employees who apply for and receive approval from the College's administration.

The Voluntary Early Retirement Incentive Program provides for two types of incentives: (1) a stipend incentive and (2) a health insurance coverage incentive. The College's administration has the option of approving the incentives independent of each other or may approve a mix of both incentives depending on the facts and circumstances of the individual situation consistent with the overall theory behind the availability of the incentives.

The incentive stipend, when approved, results in a lump-sum payment first as an employer-paid purchase of service credits to the Systems if the employee is eligible and next as an employer-paid contribution directly to the employee's 401(k) and/or 457 up to approved IRS limitations. The incentive health insurance coverage is provided for a maximum of 60 months or when the employee reaches the age of eligibility for full Medicare coverage (presumably 65), whichever occurs first.

These benefits are funded by the College on a pay-as-you-go basis. At June 30, 2025, there were nine retirees approved for benefits under the Voluntary Early Retirement Incentive Program.

The College accrues and reports retirement incentive amounts equal to the projected total benefit obligation in the year in which the individual retires. These benefits are accrued as qualified employees apply for and are approved for this retirement option. The College has recorded a liability for the cost of these benefits at their current cost plus projected increases expected based on historical data for health care inflationary trends which has been estimated at 10.00 percent. The cumulative accrued retirement incentive plan liability as of June 30, 2025, totaled \$494,237.

Note 8. Retirement Plans

The College provides retirement benefits to all benefits-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 (the Systems) and/or an alternate defined contribution plan depending on hire date and employee classification.

Defined Benefit Plans

The Systems are comprised of the following pension trust funds, which are multiple-employer, cost-sharing public employee retirement systems:

- Public Employees Noncontributory Retirement System (Noncontributory System);
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees 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 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 (Board), whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. The Systems are 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 to the Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

Benefits Provided

The Systems provide retirement, disability, and death benefits. 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% 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.

Contributions

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 as of June 30, 2025, are as follows:

	Paid by College for Employee	College Contribution Rate
Noncontributory System	N/A	22.19
Tier 2 Public Employees System	0.70	20.02

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, 2025, the employer and employee contributions to the Systems were as follows:

	College Contributions	Employee Contributions
Noncontributory System	\$ 793,572	\$ -
Tier 2 Public Employees System	119,973	4,198
Total Contributions	<u>\$ 913,545</u>	<u>\$ 4,198</u>

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

At June 30, 2025, the College reported a net pension liability of \$63,503 and a net pension asset of \$1,787,268.

	Net Pension Liability	Net Pension Asset	Proportionate Share December 31, 2024	Proportionate Share December 31, 2023	Change (Decrease)
Noncontributory System	\$ -	\$ 1,787,268	1.7344246%	1.8933181%	(0.1588934)%
Tier 2 Public Employees System	63,503	-	0.0212925%	0.0245870%	(0.0032945)%
Total Net Pension Asset / Liability	<u>\$ 63,503</u>	<u>\$ 1,787,268</u>			

The net pension asset and liability were measured as of December 31, 2024. The total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024, 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, 2025, the College recognized pension expense of \$744,269.

At June 30, 2025, the College's portion of the reported deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 326,658	\$ 437
Changes in assumptions	21,209	7
Net difference between projected and actual earnings on pension plan investments	545,955	-
Changes in proportion and differences between contributions and proportionate share of contributions	96,698	1,504
Contributions subsequent to the measurement date	449,329	-
Total	<u>\$ 1,439,849</u>	<u>\$ 1,948</u>

Of the amount reported as deferred outflows of resources related to pensions, \$499,329 resulted from contributions made by the College prior to its fiscal year end, but subsequent to the measurement date of December 31, 2024. 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 as pension expense as follows:

<u>Year Ending December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2025	\$ 439,448
2026	\$ 764,218
2027	\$ (213,310)
2028	\$ (33,358)
2029	\$ 14,075
Thereafter	\$ 17,498

Actuarial Assumptions

The total pension liability in the December 31, 2024, 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 dated January 1, 2023. The retired mortality tables are developed using Systems' 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 Employee 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:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity Securities	35%	7.01%	2.45%
Debt Securities	20%	2.54%	0.51%
Real Assets	18%	5.45%	0.98%
Private Equity	12%	10.05%	1.21%
Absolute Return	15%	4.36%	0.65%
Cash and Cash Equivalents	0%	0.49%	0.00%
Totals	100%		5.80%
		Inflation	2.50%
		Expected Arithmetic Nominal Return	8.30%

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.

Changes in Assumptions

There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

Discount Rate

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 Systems' 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) / liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension (asset)/liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.85 percent) or 1 percentage point higher (7.85 percent) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 3,239,436	\$ (1,787,268)	\$ (6,013,495)
Tier 2 Public Employees System	189,667	63,503	(34,641)
Total	\$ 3,429,103	\$ (1,723,765)	\$ (6,048,136)

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

Defined Contribution Plans

The College offers employees a 401(k) defined contribution plan through the Utah Retirement Systems (Systems) or the Bridgerland Technical College 401(k) Plan (the Plan) through Transamerica Retirement Solutions.

In September of 2011, eligible employees voted to discontinue participation in Social Security Administration as allowed under the guidelines of Section 218 of the Social Security Act. As a result, beginning in October of 2011, the College began contributing an additional 6.20 percent of these eligible employees' salaries into their respective 401(k) accounts.

Utah Retirement Systems (the Systems)

The College also contributes 1.50 percent of eligible employees' gross earnings to the respective contribution plan for Tier 1 and Tier 2 Systems' participants. Employees who participate in the Tier 2 plan have two options. The first option is the Hybrid Plan, which requires an employer to pay 20.02 percent and the employee to pay 0.70 percent. The second option is the Defined Contribution Only Plan, which requires the employer to pay 20.02 percent of which 10.02 percent is a retirement contribution and the remainder 10.00 percent is contributed to the employee's contribution plan. Tier 2 retirement rates include a statutory required contribution to finance the unfunded actuarial accrued liability of Tier 1 plans.

Employer contributions by the College to the Systems for the year ended June 30, 2025, totaled \$392,526. Under certain IRS and plan restrictions, employees can make additional contributions. Contributions by College employees for the year ended June 30, 2025, totaled \$352,609.

Employees may also participate in an IRS 457 deferred compensation plan offered through the Systems. Employee contributions toward this plan for the year ended June 30, 2025, totaled \$51,914.

Bridgerland Technical College 401(k) Plan (the Plan)

The Plan is a defined contribution plan created for the sole purpose of providing an alternate 401(k) defined contribution plan to eligible staff and faculty at the College. The College is the only participating employer. The Plan is administered through a trust with the College President and Chief Financial Officer as trustees. The College has an obligation to make contributions, which vest at the time contributions are made. For employees covered by the alternate defined contribution plan, the College contributes 14.20 percent of eligible employees' gross earnings. As of June 30, 2025, there were 142 plan members. Employer contributions toward this plan for the year ended June 30, 2025, totaled \$1,470,029. Employee contributions toward this plan for the year ended June 30, 2025, totaled \$383,847.

Note 9. Compensated Absences

The College accrues and reports vacation leave in the year earned. Benefits-eligible employees are eligible for one day (1.00) of paid vacation leave per month for the first five years of employment, one and a quarter days (1.25) per month for the next five years of employment, and one and a half days (1.50) per month after that. Carryover is subject to a year-to-year analysis to determine budget availability. For fiscal year 2025, vacation leave carryover was limited to 30.00 percent of the current year's accrual. Effective July 1, 2023, vacation leave balances are limited to a maximum of 240 hours, unless the employee had an existing balance prior to this date. In this circumstance, accrued vacation leave carryover after July 1, 2023, is limited to a maximum of 240 hours.

Upon termination, the cash value of accumulated unused vacation leave calculated by multiplying the employee's current hourly rate by the number of accrued hours of vacation leave will be paid directly to the employee's 401(k)/457 plan account as an employer paid contribution, subject to the IRS rules and regulations and rules set by the respective defined contribution plan. Any excess or remaining benefit will be distributed to the employee as taxable compensation.

The College accrues and reports sick leave in the year earned. Benefits-eligible employees are eligible for one day (1.00) of paid sick leave per month. Sick leave may be accrued without limit. Accumulated unused sick leave is forfeited upon separation of employment.

Qualified employees can also earn other leave (compensatory time), accrued up to a maximum of 120 hours. Compensatory time can be used as leave during employment or paid out upon separation of employment, subject to limitations.

Note 10. Contingent Liabilities

The College has received notice of various legal actions arising out of the normal course of business. The College is vigorously contesting all of these matters, but as of this date, it is not possible to estimate the outcome or the financial impact an adverse ruling on these actions would have upon the College. In the opinion of management, the ultimate resolution of these matters will not have a material adverse effect upon the College's financial position.

The College participates in certain federal grant programs that are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to the grantor agency requesting reimbursement for any disallowed expenditures under the grant terms. Management believes such program review disallowances, if any, will not be material.

Note 11. Risk Management

The College maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty and malpractice liability through policies administered by the Utah State Risk Management Fund (the Fund). The College also has replacement cost insurance on its buildings and contents against all insurable risks of direct physical loss or damage with the Fund. This all-risk insurance coverage provides for repair or replacement of damaged or stolen College property on a replacement cost basis subject to a \$2,500 deductible per occurrence. All College employees are covered by workers compensation insurance administered by the Workers Compensation Fund of Utah.

Note 12. Related Parties

The College entered into an operating and maintenance agreement with the State of Utah, acting through the Utah Division of Facilities Construction and Management (DFCM) for the Brigham City Campus Building. This agreement is renewable on a yearly basis. As of June 30,

2025, the contract had been renewed effective until June 30, 2026. During fiscal year 2025, the College paid a total of \$314,575 to DFCM under this agreement.

Note 13. Natural and Functional Expense Classification

The following is a summary of natural expense classifications with functional expense classifications for the year ended June 30, 2025:

	Salaries and Wages	Benefits	Actuarial Calculated Pension Expense	Scholarships and Awards	Utilities	Depreciation and Amortization	Other Operating Expenses	Total
Instruction	\$ 8,476,650	\$ 3,854,410	\$ -	\$ -	\$ -	\$ -	\$ 3,800,131	\$ 16,131,191
Public Service	221,645	100,449	-	-	-	-	53,880	375,974
Academic Support	1,472,891	735,931	-	-	-	-	82,639	2,291,461
Student Services	871,048	440,606	-	-	-	-	130,661	1,442,315
Institutional Support	2,357,159	1,199,953	-	-	2,391	-	999,107	4,558,610
Operation and Maintenance	550,403	249,208	-	-	903,755	-	2,475,760	4,179,126
Depreciation and Amortization	-	-	-	-	-	3,601,710	-	3,601,710
Scholarships and Awards	-	-	-	1,359,870	-	-	-	1,359,870
Other	-	-	744,269	-	-	-	-	744,269
Auxiliary	286,916	125,824	-	-	-	-	794,190	1,206,930
Total	\$14,236,712	\$ 6,706,381	\$ 744,269	\$ 1,359,870	\$ 906,146	\$ 3,601,710	\$ 8,336,368	\$ 35,891,456

Note 14. Blended Component Units

Bridgerland Technical College Continuing Education Foundation

The Bridgerland Technical College Continuing Education Foundation (CE Foundation) was granted a Certificate of Incorporation on October 12, 2021, under the laws of the State of Utah and is recognized as a "Section 501(c)3" Corporation by the Internal Revenue Service. The CE Foundation exists to offer continuing education courses of interest and basic instruction necessary for student success in a chosen technical education or job-related program. The CE Foundation is a legally separate organization with the same governing Board of Trustees as the College. The College provides administrative resources for the daily operations of the CE Foundation. The CE Foundation is considered a component unit of the College and is presented in the College's financial statements as a blended component unit.

Bridgerland Innovation Foundation

The Bridgerland Innovation Foundation (Innovation Foundation) was granted a Certificate of Incorporation on June 27, 2022, under the laws of the State of Utah. Recognition as a "Section 501(c)3" Corporation by the Internal Revenue Service proved to be unsuccessful; therefore, it was determined to take the necessary steps to voluntarily dissolve the Innovation Foundation effective in fiscal year 2026. The Innovation Foundation was deliberately waiting to begin operations until the 501(c)3 designation was approved. As such, no transactions occurred or

will occur for the Innovation Foundation. The Innovation Foundation is a legally separate organization with its Board of Directors appointed by the College's Board of Trustees. A majority of voting Board of Directors are from the College's Board of Trustees. The College would have provided administrative resources for the daily operations of the Innovation Foundation. The Innovation Foundation is considered a component unit of the College and is presented in the College's financial statements as a blended component unit.

The following is a condensed version of the CE Foundation's and Innovation Foundation's financial statements for the fiscal year ended June 30, 2025:

CONDENSED STATEMENT OF NET POSITION

	Continuing Education Foundation	Innovation Foundation	Primary Government Eliminations	Total Net of Eliminations
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 448,780	\$ -	\$ (72,210)	\$ 376,570
Accounts Receivable	8,130			8,130
Due From State Agencies	48	-	-	48
Prepaid Expenses	8,764	-	-	8,764
Total Current Assets	<u>465,722</u>	<u>-</u>	<u>(72,210)</u>	<u>393,512</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	8,262	-	-	8,262
Unearned Revenue	32,827	-	-	32,827
Accrued Payroll	1,380	-	-	1,380
Total Current Liabilities	<u>42,469</u>	<u>-</u>	<u>-</u>	<u>42,469</u>
NET POSITION				
Unrestricted	423,253	-	(72,210)	351,043
Total Net Position	<u>\$ 423,253</u>	<u>\$ -</u>	<u>\$ (72,210)</u>	<u>\$ 351,043</u>

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Continuing Education Foundation	Innovation Foundation	Primary Government Eliminations	Total Net of Eliminations
REVENUES				
Operating Revenues				
Student Fees	\$ 409,215	\$ -	\$ (82,926)	\$ 326,289
Total Operating Revenues	<u>409,215</u>	<u>-</u>	<u>(82,926)</u>	<u>326,289</u>
EXPENSES				
Operating Expenses				
Salaries and Wages	73,314	-	-	73,314
Benefits	7,655	-	-	7,655
Other Operating Expenses	204,515	-	(10,716)	193,799
Total Operating Expenses	<u>285,484</u>	<u>-</u>	<u>(10,716)</u>	<u>274,768</u>
Operating Income (Loss)	<u>123,731</u>	<u>-</u>	<u>(72,210)</u>	<u>51,521</u>
Increase (Decrease) in Net Position	123,731	-	(72,210)	51,521
NET POSITION				
Net Position – Beginning of Year	299,522	-	-	299,522
Net Position – End of Year	<u>\$ 423,253</u>	<u>\$ -</u>	<u>\$ (72,210)</u>	<u>\$ 351,043</u>

CONDENSED STATEMENT OF CASH FLOWS

	Continuing Education Foundation	Innovation Foundation	Primary Government Eliminations	Total Net of Eliminations
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Cash Provided/(Used) by Operating Activities	\$ 127,228	\$ -	\$ (72,210)	\$ 55,018
Net Increase (Decrease) in Cash and Cash Equivalents	127,228	-	(72,210)	55,018
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	321,552	-	-	321,552
CASH AND CASH EQUIVALENTS – END OF YEAR	<u>\$ 448,780</u>	<u>\$ -</u>	<u>\$ (72,210)</u>	<u>\$ 376,570</u>

Required Supplementary Information

For the Year Ended June 30, 2025

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

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

	December 31,									
	2024	2023	2022	2021	2020*	2019	2018	2017	2016	2015
Noncontributory System										
Proportion of Net Pension Liability (Asset)	1.7344246%	1.8933181%	2.0122338%	1.9639043%	1.9639043%	0.1597078%	0.1559590%	0.1602861%	0.1660955%	0.1662583%
Proportionate Share of Net Pension Liability (Asset)	\$ (1,787,268)	\$ (1,498,515)	\$ (35,225)	\$ (4,827,082)	\$ (1,936,972)	\$ 3,548,231	\$ 5,802,481	\$ 3,919,576	\$ 5,383,017	\$ 5,222,649
Covered Payroll	\$ 3,862,980	\$ 4,040,143	\$ 4,186,732	\$ 4,154,719	\$ 4,220,827	\$ 4,419,658	\$ 4,526,501	\$ 4,519,729	\$ 4,775,084	\$ 5,034,709
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	(46.27%)	(37.09%)	(.84%)	(116.18%)	(45.89%)	80.28%	128.19%	86.72%	112.73%	103.73%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.29%	103.46%	191.7%	214.5%	199.0%	90.1%	84.1%	89.2%	84.9%	84.5%
Tier 2 Public Employees System										
Proportion of Net Pension Liability (Asset)	0.0212925%	0.0245870%	0.0279327%	0.0315379%	0.0340092%	0.0355827%	0.0389818%	0.0506540%	0.0541636%	0.0481371%
Proportionate Share of Net Pension Liability (Asset)	\$ 63,503	\$ 47,856	\$ 30,416	\$ (13,348)	\$ 4,891	\$ 8,003	\$ 16,695	\$ 4,466	\$ 6,042	\$ (105)
Covered Payroll	\$ 631,240	\$ 635,658	\$ 610,159	\$ 585,881	\$ 543,807	\$ 494,391	\$ 455,813	\$ 495,559	\$ 444,186	\$ 311,024
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	10.06%	7.53%	4.98%	(2.28%)	0.90%	1.62%	3.66%	0.90%	1.36%	(.03%)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.44%	89.58%	92.3%	103.8%	98.3%	96.5%	90.8%	97.4%	95.1%	100.2%

* The Utah Retirement Systems created a separate division for Higher Education which significantly changed the College's reported proportionate share of Net Pension Liability (Asset).

Schedule of Bridgerland Technical College's Pension Contributions

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

Last 10 Fiscal Years for the Years Ended June 30

Noncontributory System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 793,572	\$ 864,489	\$ 900,567	\$ 890,181	\$ 910,592	\$ 930,930	\$ 974,725	\$ 975,074	\$ 1,003,413	\$ 1,062,448
Contributions in Relation to the Contractually Required Contribution	(793,572)	(864,489)	(900,567)	(890,181)	(910,592)	(930,930)	(974,725)	(975,074)	(1,003,413)	(1,062,448)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 3,691,246	\$ 3,963,399	\$ 4,095,802	\$ 4,115,645	\$ 4,218,304	\$ 4,314,911	\$ 4,498,114	\$ 4,481,646	\$ 4,599,870	\$ 5,016,079
Contributions as a Percentage of Covered Payroll	21.50%	21.81%	21.99%	21.63%	21.59%	21.57%	21.67%	21.76%	21.81%	21.18%

Tier 2 Public Employees System*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 119,973	\$ 132,059	\$ 119,314	\$ 116,020	\$ 109,016	\$ 101,900	\$ 85,397	\$ 92,955	\$ 91,121	\$ 70,625
Contributions in Relation to the Contractually Required Contribution	(119,973)	(132,059)	(119,314)	(116,020)	(109,016)	(101,900)	(85,397)	(92,955)	(91,121)	(70,625)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 599,266	\$ 665,617	\$ 601,383	\$ 598,042	\$ 572,645	\$ 536,597	\$ 452,557	\$ 505,951	\$ 499,567	\$ 387,198
Contributions as a Percentage of Covered Payroll	20.02%	19.84%	19.84%	19.40%	19.04%	18.99%	18.87%	18.37%	18.24%	18.24%

*Contributions in Tier 2, created July 1, 2011, include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems.

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative practices.



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

K. Chad Campbell, President

Bridgerland 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 the business-type activities and fiduciary activities of the Bridgerland Technical College (College), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated February 26, 2026.

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 opinions 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 Utah State Auditor

Salt Lake City, Utah

February 26, 2026