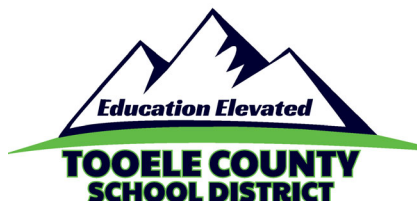


NEW ISSUE

Ratings: Moody's "Aaa" (State of Utah Guaranty; underlying "Aa3")
See "STATE OF UTAH GUARANTY" and "MISCELLANEOUS—Bond Ratings" herein.

In the opinion of Farnsworth Johnson PLLC, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2023 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from taxes imposed by the Utah Individual Income Tax Act. In the further opinion of Bond Counsel, interest on the 2023 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the 2023 Bonds. See "TAX MATTERS" herein.



\$37,750,000

**Board of Education of
Tooele County School District, Utah
General Obligation School Building Bonds
(Utah School District Bond Guaranty Program), Series 2023**

The \$37,750,000 General Obligation School Building Bonds (Utah School District Bond Guaranty Program), Series 2023 are issuable by the Board of Education of Tooele County School District, Utah, as fully-registered bonds and, when initially issued, will be in book-entry only form, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York. DTC will act as securities depository for the 2023 Bonds.

Principal of and interest on the 2023 Bonds (interest payable June 1 and December 1 of each year, commencing December 1, 2023) are payable by Zions Bancorporation, National Association, Salt Lake City, Utah, as Paying Agent, to the registered owners thereof, initially DTC. See "THE 2023 BONDS—Book-Entry System" herein.

The 2023 Bonds are subject to optional redemption prior to maturity. See "THE 2023 BONDS—Redemption Provisions" herein.

The 2023 Bonds will be general obligations of the Board payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all taxable property in Tooele County School District, Utah, fully sufficient to pay the 2023 Bonds as to both principal and interest.

Payment of the principal of and interest on the 2023 Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the

State of Utah

under the provisions of the Utah school district bond guaranty. See "STATE OF UTAH GUARANTY" herein.

Dated: Date of Delivery¹

Due: June 1, as shown on inside front cover

See the inside front cover for the maturity schedule of the 2023 Bonds

The 2023 Bonds were awarded pursuant to competitive bidding received by means of the *PARITY*® electronic bid submission system on May 18, 2023 as set forth in the OFFICIAL NOTICE OF BOND SALE (dated as of the date of the PRELIMINARY OFFICIAL STATEMENT) to KeyBanc Capital Markets, Cleveland, Ohio at a "true interest rate" of 3.57%.

Zions Public Finance, Inc., Salt Lake City, Utah, acted as Municipal Advisor.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire OFFICIAL STATEMENT to obtain information essential to the making of an informed investment decision.

This OFFICIAL STATEMENT is dated May 18, 2023, and the information contained herein speaks only as of that date.

¹ The anticipated date of delivery is Friday, June 2, 2023.

Tooele County School District, Utah

\$37,750,000

General Obligation School Building Bonds (Utah School District Bond Guaranty Program), Series 2023

Dated: Date of Delivery¹

Due: June 1, as shown below

Due June 1	CUSIP® 890346	Principal Amount	Interest Rate	Yield
2024.....	QK8	\$1,650,000	5.00%	3.35%
2025.....	QL6	1,195,000	5.00	3.10
2026.....	QM4	1,255,000	5.00	2.92
2027.....	QN2	1,315,000	5.00	2.81
2028.....	QP7	1,385,000	5.00	2.75
2029.....	QQ5	1,450,000	5.00	2.71
2030.....	QR3	1,525,000	5.00	2.68
2031.....	QS1	1,600,000	5.00	2.68
2032.....	QT9	1,680,000	5.00	2.70
2033.....	QU6	1,765,000	5.00	2.75
2034.....	QV4	1,855,000	5.00	2.78 ^c
2035.....	QW2	1,945,000	5.00	2.85 ^c
2036.....	QX0	2,045,000	5.00	3.00 ^c
2037.....	QY8	2,145,000	5.00	3.15 ^c
2038.....	QZ5	2,250,000	4.00	3.82 ^c
2039.....	RA9	2,345,000	4.00	3.88 ^c
2040.....	RB7	2,435,000	4.00	3.95 ^c
2041.....	RC5	2,535,000	4.00	3.98 ^c
2042.....	RD3	2,635,000	4.00	4.02
2043.....	RE1	2,740,000	4.00	4.07

¹ The anticipated date of delivery is Friday, June 2, 2023.

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^c Yield to par call on June 1, 2033.

Table Of Contents

	<u>Page</u>		<u>Page</u>
INTRODUCTION.....	1	Debt Service Schedule Of Outstanding General	
Public Sale/Electronic Bid.....	1	Obligation Bonds By Fiscal Year.....	21
Tooele County School District, Utah.....	1	Debt Service Schedule Of Outstanding Lease	
The 2023 Bonds.....	1	Revenue Bonds Of The Municipal Building	
Security.....	2	Authority Of Tooele County School District, Utah	
Authorization For And Purpose Of The 2023 Bonds	2	By Fiscal Year Overlapping And Underlying	
Redemption Provisions.....	2	General Obligation Debt	22
Registration, Denominations, Manner Of Payment.....	2	Debt Ratios Regarding General Obligation Debt	23
Tax-Exempt Status Of The 2023 Bonds	3	General Obligation Legal Debt Limit And Additional	
Professional Services.....	3	Debt Incurring Capacity	24
Conditions Of Delivery, Anticipated Date, Manner,		No Defaulted Obligations.....	24
And Place Of Delivery	3	FINANCIAL INFORMATION REGARDING	
Continuing Disclosure Undertaking	4	TOOELE COUNTY SCHOOL DISTRICT, UTAH.....	24
Basic Documentation.....	4	Fund Structure; Accounting Basis.....	24
Contact Persons	4	Budgets And Budgetary Accounting.....	24
SECURITY AND SOURCES OF PAYMENT.....	4	Management’s Discussion And Analysis	26
STATE OF UTAH GUARANTY	5	Financial Summaries	26
Guaranty Provisions	5	Ad Valorem Tax Levy And Collection	31
Guaranty Procedures.....	5	Public Hearing On Certain Tax Increases	32
Purpose Of The Guaranty	6	Property Tax Matters	32
No Call On State Guaranty	6	Historical Tax Rates Of The District.....	33
State Of Utah–Financial And Operating Information.....	6	Comparative Ad Valorem Total Property Tax Rates	
CONTINUING DISCLOSURE UNDERTAKING	7	Within Tooele County.....	33
Continuing Disclosure Undertaking For 2023 Bonds.....	7	Taxable, Fair Market And Market Value Of Property	
State Of Utah Continuing Disclosure	7	Within The District	34
THE 2023 BONDS.....	8	Historical Summaries Of Taxable Value Of Property	
General	8	Within The District	34
Redemption Provisions.....	8	Tax Collection Record.....	35
Registration And Transfer; Record Date	9	Some Of The Largest Taxpayers	35
Book–Entry System.....	9	STATE OF UTAH SCHOOL FINANCE	36
Sources And Uses Of Funds	10	Sources Of Funds	36
Debt Service On The 2023 Bonds	10	Local District Funding.....	36
TOOELE COUNTY SCHOOL DISTRICT, UTAH.....	11	State Funding.....	36
General	11	Federal Funding.....	36
Form Of Government	12	Summary Of State And Federal Funding	37
Employee Workforce And Retirement System; Early		LEGAL MATTERS	37
Retirement Incentive; Post–Employment Benefits	13	Absence Of Litigation	37
Risk Management And Cybersecurity.....	14	General	37
Investment Of Funds	14	TAX MATTERS	37
Population.....	15	Federal Income Taxation Of 2023 Bonds.....	37
Labor Force, Nonfarm Jobs, and Wages within		Utah Income Taxation	39
Tooele County	16	MISCELLANEOUS.....	39
Personal Income; Per Capita Personal Income;		Bond Ratings	39
Median Household Income within Tooele County		Municipal Advisor.....	39
and the State of Utah	17	Independent Auditors	39
Construction within Tooele County.....	17	Additional Information.....	40
Sales Taxes Within Tooele County and the State of		APPENDIX A—FINANCIAL STATEMENTS OF	
Utah	17	TOOELE COUNTY SCHOOL DISTRICT, UTAH	
DEBT STRUCTURE OF TOOELE COUNTY		FOR FISCAL YEAR 2022	A–1
SCHOOL DISTRICT, UTAH.....	19	APPENDIX B—PROPOSED FORM OF OPINION OF	
Outstanding General Obligation Bonded		BOND COUNSEL.....	B–1
Indebtedness.....	19	APPENDIX C—PROPOSED FORM OF	
Municipal Building Authority of Tooele County		CONTINUING DISCLOSURE UNDERTAKING.....	C–1
School District, Utah.....	19	APPENDIX D—BOOK–ENTRY SYSTEM.....	D–1
Other Financial Considerations	20		

(This page has been intentionally left blank.)

This OFFICIAL STATEMENT does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of, the 2023 Bonds (as defined herein), by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other informational representations must not be relied upon as having been authorized by any of: the Board of Education of Tooele County School District, Utah (the “Board”); Zions Public Finance, Inc., Salt Lake City, Utah (as Municipal Advisor); Zions Bancorporation, National Association, Salt Lake City, Utah, (as Paying Agent); the State of Utah; the successful bidder(s); or any other entity. The information contained herein has been obtained from the Board, The Depository Trust Company, New York, New York, the State of Utah, and from other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this OFFICIAL STATEMENT nor the issuance, sale, delivery or exchange of the 2023 Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the Board, since the date hereof.

The 2023 Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities laws in reliance upon exemptions contained in such act and laws. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this OFFICIAL STATEMENT. Any representation to the contrary is unlawful.

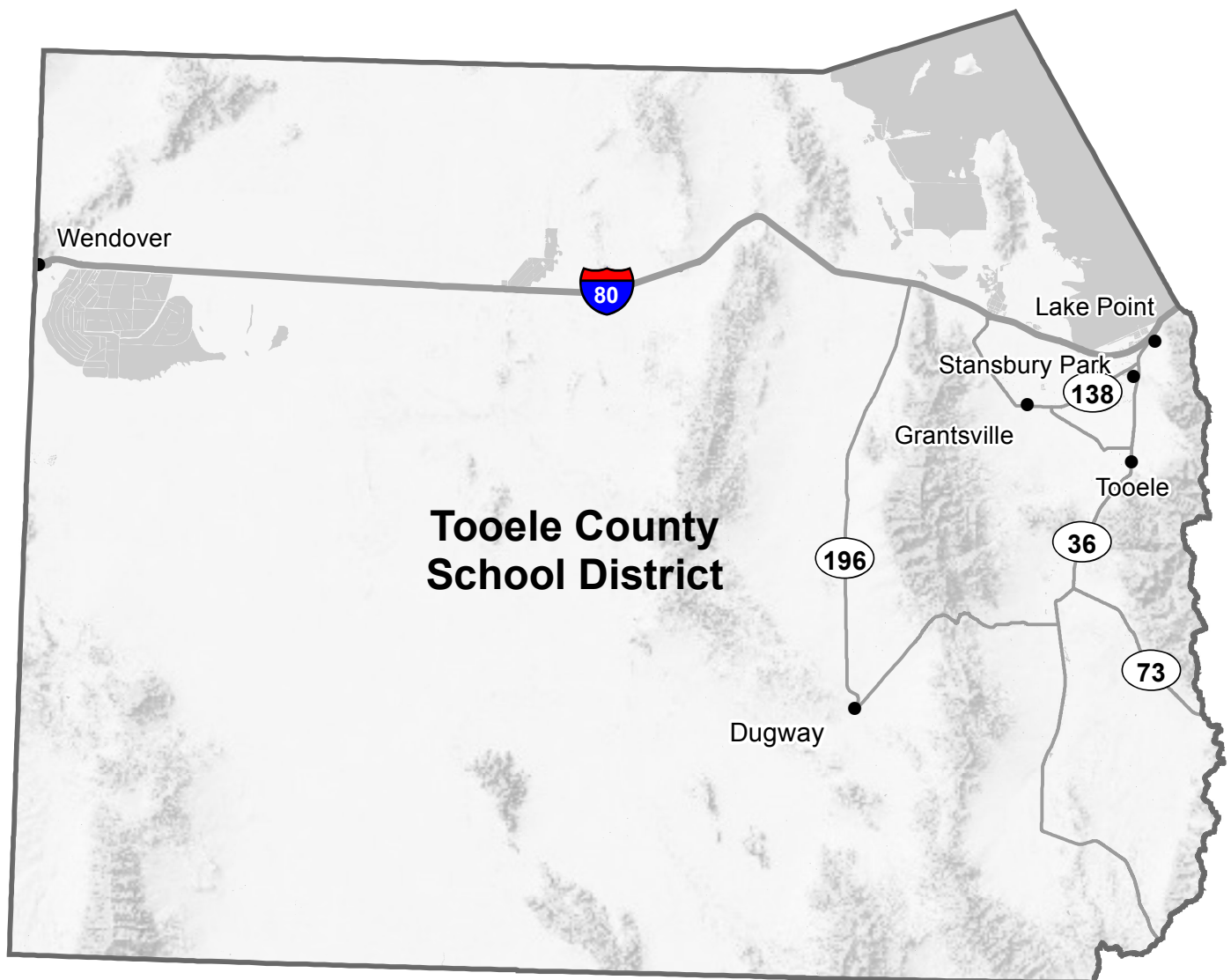
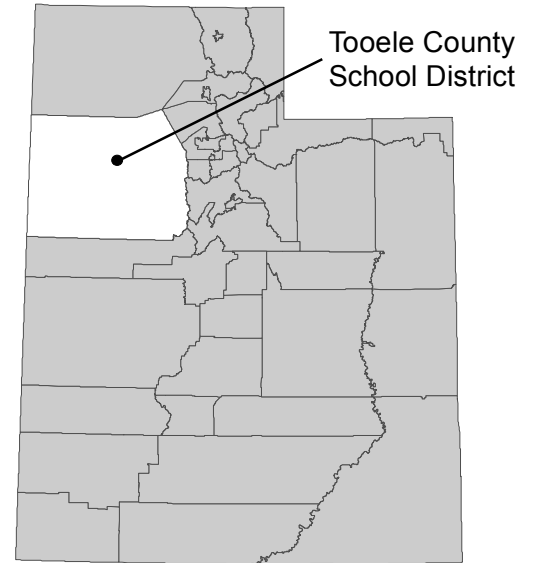
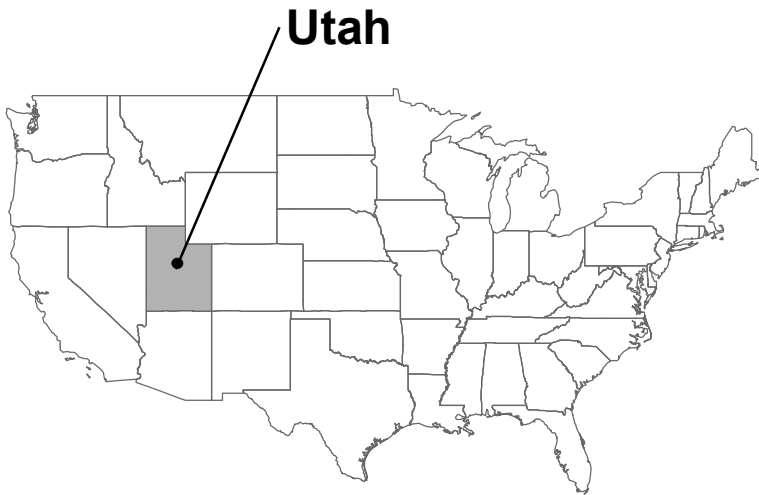
The yields/prices at which the 2023 Bonds are offered to the public may vary from the initial reoffering yields/prices on the inside cover page of this OFFICIAL STATEMENT. In addition, the successful bidder(s) may allow concessions or discounts from the initial offering prices of the 2023 Bonds to dealers and others. With any offering of the 2023 Bonds, the successful bidder(s) may engage in transactions that stabilize, maintain, or otherwise affect the price of the 2023 Bonds. Such transactions may include overallocments in connection with the purchase of 2023 Bonds to stabilize their market price and to cover the successful bidder’s short positions. Such transactions, if commenced, may be discontinued at any time.

Forward-Looking Statements. Certain statements included or incorporated by reference in this OFFICIAL STATEMENT may constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as “plan,” “project,” “forecast,” “expect,” “estimate,” “budget” or other similar words. ***The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Board does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions, or circumstances on which such statements are based occur.***

The CUSIP® (Committee on Uniform Securities Identification Procedures) identification numbers are provided on the inside cover page of this OFFICIAL STATEMENT and are being provided solely for the convenience of bondholders only, and the Board does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP® numbers are subject to being changed after the issuance of the 2023 Bonds because of various subsequent actions including, but not limited to, a refunding in whole or in part of the 2023 Bonds.

The content from websites referenced in this OFFICIAL STATEMENT has not been reviewed for accuracy and completeness. Such information has not been provided relating to the offering of the 2023 Bonds and is not a part of this OFFICIAL STATEMENT.

Utah School Districts



OFFICIAL STATEMENT RELATED TO

\$37,750,000

Board of Education of Tooele County School District, Utah

General Obligation School Building Bonds (Utah School District Bond Guaranty Program), Series 2023

INTRODUCTION

This introduction is only a brief description of the 2023 Bonds, as hereinafter defined, the security and source of payment for the 2023 Bonds and certain information regarding the Board of Education (the “Board”) of Tooele County School District, Utah (the “District”). The information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT, including the appendices. Investors are urged to make a full review of the entire OFFICIAL STATEMENT.

See the following appendices that are attached hereto and incorporated herein by reference: “APPENDIX A—FINANCIAL STATEMENTS OF TOOEELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2022;” “APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL;” “APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING;” and “APPENDIX D—BOOK—ENTRY SYSTEM.”

When used herein the terms “Fiscal Year[s] 20YY” or “Fiscal Year[s] End[ed][ing] June 30, 20YY” shall refer to the year ended or ending on June 30 of the year indicated and beginning on July 1 of the preceding calendar year. The terms “Calendar Year[s] 20YY” or “Tax Year[s] 20YY” shall refer to the year beginning on January 1 and ending on December 31 of the year indicated. Capitalized terms used but not otherwise defined herein have the same meaning as given to them in the Resolution, as hereinafter defined.

Public Sale/Electronic Bid

The 2023 Bonds were awarded pursuant to competitive bidding received by means of the PARITY® electronic bid submission system on May 18, 2023 as set forth in the OFFICIAL NOTICE OF BOND SALE (dated as of the date of the PRELIMINARY OFFICIAL STATEMENT) to KeyBanc Capital Markets, Cleveland, Ohio at a “true interest rate” of 3.57%.

Tooele County School District, Utah

The District, established in 1915, shares common boundaries with Tooele County, Utah (the “County”). The County was established in 1850 and is situated in the northwestern portion of the State of Utah (the “State”), located approximately 30 miles west of Salt Lake City, Utah. The County is bordered on the west by the State of Nevada, on the north by Box Elder County, on the east by Davis, Salt Lake and Utah Counties, and on the south by Juab County. The County is the second largest county in the State, covering an area of approximately 6,930 square miles. The County had 76,640 residents according to the 2021 U.S. Census Bureau and ranked as the 7th most populous county (out of 29 counties). See location map above.

The 2023 Bonds

This OFFICIAL STATEMENT, including the cover page, introduction, and appendices, provides information about the issuance and sale by the Board of its \$37,750,000 General Obligation School Building Bonds (Utah School

District Bond Guaranty Program), Series 2023 (the “2023 Bond” or “2023 Bonds”), initially issued in book–entry form only.

Security

The 2023 Bonds will be general obligations of the Board, payable from the proceeds of ad valorem taxes to be levied, without limitation as to rate or amount, on all taxable property in the District, fully sufficient to pay the 2023 Bonds as to both principal and interest. See “SECURITY AND SOURCES OF PAYMENT” and “FINANCIAL INFORMATION REGARDING TOOELE COUNTY SCHOOL DISTRICT, UTAH—Ad Valorem Tax Levy And Collection” below.

Payment of the principal of and interest on the 2023 Bonds when due is guaranteed by the full faith and credit and unlimited taxing power of the State under the provisions of the Utah school district bond guaranty, Title 53G, Chapter 4, Part 8 (the “Guaranty Act”), Utah Code Annotated 1953, as amended (the “Utah Code”). See “STATE OF UTAH GUARANTY” below.

Authorization For And Purpose Of The 2023 Bonds

Authorization. The 2023 Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14 (the “Local Government Bonding Act”), Utah Code; the Registered Public Obligations Act, Title 15, Chapter 7, Utah Code; and the applicable provisions of Title 53G of the Utah Code, (ii) the resolution of the Board adopted on April 11, 2023 (the “Resolution”), which provides for the issuance of the 2023 Bonds, and (iii) other applicable provisions of law.

The 2023 Bonds were authorized at a special bond election held for that purpose on November 3, 2020 (the “2020 Bond Election”). The proposition submitted to the voters of the District was as follows:

Shall the Board of Education of Tooele County School District, Utah, be authorized to issue General Obligation Bonds in a principal amount not to exceed One Hundred Seventy Million Dollars (\$170,000,000) for the purpose of paying all or a portion of the costs to acquire land; acquiring, constructing, furnishing and equipping new school facilities; improving or rebuilding existing facilities; and the authorization and issuance of the Bonds due and payable with a term not to exceed twenty–one (21) years from the date or dates of issuance of the Bonds?

At the 2020 Bond Election there were 15,970 votes cast in favor of the issuance of bonds and 14,789 votes cast against the issuance of bonds, for a total vote count of 30,759, with approximately 52% in favor of the issuance of bonds. The 2023 Bonds will be the third block of bonds to be issued from the 2020 Bond Election. After the sale and delivery of the 2023 Bonds the Board will have approximately \$30,483,506 authorized unissued bonds from the 2020 Bond Election.

Purpose. The 2023 Bonds are being issued to fund various acquisition, construction, furnishing and equipping of projects as set forth in the 2020 Bond Election proposition and to pay certain costs of issuance. See “THE 2023 BONDS—Sources And Uses Of Funds” below.

Redemption Provisions

The 2023 Bonds are subject to optional redemption prior to maturity. See “THE 2023 BONDS—Redemption Provisions” herein.

Registration, Denominations, Manner Of Payment

The 2023 Bonds are issuable only as fully–registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the 2023 Bonds. Purchases of 2023 Bonds will be made in book–entry form only, in the principal amount of \$5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC’s Direct Participants (as defined herein). Beneficial Owners (as defined herein) of the 2023 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the 2023 Bonds. “Direct Participants,” “Indirect Participants” and “Beneficial Owners” are defined under “APPENDIX D—BOOK–ENTRY SYSTEM.”

Principal of and interest on the 2023 Bonds (interest payable June 1 and December 1 of each year, commencing December 1, 2023) are payable by Zions Bancorporation, National Association, Salt Lake City, Utah, (“Zions Bancorporation”), as paying agent (the “Paying Agent”) for the 2023 Bonds, to the registered owners of the 2023 Bonds. So long as Cede & Co. is the registered owner of the 2023 Bonds, DTC will, in turn, remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2023 Bonds, as described in “APPENDIX D—BOOK—ENTRY SYSTEM.”

So long as DTC or its nominee is the registered owner of the 2023 Bonds, neither the Board nor the Paying Agent will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants or the Beneficial Owners of the 2023 Bonds. Under these same circumstances, references herein and in the Resolution to the “Bondowners” or “Registered Owners” of the 2023 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2023 Bonds.

Tax-Exempt Status Of The 2023 Bonds

In the opinion of Farnsworth Johnson PLLC, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2023 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from taxes imposed by the Utah Individual Income Tax Act. In the further opinion of Bond Counsel, interest on the 2023 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the 2023 Bonds.

See “TAX MATTERS” below for a more complete discussion.

Professional Services

In connection with the issuance of the 2023 Bonds, the following have served the Board in the capacity indicated.

Bond Counsel

Farnsworth Johnson PLLC
180 N University Ave Ste 260
Provo UT 84601
801.510.6303
brandon@farnsworthjohnson.com

Attorney for the Board

Burbidge, Van Komen, Tanner & Scruggs
9067 S 1300 W Ste 302
West Jordan UT 84088
801.831.1300 | f 801.236.5319
ptanner@bvkslaw.com

Bond Registrar and Paying Agent

Zions Bancorporation, National Association
Corporate Trust Department
One S Main St 12th Fl
Salt Lake City UT 84133
801.844.7529 | f 855.547.5428
linda.anderson@zionsbancorp.com

Municipal Advisor

Zions Public Finance, Inc.
One S Main St 18th Fl
Salt Lake City UT 84133-1109
801.844.7380 | f 801.844.4484
alex.buxton@zionsbancorp.com

Conditions Of Delivery, Anticipated Date, Manner, And Place Of Delivery

The 2023 Bonds are offered, subject to prior sale, when, as and if issued and received by the successful bidder(s), subject to the approval of legality of the 2023 Bonds by Farnsworth Johnson, PLLC, Bond Counsel to the Board, and certain other conditions. Certain legal matters will be passed on for the Board by the attorney for the Board, Burbidge, Van Komen, Tanner & Scruggs, Salt Lake City, Utah. It is expected that the 2023 Bonds, in book-entry form only, will be available for delivery in Salt Lake City, Utah for deposit with Zions Bancorporation, a “fast agent” of DTC, on or about Friday, June 2, 2023.

Continuing Disclosure Undertaking

The Board will enter a continuing disclosure undertaking for the benefit of the Beneficial Owners of the 2023 Bonds. For a detailed discussion of this disclosure undertaking, previous undertakings and timing of submissions see “CONTINUING DISCLOSURE UNDERTAKING” below and “APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

Basic Documentation

This OFFICIAL STATEMENT speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the Board, the District, the 2023 Bonds, and the Resolution are included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Resolution are qualified in their entirety by reference to such document, and references herein to the 2023 Bonds are qualified in their entirety by reference to the form thereof included in the Resolution. The “basic documentation” which includes the Resolution, the closing documents and other documentation, authorizing the issuance of the 2023 Bonds and establishing the rights and responsibilities of the Board and other parties to the transaction, may be obtained from the “contact persons” as indicated below.

Contact Persons

As of the date of this OFFICIAL STATEMENT, additional requests for information may be directed to Zions Public Finance, Inc., Salt Lake City, Utah (the “Municipal Advisor”) to the Board:

Alex Buxton, Vice President, alex.buxton@zionsbancorp.com
Cara Bertot, Vice President, cara.bertot@zionsbancorp.com
Zions Public Finance, Inc.
One S Main St 18th Fl
Salt Lake City UT 84133–1109
801.844.7373 | f 801.844.4484

As of the date of this OFFICIAL STATEMENT, the chief contact person for the Board concerning the 2023 Bonds is:

Lark Reynolds, Business Administrator/Assistant Superintendent of Business Operations,
lreynolds@tooeleschools.org
Tooele County School District
92 S Lodestone Way
Tooele UT 84074
435.833.1900 | f 435.833.1912

As of the date of this OFFICIAL STATEMENT, the chief contact person for the State concerning the State guaranty for the 2023 Bonds is:

Marlo M. Oaks, Utah State Treasurer, moaks@utah.gov
Utah State Treasurer’s Office
350 N State St Ste C–180
(PO Box 142315)
Salt Lake City UT 84114–2315
801.538.1042 | f 801.538.1465

SECURITY AND SOURCES OF PAYMENT

The 2023 Bonds will be general obligations of the Board, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all the taxable property in the District, fully sufficient to pay the 2023 Bonds as to both principal and interest.

See “FINANCIAL INFORMATION REGARDING TOOELE COUNTY SCHOOL DISTRICT, UTAH—Property Tax Matters” and “STATE OF UTAH SCHOOL FINANCE” below.

Payment of the principal of and interest on the 2023 Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the State under the provisions of the Guaranty Act. See “STATE OF UTAH GUARANTY” below.

STATE OF UTAH GUARANTY

Guaranty Provisions

Payment of the principal of and interest on the 2023 Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the State under the provisions of the Guaranty Act. The Guaranty Act establishes the default avoidance program (the “Program” or the “Utah School District Bond Guaranty Program”). The State’s guaranty is contained in Section 53G–4–802 (2)(a) of the Guaranty Act, which provides as follows:

The full faith and credit and unlimited taxing power of the state is pledged to guarantee full and timely payment of the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, bonds as such payments shall become due (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration).

In addition, the Guaranty Act provides that the State pledges to and agrees with the holders of bonds guaranteed under the Guaranty Act that the State will not alter, impair, or limit the rights vested by the Program with respect to said bonds until said bonds, together with applicable interest, are fully paid and discharged. However, this pledge does not preclude an alteration, impairment, or limitation if adequate provision is made by law for the protection of the holders of the bonds.

The Guaranty Act further provides that (i) the guaranty of the State does not extend to the payment of any redemption premium due on any bonds guaranteed under the Guaranty Act and (ii) bonds which are guaranteed by the State for which payment of principal and interest is provided by the deposit of direct obligations of the United States government under the provisions of the Refunding Bond Act, Title 11, Chapter 27, Utah Code, will no longer be secured by the State’s guaranty subsequent to such provision for payment. This is likely to occur only if such bonds are refunded in advance of their maturity. In such an event, such bonds would then be secured solely by the obligations pledged for their payment and not by the State’s guaranty.

Guaranty Procedures

Under the Guaranty Act, the Business Administrator of the Board (the “Business Administrator”) is required to transfer moneys sufficient for scheduled debt service payments on the 2023 Bonds to the Paying Agent at least 15 days before any principal or interest payment date for the 2023 Bonds. If the Business Administrator is unable to transfer the scheduled debt service payment to the Paying Agent at least 15 days before the payment date, the Business Administrator must immediately notify the Paying Agent and the Utah State Treasurer (the “State Treasurer”) by (i) telephone and (ii) in writing sent by (a) facsimile transmission and (b) first-class United States mail. In addition, if the Paying Agent has not received the scheduled debt service payment at least 15 days prior to the scheduled debt service payment date for the 2023 Bonds, then the Paying Agent must at least 10 days before the scheduled debt service payment notify the State Treasurer of that failure (i) by telephone and (ii) in writing sent by (a) facsimile transmission and (b) first-class United States mail. The Guaranty Act further provides that if sufficient moneys to pay the scheduled debt service payment have not been transferred to the Paying Agent, then the State Treasurer shall, on or before the scheduled payment date, transfer sufficient moneys to the Paying Agent to make the scheduled debt service payment. Payment by the State of a debt service payment on the 2023 Bonds discharges the obligation of the Board to the bondholders for that payment, to the extent of the State’s payment, and transfers the Board’s obligation for that payment to the State.

In the event the State is called upon to make payment of principal of or interest on the 2023 Bonds on behalf of the Board, the State will use cash on hand (or from other legally available moneys) to make the payment. Under the

Guaranty Act, the State Treasurer is required to immediately intercept any payments from the Uniform School Fund or from any other source of operating moneys provided by the State to the Board. The intercepted payments will be used to reimburse the State until all obligations of the Board to the State, including interest and penalties, are paid in full. The State does not currently expect to have to advance moneys to the Board pursuant to its guaranty. If, however, at the time the State is required to make a debt service payment under its guaranty on behalf of the Board, sufficient moneys are not on hand and available for that purpose, then the Guaranty Act provides that the State may seek a short-term loan from the Permanent School Fund sufficient to make the required payment (the Permanent School Fund is not required to make such a loan) or issue short-term State debt in the form of general obligation notes as provided in the Guaranty Act. The provisions of the Guaranty Act relating to short-term debt provide that such debt will carry the full faith and credit of the State and will be issued with a maturity of not more than 18 months so that the State could, if necessary, obtain liquidity financing on short notice. Under the State Constitution, debt incurred for this purpose does not count toward the constitutional debt limit of the State.

As of the date of this OFFICIAL STATEMENT, the State has guaranteed the following (statistics include this issuer but not this bond issue) under the Guaranty Act:

Number of school districts (out of 41 school districts in the State).....	40
Number of total bond issues	403
Aggregate total principal amount outstanding.....	\$3,619,202,000

The approximate aggregate total annual principal and interest payments (interest payments include anticipated federal interest subsidies on “Build America Bonds” and “Qualified School Construction Bonds”) due on bonds guaranteed by the State under the Program during Fiscal Years 2023 through 2028, inclusive, is as follows (currently, the Program’s annual principal and interest payments extend to Fiscal Year 2042):

Fiscal Year 2023.....	\$505,132,518
Fiscal Year 2024.....	497,130,323
Fiscal Year 2025.....	411,387,735
Fiscal Year 2026.....	379,818,822
Fiscal Year 2027.....	395,689,205
Fiscal Year 2028.....	356,486,840

(Source: the Municipal Advisor.)

Purpose Of The Guaranty

The Guaranty Act is for the protection of the bondholders. Ultimate liability for the payment of the 2023 Bonds remains with the Board. Accordingly, the Guaranty Act contains provisions, including interception of State aid to the Board, possible action to compel levy of a tax sufficient to reimburse the State for any payments made to bondholders pursuant to its guaranty and various oversight provisions to assure that the Board, and not the State, will ultimately be responsible for debt service on the 2023 Bonds.

The Guaranty Act also charges the State Superintendent of Public Instruction with the responsibility to monitor and evaluate the fiscal solvency of each school board under the Program. He or she must immediately report to the Governor and the State Treasurer any circumstances suggesting that a school district will be unable to timely meet its debt service obligations and recommend a course of remedial action.

No Call On State Guaranty

According to the State Treasurer’s office, since the Guaranty Act’s inception in January 1997, the State has not been called upon to pay the principal of and interest on any bonds guaranteed under the Guaranty Act.

State Of Utah–Financial And Operating Information

The annual comprehensive financial report of the State for Fiscal Year 2022 (the “State ACFR”), its most recent official statements and current continuing disclosure information for its general obligation (CUSIP® 917542) and lease revenue (CUSIP® 917547) bond debt are currently on file with EMMA (emma.msrb.org), herein defined. The financial and operating information with respect to the State contained in the State ACFR, such official statements

and continuing disclosure information, and the Master Agreement, as hereinafter defined, are hereby included by reference in this OFFICIAL STATEMENT; provided, however, the Board has not reviewed or approved and taken the responsibility for such financial and operating information incorporated herein by reference.

As of the date of this OFFICIAL STATEMENT, the outstanding general obligation bonds of the State are rated “AAA” by Fitch Ratings (“Fitch”), “Aaa” by Moody’s Investors Service, Inc. (“Moody’s”), and “AAA” by S&P Global Ratings (“S&P”).

CONTINUING DISCLOSURE UNDERTAKING

Continuing Disclosure Undertaking For 2023 Bonds

The Board will enter into a Continuing Disclosure Undertaking (the “Disclosure Undertaking”) for the benefit of the Beneficial Owners of the 2023 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system (“EMMA”) pursuant to the requirements of paragraph (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Disclosure Undertaking, including termination, amendment and remedies, are set forth in the proposed form of Disclosure Undertaking in “APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

The Board represents that in the last five years, there are no instances in which the Board failed to comply, in all material respects, with each disclosure undertaking previously entered into by it pursuant to the Rule.

Based on prior disclosure undertakings the Board submits its annual financial report for each Fiscal Year Ending June 30 (the “Financial Report”) and other operating and financial information on or before January 1 (185 days from the end of the Fiscal Year). The Board will submit the Fiscal Year 2023 Financial Report and other required operating and financial information for the 2023 Bonds on or before January 1, 2024, and annually thereafter on or before each January 1.

A failure by the Board to comply with the Disclosure Undertaking will not constitute a default under the Resolution and Beneficial Owners of the 2023 Bonds are limited to the remedies described in the Disclosure Undertaking. See “APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING.” A failure by the Board to comply with the Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2023 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the 2023 Bonds and their market price.

The Board is responsible for continuing disclosure under the Rule for all other matters relating to the 2023 Bonds.

State of Utah Continuing Disclosure

The State has entered into a Master Continuing Disclosure Agreement (2019) (the “Master Agreement”) for the benefit of the Beneficial Owners of bonds guaranteed by the State pursuant to the Guaranty Act, including the 2023 Bonds. See “STATE OF UTAH GUARANTY” above. In the Master Agreement, the State has undertaken to send certain information annually and to provide notice of certain events to the MSRB through EMMA pursuant to the Rule, but solely as to its responsibilities under its guaranty. See “STATE OF UTAH GUARANTY—State Of Utah—Financial And Operating Information” above. For a copy of the Master Agreement, see treasurer.utah.gov/investor-information/school-bond-guarantee-program. Based on prior disclosure undertakings, the State submits its Fiscal Year Ending June 30 State ACFR and other operating and financial information on or before January 15 (on or before 199 days from the end of the Fiscal Year). See emma.msrb.org/StateofUtahhomepage.

THE 2023 BONDS

General

The 2023 Bonds will be dated the date of their original issuance and delivery¹ (the “Dated Date”) and will mature on June 1 of the years and in the amounts as set forth on the inside cover page of this OFFICIAL STATEMENT. The 2023 Bonds will bear interest from their Dated Date at the rates set forth on the inside cover page of this OFFICIAL STATEMENT. Interest on the 2023 Bonds is payable semiannually on each June 1 and December 1, commencing December 1, 2023. Interest on the 2023 Bonds will be computed based on a 360-day year comprised of 12, 30-day months.

Zions Bancorporation is the Bond Registrar (the initial “Bond Registrar”) and Paying Agent for the 2023 Bonds under the Resolution.

The 2023 Bonds will be issued as fully-registered bonds, initially in book-entry form, in the denomination of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

The 2023 Bonds are being issued within the constitutional debt limit imposed on boards of education of school districts in the State. See “DEBT STRUCTURE OF TOOELE COUNTY SCHOOL DISTRICT, UTAH—General Obligation Legal Debt Limit And Additional Debt Incurring Capacity” below.

Redemption Provisions

Optional Redemption. The 2023 Bonds maturing on and after June 1, 2034 are subject to redemption prior to maturity in whole or in part at the option of the Board on June 1, 2033, or on any date thereafter, from such maturities or parts thereof as shall be selected by the Board at the redemption price of 100% of the principal amount of the 2023 Bonds to be redeemed plus accrued interest (if any) thereon to the redemption date.

Should the Board elect to advance refund the 2023 Bonds and create an escrow fund for such refunding, the Board covenants and agrees that such escrow, to the extent not maintained in cash, shall be invested in direct and general obligations of the United States of America, or those which are unconditionally guaranteed as to principal and interest by the same.

Selection for Redemption. If less than all 2023 Bonds of any maturity are to be redeemed, the 2023 Bonds or portion of 2023 Bonds of such maturity to be redeemed will be selected at random by the Bond Registrar in such manner as the Bond Registrar in its discretion may deem fair and appropriate. The portion of any registered 2023 Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or a whole multiple thereof, and in selecting portions of such 2023 Bonds for redemption, the Bond Registrar will treat each such 2023 Bond as representing that number of 2023 Bonds of \$5,000 denomination that is obtained by dividing the principal amount of such 2023 Bond by \$5,000.

Notice of Redemption. Notice of redemption will be given by the Bond Registrar by registered or certified mail, not less than 30 nor more than 45 days prior to the redemption date, to the owner, as of the Record Date, as defined under “THE 2023 BONDS—Registration And Transfer; Record Date” below, of each 2023 Bond that is subject to redemption, at the address of such owner as it appears on the registration books of the Board kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such owner on or prior to the Record Date. Each notice of redemption will state the Record Date, the principal amount, the redemption date, the place of redemption, the redemption price and, if less than all of the 2023 Bonds are to be redeemed, the distinctive numbers of the 2023 Bonds or portions of 2023 Bonds to be redeemed, and will also state that the interest on the 2023 Bonds in such notice designated for redemption will cease to accrue from and after such redemption date and that on the redemption date there will become due and payable on each of the 2023 Bonds to be redeemed the principal thereof and interest accrued thereon to the redemption date.

Each notice of optional redemption may further state that such redemption will be conditioned upon the receipt by the Paying Agent, on or prior to the date fixed for redemption, of moneys sufficient to pay the principal of and

¹ The anticipated date of delivery is Friday, June 2, 2023.

premium, if any, and interest on such 2023 Bonds to be redeemed and that if such moneys have not been so received the notice will be of no force or effect and the Board will not be required to redeem such 2023 Bonds. If such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made, and the Bond Registrar will within a reasonable time thereafter give notice, in the way the notice of redemption was given, that such moneys were not so received.

Any notice of redemption mailed as provided in the Resolution will be conclusively presumed to have been duly given, whether the Bondowner receives such notice. Failure to give such notice or any defect therein with respect to any 2023 Bond will not affect the validity of the proceedings for redemption with respect to any other 2023 Bond.

In addition to the foregoing notice, further notice of such redemption will be given by the Bond Registrar by posting to EMMA as provided in the Resolution.

For so long as a book-entry system is in effect with respect to the 2023 Bonds, the Bond Registrar will mail notices of redemption to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants or any failure of the Direct Participants or Indirect Participants to convey such notice to any Beneficial Owner will not affect the sufficiency of the notice or the validity of the redemption of 2023 Bonds. See “THE 2023 BONDS—Book-Entry System” below.

Registration And Transfer; Record Date

Registration and Transfer. In the event the book-entry system is discontinued, any 2023 Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar, by the person in whose name it is registered, in person or by such owner’s duly authorized attorney, upon surrender of such 2023 Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Bond Registrar. No transfer will be effective until entered on the registration books kept by the Bond Registrar. Whenever any 2023 Bond is surrendered for transfer, the Bond Registrar will authenticate and deliver a new fully registered 2023 Bond or 2023 Bonds of the same series, designation, maturity, and interest rate and of authorized denominations duly executed by the Board, for a like aggregate principal amount.

The 2023 Bonds may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of fully registered 2023 Bonds of the same series, designation, maturity, and interest rate of other authorized denominations.

For every such exchange or transfer of the 2023 Bonds, the Bond Registrar must make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer of the 2023 Bonds.

Record Date. The term “Record Date” means (i) with respect to each interest payment date, the day that is 15 days immediately preceding such interest payment date and (ii) with respect to any redemption of any 2023 Bond such Record Date as is specified by the Bond Registrar in the notice of redemption, provided that such Record Date will be not less than 15 calendar days before the mailing of such notice of redemption. The Bond Registrar will not be required to transfer or exchange any 2023 Bond (a) after the Record Date with respect to any interest payment date to and including such interest payment date, or (b) after the Record Date with respect to any redemption of such 2023 Bond.

The Board, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each 2023 Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and interest due thereon and for all other purposes whatsoever.

Book-Entry System

DTC will act as securities depository for the 2023 Bonds. The 2023 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2023 Bond certificate will be issued for each maturity of the 2023 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See “APPENDIX D—BOOK-ENTRY SYSTEM” for a more detailed discussion of the book-entry system and DTC.

In the event the book–entry system is discontinued, interest on the 2023 Bonds will be payable by check or draft of the Paying Agent, mailed to the registered owners thereof at the addresses shown on the registration books of the Board kept for that purpose by the Bond Registrar. The principal of all 2023 Bonds will be payable at the principal office of the Paying Agent.

Sources And Uses Of Funds

The proceeds from the sale of the 2023 Bonds are estimated to be applied as set forth below:

Sources:

Par amount of 2023 Bonds	\$37,750,000.00
Net original issue premium	3,167,107.45
Total.....	<u>\$40,917,107.45</u>

Uses:

Deposit to Construction Fund	\$40,638,475.10
Costs of Issuance ⁽¹⁾	160,000.00
Successful bidders Discount	118,632.35
Total	<u>\$40,917,107.45</u>

(1) Includes legal fees, Municipal Advisor fees, rating agency fees, Bond Registrar and Paying Agent fees, rounding amounts and other miscellaneous costs of issuance.

(Source: the Municipal Advisor.)

Debt Service On The 2023 Bonds

Payment Date	2023 Bonds		Period Total	Fiscal Total
	Principal	Interest		
December 1, 2023	\$ 0.00	\$864,221.94	\$ 864,221.94	
June 1, 2024	1,650,000.00	869,050.00	2,519,050.00	\$3,383,271.94
December 1, 2024	0.00	827,800.00	827,800.00	
June 1, 2025	1,195,000.00	827,800.00	2,022,800.00	2,850,600.00
December 1, 2025	0.00	797,925.00	797,925.00	
June 1, 2026	1,255,000.00	797,925.00	2,052,925.00	2,850,850.00
December 1, 2026	0.00	766,550.00	766,550.00	
June 1, 2027	1,315,000.00	766,550.00	2,081,550.00	2,848,100.00
December 1, 2027	0.00	733,675.00	733,675.00	
June 1, 2028	1,385,000.00	733,675.00	2,118,675.00	2,852,350.00
December 1, 2028	0.00	699,050.00	699,050.00	
June 1, 2029	1,450,000.00	699,050.00	2,149,050.00	2,848,100.00
December 1, 2029	0.00	662,800.00	662,800.00	
June 1, 2030	1,525,000.00	662,800.00	2,187,800.00	2,850,600.00
December 1, 2030	0.00	624,675.00	624,675.00	
June 1, 2031	1,600,000.00	624,675.00	2,224,675.00	2,849,350.00
December 1, 2031	0.00	584,675.00	584,675.00	
June 1, 2032	1,680,000.00	584,675.00	2,264,675.00	2,849,350.00
December 1, 2032	0.00	542,675.00	542,675.00	
June 1, 2033	1,765,000.00	542,675.00	2,307,675.00	2,850,350.00
December 1, 2033	0.00	498,550.00	498,550.00	
June 1, 2034	1,855,000.00	498,550.00	2,353,550.00	2,852,100.00
December 1, 2034	0.00	452,175.00	452,175.00	
June 1, 2035	1,945,000.00	452,175.00	2,397,175.00	2,849,350.00
December 1, 2035	0.00	403,550.00	403,550.00	
June 1, 2036	2,045,000.00	403,550.00	2,448,550.00	2,852,100.00
December 1, 2036	0.00	352,425.00	352,425.00	
June 1, 2037	2,145,000.00	352,425.00	2,497,425.00	2,849,850.00
December 1, 2037	0.00	298,800.00	298,800.00	
June 1, 2038	2,250,000.00	298,800.00	2,548,800.00	2,847,600.00
December 1, 2038	0.00	253,800.00	253,800.00	
June 1, 2039	2,345,000.00	253,800.00	2,598,800.00	2,852,600.00
December 1, 2039	0.00	206,900.00	206,900.00	
June 1, 2040	2,435,000.00	206,900.00	2,641,900.00	2,848,800.00
December 1, 2040	0.00	158,200.00	158,200.00	

Debt Service On The 2023 Bonds—continued

Payment Date	2023 Bonds		Period Total	Fiscal Total
	Principal	Interest		
June 1, 2041	\$ 2,535,000.00	\$ 158,200.00	\$ 2,693,200.00	\$2,851,400.00
December 1, 2041	0.00	107,500.00	107,500.00	
June 1, 2042	2,635,000.00	107,500.00	2,742,500.00	2,850,000.00
December 1, 2042	0.00	54,800.00	54,800.00	
June 1, 2043	2,740,000.00	54,800.00	2,794,800.00	2,849,600.00
Totals	<u>\$37,750,000.00</u>	<u>\$19,786,321.94</u>	<u>\$57,536,321.94</u>	

(Source: the Municipal Advisor.)

TOOELE COUNTY SCHOOL DISTRICT, UTAH

General

The District, established in 1915, shares common boundaries with the County. The County was established in 1850 and is situated in the northwestern portion of the State, located approximately 30 miles west of Salt Lake City, Utah. The County is bordered on the west by the State of Nevada, on the north by Box Elder County, on the east by Davis, Salt Lake, and Utah Counties, and on the south by Juab County. The County is the second largest county in the State, covering an area of approximately 6,930 square miles. The County had 76,640 residents according to the 2021 U.S. Census and ranked as the 7th most populated county (out of 29 counties). See location map above.

The Board's office is located in Tooele City, Utah and maintains a website that may be accessed at <http://www.tooeleschools.org>. For the contact person for the Board see "INTRODUCTION—Contact Persons" above.

Tooele City, Utah (the "City"), incorporated in 1853, is located approximately 30 miles from Salt Lake City, is the most populated city in the County with a 2021 Census population of 37,104. The City is the headquarters for the District and is also the county seat of the County. Grantsville City is the other major city within the County and is situated on the shore of the Great Salt Lake about 10 miles northwest of the City.

The District presently operates 28 schools consisting of 17 elementary schools, three junior high schools, six high schools and two special purpose schools. The District operates schools in the communities of the City (seven elementary, two junior high, two high and two special schools, which includes the Digital Education Center), Grantsville City (three elementary, one junior high, and one high school), the City of Wendover (one elementary and one high school), Vernon Town (one elementary school), the unincorporated area of Dugway (one elementary and one high school), the unincorporated area of Ibapah (one elementary), and the unincorporated area of Stansbury Park (three elementary schools and one high school).

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The historical enrollment within the District is as follows:

October	Total	% Change Over Prior Year
2022–23.....	23,828	3.9
2021–22.....	22,939	4.2
2020–21 ⁽¹⁾	22,004	25.0
2019–20.....	17,608	4.2
2018–19.....	16,903	4.6
2017–18 ⁽²⁾	16,154	12.8
2016–17.....	14,322	2.4
2015–16.....	13,988	0.8
2014–15 ⁽³⁾	13,873	(1.7)
2013–14.....	14,107	0.5
2012–13.....	14,034	2.6

- (1) Because of COVID–19, during the 2020–21 school year the District experienced a large enrollment increase due to the already-established online learning capabilities of the District’s online school (MyTech High) being opened to students statewide.
- (2) The increase is due to the opening of an online school.
- (3) The decrease in enrollment can be attributed to opening of a charter school within the District in 2014.
- (Source: State Office of Education.)

Additional Information. Student Enrollment Projections. For a 10–year history of student enrollment by schools see “APPENDIX A—FINANCIAL STATEMENTS OF TOOELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2022—Changing Enrollment within the District”(audit page 11) and “—Summary of Weighted Pupil Units (WPU’s)” (audit page 68).

Charter Schools Within The District. Currently there are three charter schools operating within the District. Excelsior Academy (K–8), established in 2009, has approximately 1,398 students enrolled as of the 2022–23 school year. Scholar Academy (K–8), opened in 2014, has approximately 666 students enrolled as of the 2022–23 school year. Bonneville Academy (K–8), opened in 2018, has of approximately 424 students enrolled as of the 2022–23 school year. Students who attend charters schools in the District may live outside the boundaries of the District and the District cannot determine the number of charter school students who live outside the boundaries of the District. Funding for charter schools comes directly from the State based on student attendance.

Form Of Government

Board of Education. The determination of policies for the management of the District is the responsibility of the Board, the members of which are elected by the qualified electors within the District. The District is divided into seven representative precincts, and a member of the Board is elected from each precinct. Members serve four–year terms, which are staggered to provide continuity.

The Board is empowered, among other things, to: (i) implement core curriculum; (ii) administer tests which measure the progress of each student, and create plans to improve the student’s progress; (iii) implement training programs for school administrators; (iv) purchase, sell and improve school sites, buildings and equipment; (v) construct and furnish school buildings; (vi) establish, locate and maintain elementary, secondary and applied technology schools; (vii) maintain school libraries; (viii) make and enforce all necessary rules and regulations for the control and management of the public schools in the District; (ix) adopt bylaws and rules for its own procedure; and (x) appoint a superintendent of schools, business administrator, and such officers or employees as are deemed necessary for the promotion of the interests of the schools.

Superintendent. The Superintendent of Schools (the “Superintendent”) is appointed by the Board and is responsible for the actual administration of the schools in the District. The powers and duties of the Superintendent are prescribed by the Board. Pursuant to State law, the Superintendent is required to prepare and submit to the Board an annual budget itemizing anticipated revenues and expenditures for the next school year. The Superintendent is appointed for a two–year term and until a successor is appointed.

Business Administrator. The Business Administrator is appointed by the Board and reports to the Superintendent. The duties of the Business Administrator, among others, are to (i) attend all meetings of the Board and keep a

journal of the proceedings, (ii) countersign all warrants drawn upon the District treasury, (iii) keep an account and prepare and publish an annual statement of moneys received by the District and amounts paid out of the treasury, and (iv) have custody of the records and papers of the Board. The Business Administrator is the custodian of all moneys belonging to the District and is required to prepare and submit to the Board a monthly report of the receipts and disbursements of the Business Administrator's office. The Business Administrator is appointed for a two-year term and until a successor is appointed.

Current members of the Board, the Superintendent, the Business Administrator, and other administrators and their respective terms in office are as follows:

Office	Person	Years in Position	Expiration of Current Term
President.....	Melissa Rich	5	December 2026
Vice President.....	Robert Gowan	3	December 2024
Member	Julia Holt	21	December 2024
Member	Scott Bryan	13	December 2024
Member	ValaRee Shields	3	December 2024
Member	Emily Syphus	1	December 2026
Member	Elizabeth Smith	1	December 2026
Superintendent.....	Dr. Mark Ernst	2	Appointed/June 2023
Business Administrator/Assistant Superintendent of Business Operations.....	Lark Reynolds	11	Appointed/June 2023

Employee Workforce And Retirement System; Early Retirement Incentive; Post-Employment Benefits

Employee Workforce and Retirement System. As of Fiscal Year 2022, the District employed approximately 2,212 employees (1,228 full-time equivalent employees and 984 part-time employees). The District participates in cost-sharing multiple employer public employee retirement systems which are defined benefit retirement plans covering public employees of the State and employees of participating local government entities administered by the Utah State Retirement Systems ("URS"). The retirement system provides refunds, retirement benefits, annual cost of living adjustment and death benefits to plan members and beneficiaries in accordance with retirement statutes. The retirement compensation plan is administered by the URS under the direction of the URS board, which consists of six members appointed by the Governor of the State and the State Treasurer.

For a detailed discussion regarding retirement benefits and contributions and net pension liability for Fiscal Year 2022 see "APPENDIX A—FINANCIAL STATEMENTS OF TOOELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2022—Notes to Basic Financial Statements—Note 6. State Retirement Plans" (audit page 30).

Post-Employment Benefits. The District provides a life-time Medicare supplemental insurance for retired employees who have completed at least 15 years of service with the District and 25 years in public education. Eligibility in this benefit was restricted in June 2000 to only those who had previously retired and those current employees who had earned at least 25 years of service (currently 131 retirees receiving benefits coverage in addition to 68 spouses). The Board currently pays for post-employment benefits on a "pay-as-you-go" basis. The Board's unfunded accrued actuarial liability as of Fiscal Year 2022 was approximately \$7.16 million. For a detailed discussion regarding the post-employment benefit plans see "APPENDIX A—FINANCIAL STATEMENTS OF TOOELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2022—Notes to Basic Financial Statements—Note 7. Postemployment Benefits Other Than Pensions" (audit page 36).

Early Retirement Benefits Payable. The District provides an early retirement incentive program. Eligibility is restricted to those employees with a minimum of 30 years' prior service with a minimum of 10 years of service in the District, and who meet the eligibility requirements for and will be receiving URS benefits. Eligible retirees will receive amounts based on age and classification for up to five consecutive years. In addition to early retirement compensation, the District provides medical insurance coverage to qualified early retirees up to age 65. The District's payments for these benefits totaled \$378,118 for Fiscal Year 2022 and are paid on a "pay-as-you-go" basis. See "APPENDIX A—FINANCIAL STATEMENTS OF TOOELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2022—Notes to Basic Financial Statements—Note 9. Long-Term Liabilities" (audit page 41).

Risk Management And Cybersecurity

Risk Management. The District is a member of a risk pool through which the State self-insures portions of certain property and liability claims and purchases commercial insurance for claims above the self-insured retention amounts. This is done through the State's Administrative Services Risk Management Fund. The fund is maintained via premiums charged to its members—State agencies, institutions of higher education, school districts and charter schools.

As of Fiscal Year 2022, the Administrative Services Risk Management Fund contained approximately \$66.886 million in reserve available to pay for claims incurred.

Cybersecurity. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the District's technology systems for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage by cybersecurity incidents or cyberattacks, the District invests in multiple forms of cybersecurity and operational safeguards. The costs of remedying any damage from a cyberattack or protecting against future attacks could be substantial and expose the District to material litigation and other legal risks; therefore, the District maintains cybersecurity and privacy coverage under a separate insurance policy. This policy provides both response and recovery services and coverage for third-party liability and first-party damages including business interruption. To date, the District has not experienced a material breach of cybersecurity.

For a general discussion of insurance coverage, limits of insurance coverage, unemployment compensation and payment claims see "APPENDIX A—FINANCIAL STATEMENTS OF TOOELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2022—Notes to Basic Financial Statements—Note. 8. Risk Management" (audit page 38).

Investment Of Funds

The State Money Management Act. The State Money Management Act, Title 51, Chapter 7 of the Utah Code (the "Money Management Act"), governs and establishes criteria for the investment of all public funds held by public treasurers in the State. The Money Management Act provides a limited list of approved investments, including qualified in-state and permitted out-of-state financial institutions, obligations of the State and political subdivisions of the State, U.S. Treasury and approved federal government agency and instrumentality securities, certain investment agreements and repurchase agreements and investments in corporate securities meeting certain ratings requirements. The Money Management Act establishes the State Money Management Council (the "Money Management Council") to exercise oversight of public deposits and investments. The Money Management Council is comprised of five members appointed by the Governor of the State for terms of four years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The Board is currently complying with all the provisions of the Money Management Act for all Board operating funds.

The Utah Public Treasurers' Investment Fund. A significant portion of Board funds may be invested in the Utah Public Treasurers Investment Fund ("PTIF"). The PTIF is a local government investment fund, established in 1981, and managed by the State Treasurer. All investments in the PTIF must comply with the Money Management Act and rules of the Money Management Council. The PTIF invests primarily in money market securities. Securities in the PTIF include certificates of deposit, commercial paper, short-term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the federal government. By policy, the maximum weighted average adjusted life of the portfolio is not to exceed 90 days and the maximum final maturity of any security purchased by the PTIF is limited to five years. Safekeeping and audit controls for all investments owned by the PTIF must comply with the Money Management Act.

All securities purchased are delivered versus payment to the custody of the State Treasurer or the State Treasurer's safekeeping bank, assuring a perfected interest in the securities. Securities owned by the PTIF are completely segregated from securities owned by the State. The State has no claim on assets owned by the PTIF except for any investment of State moneys in the PTIF. Deposits are not insured or otherwise guaranteed by the State.

Investment activity of the State Treasurer in the management of the PTIF is reviewed monthly by the Money Management Council and is audited by the State Auditor. The PTIF is not rated.

See “APPENDIX A—FINANCIAL STATEMENTS OF TOOELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2021—Notes to Basic Financial Statements—Note 2. Deposits and Investments” (audit page 26).

Investment of 2023 Bond Proceeds. The proceeds of the 2023 Bonds will be held by the Board and invested to be readily available. The 2023 Bond proceeds may also be invested in the PTIF or other investments authorized under the Money Management Act.

Population

The following population information is provided for the County and the State.

	County	% Change From Prior Period	State of Utah	% Change From Prior Period
2021 Census estimate (1).....	76,640	5.4	3,337,975	2.0
2020 Census.....	72,698	24.9	3,271,616	18.4
2010 Census.....	58,218	42.9	2,763,885	23.8
2000 Census.....	40,735	53.1	2,233,169	29.6
1990 Census.....	26,601	2.2	1,722,850	17.9
1980 Census.....	26,033	20.8	1,461,037	37.9
1970 Census.....	21,545	20.6	1,059,273	18.9

(1) U.S. Bureau of the Census estimates for July 1, 2021. Percentage change is calculated from the 2020 Census.

(Source: U.S. Department of Commerce, Bureau of the Census.)

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Labor Force, Nonfarm Jobs, and Wages within Tooele County

	Calendar Year ⁽¹⁾					% change from prior year				
	2022	2021	2020	2019	2018	2021– 22 ⁽²⁾	2020– 21	2019– 20	2018– 19	2017– 18
Civilian labor force ⁽²⁾	38,220	36,804	36,054	35,032	33,488	3.8	2.1	2.9	4.6	3.7
Employed persons	37,266	35,747	34,351	34,052	32,417	4.2	4.1	0.9	5.0	4.1
Unemployed persons	954	1,057	1,703	980	1,071	(9.7)	(37.9)	73.8	(8.5)	(8.2)
Total private sector(avg) ⁽³⁾	14,858	15,014	13,308	12,312	11,986	2.3	12.8	8.1	2.7	(0.6)
Agriculture, forestry, fishing, and hunting	83	82	85	84	79	1.2	(3.5)	1.2	6.3	(2.5)
Mining	116	125	144	108	78	(10.8)	(13.2)	33.3	38.5	(4.9)
Utilities	27	27	26	26	24	0.0	3.8	0.0	8.3	(14.3)
Construction	1,239	1,247	1,128	1,015	934	3.9	10.5	11.1	8.7	8.5
Manufacturing	2,351	2,843	2,095	1,496	1,481	(15.4)	35.7	40.0	1.0	5.9
Wholesale trade	185	173	170	165	178	12.1	1.8	3.0	(7.3)	2.3
Retail trade	2,224	2,216	2,033	1,934	1,870	2.7	9.0	5.1	3.4	1.3
Transportation and ware- housing	2,085	1,872	1,613	1,432	1,467	18.7	16.1	12.6	(2.4)	(7.7)
Information	143	88	63	189	214	83.3	39.7	(66.7)	(11.7)	(35.7)
Finance and insurance	209	201	191	196	190	7.2	5.2	(2.6)	3.2	(16.3)
Real estate, rental and leas- ing	99	110	109	107	106	(9.2)	0.9	1.9	0.9	(5.4)
Professional, scientific, and technical services	522	527	545	503	470	(0.2)	(3.3)	8.3	7.0	1.5
Management of companies and enterprises	27	23	0	0	0	8.0	n/a	n/a	n/a	n/a
Admin., support, waste mgmt., remediation	1,035	1,034	1,039	1,006	1,023	3.2	(0.5)	3.3	(1.7)	(20.0)
Education services	495	454	412	393	306	1.9	10.2	4.8	28.4	37.2
Health care and social assis- tance	1,865	1,780	1,660	1,652	1,575	6.3	7.2	0.5	4.9	5.8
Arts, entertainment, and recreation	188	257	204	231	256	9.3	26.0	(11.7)	(9.8)	6.2
Accommodation and food services	1,546	1,551	1,402	1,404	1,380	4.2	10.6	(0.1)	1.7	3.6
Other services	502	490	452	428	414	6.8	8.4	5.6	3.4	14.4
Total public sector (average)	4,273	4,210	4,111	4,125	4,037	2.2	2.4	(0.3)	2.2	1.0
Federal	1,238	1,250	1,272	1,247	1,232	(0.7)	(1.7)	2.0	1.2	0.5
State	160	159	161	166	170	(0.6)	(1.2)	(3.0)	(2.4)	(14.1)
Local	2,875	2,801	2,678	2,712	2,636	3.8	4.6	(1.3)	2.9	2.5
Total payroll (in millions) ⁽³⁾	\$216	\$890	\$780	\$688	\$653	6.0	14.0	13.4	5.3	1.9
Average monthly wage	\$3,756	\$3,857	\$3,732	\$3,486	\$3,396	3.6	3.3	7.1	2.7	2.1
Average employment	19,131	19,224	17,418	16,437	16,023	2.3	10.4	6.0	2.6	(0.2)
Establishments	1,413	1,318	1,243	1,197	1,157	(61.0)	6.0	3.8	3.5	5.0

(1) Information as of March 2023.

(2) Industry data for 2022 as of first quarter only; percent change compared to first quarter 2021.

(3) Total payroll figure for 2022 as of first quarter only; percent change compared to first quarter 2021.

(Source: Utah Department of Workforce Services.)

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Personal Income; Per Capita Personal Income; Median Household Income within Tooele County and the State of Utah

	Calendar Year				
	2021	2020	2019	2018	2017
<i>Total Personal Income (in \$1,000's):</i>					
Tooele County.....	\$3,535,506	\$3,101,307	\$2,778,861	\$2,565,251	\$2,343,013
% change from prior year.....	14.0	11.6	8.3	9.5	6.9
State of Utah.....	186,990,527	171,385,445	157,045,208	145,255,769	135,162,181
% change from prior year.....	9.1	9.1	8.1	7.5	5.7
<i>Total Per Capita Personal Income:</i>					
Tooele County.....	\$46,131	\$42,321	\$39,109	\$37,160	\$35,121
% change from prior year.....	9.0	8.2	5.2	5.8	2.6
State of Utah.....	56,019	52,225	48,580	45,665	43,241
% change from prior year.....	7.3	7.5	6.4	5.6	3.6
<i>Median Household Income:</i>					
Tooele County.....	\$90,591	\$79,101	\$80,196	\$73,584	\$72,198
% change from prior year.....	14.5	(1.4)	9.0	1.9	11.6
State of Utah.....	79,449	77,785	75,705	71,381	68,395
% change from prior year.....	2.1	2.7	6.1	4.4	3.7

(Source: U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau.)

Construction within Tooele County

Calendar year	New			Additions, Alterations and Repairs		Total Construction Value	
	New Dwelling Units	Residential Value (\$000)	New Non-residential Value (\$000)	Residential Value (\$000)	New Non-residential Value (\$000)	Value (\$000)	% change from prior period
2022 ⁽¹⁾	468	\$131,226.1	\$18,373.3	\$6,959.2	\$3,434.5	\$159,993.1	16.6
2021.....	820	211,869.4	51,921.9	9,697.9	6,716.9	280,206.1	49.0
2020.....	636	142,854.5	37,741.5	4,018.7	3,380.1	187,994.8	85.7
2019.....	520	76,099.1	20,466.7	1,722.8	2,947.4	101,236.0	33.4
2018.....	389	58,894.9	9,656.1	1,115.4	6,248.8	75,915.2	26.8

(1) Information as of the second quarter. Percent change compared to the second quarter 2021.

(Source: University of Utah Kem C. Gardner Policy Institute, Ivory-Boyer Utah Report and Database.)

Sales Taxes Within Tooele County and the State of Utah

	Calendar Year				
	2022*	2021	2020	2019	2018
<i>Taxable Sales (in \$1,000's):</i>					
Tooele County.....	\$1,344,117	\$1,293,325	\$1,080,726	\$895,264	\$799,153
% change from prior year.....	3.9	19.7	20.7	12.0	4.1
State of Utah.....	93,807,560	90,105,222	74,730,706	68,910,384	64,982,524
% change from prior year.....	4.1	20.6	8.4	6.0	6.5
	Fiscal Year				
	2022	2021	2020	2019	2018
<i>Local Sales and Use Tax Distribution:</i>					
Tooele County (and all cities).....	\$16,891,264	\$14,486,246	\$12,210,108	\$10,965,051	\$10,295,945
% change from prior year.....	16.6	18.6	11.4	6.5	9.4

* Preliminary; subject to change.

(Source: Utah State Tax Commission.)

Largest Employers

The following is a list of the largest employers in the County with employment over 100 individuals.

Firm	Business	Employees
Tooele County School District (county-wide).....	Primary education	1,000-1,999
Purple Innovation.....	Manufacturing	1,000-1,999
United States Government.....	Federal government	1,000-1,999
Wal-Mart (Grantsville City).....	Transportation and warehousing	1,000-1,999
Cabela's (Tooele).....	Transportation and warehousing	250-499
Mountain West Medical Center (Tooele).....	Health care and social assistance	250-499
Tooele City.....	Local government	250-499
Tooele County.....	Local government	250-499
U.S. Magnesium LLC (Rowley).....	Manufacturing	250-499
Associated Retail Operations.....	Grocery stores	100-250
Bonneville Academy.....	Educational services	100-250
Broken Arrow Incorporated (Lake Point).....	Specialty contractors	100-250
Cargill (Grantsville).....	Manufacturing	100-250
Carlisle Construction Materials (Tooele).....	Manufacturing	100-250
Clean Harbors Aragonite, LLC (Dugway).....	Waste treatment and disposal	100-250
Confederated Tribes of the Goshute.....	Local government	100-250
Detroit Diesel Remanufacturing (Tooele).....	Manufacturing	100-250
Envirocare of Utah (Grantsville).....	Admin. support, waste mgmt., remediation	100-250
Excelsior Academy (Erda).....	Educational services	100-250
Jacobs Technology Inc. (Dugway).....	Professional, scientific & technical	100-250
McDonald's.....	Restaurants	100-250
Morton Salt (Grantsville).....	Manufacturing	100-250
Rocky Mountain Care.....	Health care	100-250
The Home Depot (Tooele City).....	Retail trade	100-250
Utah, State of.....	State government	100-250

(Source: Utah Department of Workforce Services. Updated November 2022, reflecting Major Employers of 2021.)

Rate Of Unemployment—Annual Average

Year	Tooele County	State of Utah	United States
2023 ⁽¹⁾	2.8%	2.4%	3.4%
2022.....	2.5	2.3	3.6
2021.....	2.9	2.7	5.4
2020.....	4.8	4.7	8.1
2019.....	2.9	2.6	3.8
2018.....	3.3	3.0	3.9

(1) Preliminary, subject to change. As of January 2023, seasonally adjusted.

(Source: Utah Department of Workforce Services.)

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DEBT STRUCTURE OF TOOELE COUNTY SCHOOL DISTRICT, UTAH

Outstanding General Obligation Bonded Indebtedness

Series ⁽¹⁾	Purpose	Original Principal Amount	Final Maturity Date	Current Outstanding Principal
2023 ^(a)	School building	\$37,750,000	June 1, 2043	\$37,750,000
2022.....	School building	49,085,000	June 1, 2042	49,085,000
2021 ⁽²⁾	School building	45,480,000	June 1, 2041	39,930,000
2017.....	School building	16,000,000	June 1, 2037	3,530,000
2016.....	School building	33,000,000	June 1, 2036	26,550,000
2015.....	Refunding/MBA	16,960,000	June 1, 2029	9,960,000
2014B.....	Refunding/MBA	22,545,000	June 1, 2027	13,185,000
Total direct general obligation debt.....				<u>\$179,990,000</u>

- (a) For purposes of this OFFICIAL STATEMENT, the 2023 Bonds will be considered issued and outstanding. Rated “Aaa” (State of Utah Guaranty; underlying “Aa3”) by Moody’s, as of the date of this OFFICIAL STATEMENT.
- (1) Unless otherwise indicated, bonds of the Board are rated “Aaa” (State of Utah Guaranty; underlying “Aa3”) by Moody’s and “AAA” (State of Utah Guaranty; underlying “AA-”) by S&P, as of the date of this OFFICIAL STATEMENT.
- (2) These bonds are rated “Aaa” (State of Utah Guaranty; underlying “Aa3”) by Moody’s.

Additional Information. For the Board’s general obligation debt outstanding as of Fiscal Year 2022 see “AP-PENDIX A—FINANCIAL STATEMENTS OF TOOELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2022—Notes to Basic Financial Statements—9. Long-Term Liabilities” (audit page 39).

Municipal Building Authority of Tooele County School District, Utah

The Board created the Municipal Building Authority of Tooele County School District, Utah (the “Authority”) as a nonprofit corporation in accordance with the provisions of the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code (the “Nonprofit Corporation Act”) and as provided in the Local Building Authority Act, Title 17D, Chapter 2, Utah Code.

The Authority is to be of perpetual duration as set forth in its Articles of Incorporation. The Authority at the present time has no full-time employees or other personnel other than its governing board as described below. The Authority has no property, money or other assets, except for the projects that are or have been constructed by the Authority. The principal place of business of the Authority is at the Board offices.

Corporate And Statutory Powers. The Authority has been incorporated for the purpose of acquiring, improving or extending one or more projects and financing their costs on behalf of the Board in accordance with the procedures and subject to the limitations of State law, in order to accomplish the public purposes for which the Board exists.

Organization. According to the By-Laws of the Authority, the affairs of the Authority are managed by a Board of Trustees (the “Board of Trustees”). The Board of Trustees consists of seven members of the Board, as may from time to time serve. Each Trustee serves on the Board of Trustees until death, incapacity or removal from the Board. Whenever a Trustee shall cease to be a member of the Board, the successor, upon the election and qualifying for office, thereupon becomes a Trustee of the Authority. Trustees may be removed and replaced by the Board at any time at its discretion.

Debt Issuance. The Authority’s debt does not constitute legal debt within the meaning of any constitutional provision or statutory limitation of the Board. The Authority has entered into annual leases with the Board for each school project constructed by the Authority. The leases may be terminated by the Board in any year and payments by the Board may be made only from moneys which are annually budgeted and appropriated by the Board for such purpose.

Debt issued by the Authority is being paid from rental payments received by the Authority from the Board. The Board’s rental payments are being made from the capital projects fund from property taxes and earnings on investments. As of the date of this OFFICIAL STATEMENT, the Authority has outstanding the following lease revenue bonds:

In 2010, the Authority issued \$6,000,000, Lease Revenue Bonds, Series 2010 (the “2010 MBA Bonds”), under a 2010 Indenture (the “2010 Indenture”), which bond proceeds (together with other legally available moneys) were

used for the construction and equipping of an elementary school building (the “2010 Project”). The Authority may, from time to time, issue additional bonds under the 2010 Indenture, but the Authority has not done so. The Authority has leased the 2010 Project to the Board, pursuant to a 2010 Master Lease (the “2010 Master Lease”). The Authority has granted to a trustee, for the benefit of the owners of the 2010 MBA Bonds, a security interest in all of the Authority’s right, title and interest in the 2010 Project financed with the 2010 MBA Bonds issued under the 2010 Indenture.

Series (1)	Purpose	Original Principal Amount	Final Maturity Date	Current Outstanding Principal
2010 (2) (3).....	Building /QSCB	\$6,000,000	June 1, 2027	\$6,000,000

- (1) These bonds were placed with a private investor and were not rated (no rating was applied for).
- (2) Rated “A1” by Moody’s; and “A+” by S&P, as of the date of this OFFICIAL STATEMENT.
- (3) These bonds are federally taxable, Qualified School Construction Bonds (“QSCB”) and were issued with a coupon rate of 5.625% per annum. The 2010 Lease Revenue Bonds will mature on June 1, 2027. However, the Authority is required to make an annual sinking fund deposit of \$375,000 (or less, depending on interest earnings) into a sinking fund held by Zions Bank, as escrow agent for the 2010 Lease Revenue Bonds (as of June 1, 2022, the deposit in this sinking fund is approximately \$4,125,000).

See “Debt Schedule Of Outstanding Lease Revenue Bonds Of The Municipal Building Authority of Tooele County School District, Utah By Fiscal Year” below.

Other Financial Considerations

Other than the outstanding general obligation bonds of the Board, the Board has no other outstanding debt.

Future Issuance of Debt. With the issuance of the 2023 Bonds, the Board will have approximately \$30,483,506 remaining general obligation bond authorization from the 2020 Bond Election. The Board anticipates issuing the remaining authorization within the next one-two years. The Board reserves the right to issue any bonds or other obligations as its capital needs may require.

Notes Payable. The District has entered into several capital leases to purchase vehicles. The total amount of notes payable in the capital projects fund as of Fiscal Year 2022 is \$1,479,075. See “APPENDIX A—FINANCIAL STATEMENTS OF TOOELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2022—Notes to Basic Financial Statements—9. Long-Term Liabilities” (audit page 41).

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Debt Service Schedule of Outstanding General Obligation Bonds By Fiscal Year

Fiscal Year Ending June 30	Series 2023 \$37,750,000		Series 2022 \$49,085,000		Series 2021 \$45,480,000		Series 2017 \$16,000,000		Series 2016 \$33,000,000	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,550,000	\$ 1,622,630	\$ 160,000	\$ 147,388	\$ 1,400,000	\$ 1,013,750
2023.....	0	0	3,510,000	2,095,513	1,395,000	1,349,650	170,000	139,388	1,425,000	996,250
2024.....	1,650,000	1,733,272	1,555,000	1,925,850	1,465,000	1,279,900	180,000	130,888	1,500,000	925,000
2025.....	1,195,000	1,655,600	1,630,000	1,848,100	1,540,000	1,206,650	190,000	121,888	1,575,000	850,000
2026.....	1,255,000	1,595,850	1,715,000	1,766,600	1,615,000	1,129,650	195,000	112,388	1,650,000	771,250
2027.....	1,315,000	1,533,100	1,800,000	1,680,850	1,700,000	1,048,900	205,000	102,638	1,750,000	688,750
2028.....	1,385,000	1,467,350	1,890,000	1,590,850	1,785,000	963,900	215,000	92,388	1,825,000	601,250
2029.....	1,450,000	1,398,100	1,985,000	1,496,350	1,870,000	874,650	230,000	81,638	1,875,000	546,500
2030.....	1,525,000	1,325,600	2,085,000	1,397,100	1,965,000	781,150	235,000	72,438	1,925,000	490,250
2031.....	1,600,000	1,249,350	2,185,000	1,292,850	2,065,000	682,900	245,000	63,038	2,000,000	432,500
2032.....	1,680,000	1,169,350	2,295,000	1,183,600	2,165,000	579,650	255,000	53,238	2,050,000	372,500
2033.....	1,765,000	1,085,350	2,410,000	1,068,850	2,255,000	493,050	265,000	43,038	2,125,000	290,500
2034.....	1,855,000	997,100	2,495,000	987,513	2,320,000	425,400	275,000	35,088	2,225,000	205,500
2035.....	1,945,000	904,350	2,580,000	900,188	2,390,000	355,800	280,000	26,838	2,275,000	138,750
2036.....	2,045,000	807,100	2,670,000	809,888	2,440,000	308,000	290,000	18,438	2,350,000	70,500
2037.....	2,145,000	704,850	2,765,000	713,100	2,490,000	259,200	300,000	9,375	—	—
2038.....	2,250,000	597,600	2,870,000	609,413	2,540,000	209,400	—	—	—	—
2039.....	2,345,000	507,600	2,980,000	498,200	2,590,000	158,600	—	—	—	—
2040.....	2,435,000	413,800	3,100,000	382,725	2,640,000	106,800	—	—	—	—
2041.....	2,535,000	316,400	3,220,000	262,600	2,700,000	54,000	—	—	—	—
2042.....	2,635,000	215,000	3,345,000	133,800	—	—	—	—	—	—
2043.....	2,740,000	109,600	—	—	—	—	—	—	—	—
Totals.....	<u>\$ 37,750,000</u>	<u>\$ 19,786,322</u>	<u>\$ 49,085,000</u>	<u>\$ 22,643,938</u>	<u>\$ 45,480,000</u>	<u>\$ 13,889,880</u>	<u>\$ 3,690,000</u>	<u>\$ 1,250,088</u>	<u>\$ 27,950,000</u>	<u>\$ 8,393,250</u>

Fiscal Year Ending June 30	Series 2015 \$16,960,000		Series 2014B \$22,545,000		Totals		
	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total Debt Service
2022.....	\$ 1,240,000	\$ 372,200	\$ 2,285,000	\$ 744,500	\$ 10,635,000	\$ 3,900,468	\$ 14,535,468
2023.....	1,260,000	350,500	2,390,000	630,250	10,150,000	5,561,550	15,711,550
2024.....	1,325,000	287,500	2,495,000	510,750	10,170,000	6,793,159	16,963,159
2025.....	1,385,000	221,250	2,625,000	386,000	10,140,000	6,289,488	16,429,488
2026.....	1,435,000	179,700	2,775,000	254,750	10,640,000	5,810,188	16,450,188
2027.....	1,475,000	136,650	2,900,000	116,000	11,145,000	5,306,888	16,451,888
2028.....	1,520,000	92,400	—	—	8,620,000	4,808,138	13,428,138
2029.....	1,560,000	46,800	—	—	8,970,000	4,444,038	13,414,038
2030.....	—	—	—	—	7,735,000	4,066,538	11,801,538
2031.....	—	—	—	—	8,095,000	3,720,638	11,815,638
2032.....	—	—	—	—	8,445,000	3,358,338	11,803,338
2033.....	—	—	—	—	8,820,000	2,980,788	11,800,788
2034.....	—	—	—	—	9,170,000	2,650,600	11,820,600
2035.....	—	—	—	—	9,470,000	2,325,925	11,795,925
2036.....	—	—	—	—	9,795,000	2,013,925	11,808,925
2037.....	—	—	—	—	7,700,000	1,686,525	9,386,525
2038.....	—	—	—	—	7,660,000	1,416,413	9,076,413
2039.....	—	—	—	—	7,915,000	1,164,400	9,079,400
2040.....	—	—	—	—	8,175,000	903,325	9,078,325
2041.....	—	—	—	—	8,455,000	633,000	9,088,000
2042.....	—	—	—	—	5,980,000	348,800	6,328,800
2043.....	—	—	—	—	2,740,000	109,600	2,849,600
Totals.....	<u>\$ 11,200,000</u>	<u>\$ 1,687,000</u>	<u>\$ 15,470,000</u>	<u>\$ 2,642,250</u>	<u>\$ 190,625,000</u>	<u>\$ 70,292,728</u>	<u>\$ 260,917,728</u>

(Source: the Municipal Advisor.)

Debt Service Schedule Of Outstanding Lease Revenue Bonds Of The Municipal Building Authority Of Tooele County School District, Utah By Fiscal Year

Issued under the 2010 Indenture Series 2010; \$6,000,000									
Fiscal Year Ending June 30	Principal	Interest ⁽¹⁾	Federal Interest Rate Subsidy ⁽²⁾	Remaining Debt Service Interest Pay- ment	Est. Annual Contributions to Sinking Account ⁽³⁾	Total Payment Required ⁽³⁾	Total		
							Principal	Interest ⁽⁴⁾	Debt Service
2022.....	\$ 0	\$ 337,500	\$ (316,800)	\$ 20,700	\$ 375,000	\$ 395,700	\$ 375,000	\$ 337,500	\$ 712,500
2023.....	0	337,500	(316,800)	20,700	375,000	395,700	375,000	337,500	712,500
2025.....	0	337,500	(316,800)	20,700	375,000	395,700	375,000	337,500	712,500
2024.....	0	337,500	(316,800)	20,700	375,000	395,700	375,000	337,500	712,500
2026.....	0	337,500	(316,800)	20,700	375,000	395,700	375,000	337,500	712,500
2027.....	6,000,000	337,500	(316,800)	20,700	375,000	395,700	375,000	337,500	712,500
Totals.....	<u>\$6,000,000</u>	<u>\$ 2,025,000</u>	<u>\$ (1,900,800)</u>	<u>\$ 124,200</u>	<u>\$ 2,250,000</u>	<u>\$ 2,374,200</u>	<u>\$ 2,250,000</u>	<u>\$ 2,025,000</u>	<u>\$ 4,275,000</u>

(1) Federally taxable bonds. Interest based on a coupon rate of 5.625% per annum.

(2) Assumes a portion of the interest due will be paid from the federal interest rate subsidy up to 5.28% per annum.

(3) The Authority will contribute \$375,000 on June 1, annually and approximately \$375,000 (or less, depending on interest earnings) on June 1 each year through 2027 into a sinking account, which account may earn interest up to a limit of 4.33%. Contributions of principal amounts, together with interest earnings and the reserve fund amount, should be sufficient to retire the 2010 MBA Bonds on June 1, 2027.

(4) Does not include federal interest subsidy payment on the 2010 MBA Bonds.

(Source: the Municipal Advisor.)

Overlapping And Underlying General Obligation Debt

Taxing Entity	2022 Taxable Value	Board's Portion of Taxable Value	Board's Percent-age	Entity's General Obligation Debt	Board's Portion of GO Debt
<i>Overlapping:</i>					
State of Utah	\$491,111,200,769	\$8,401,816,350	1.7	\$1,806,390,000	<u>\$30,708,630</u>
Total Overlapping.....					<u>30,708,630</u>
<i>Underlying:</i>					
Total Underlying.....					<u>0</u>
Total overlapping general obligation debt (excluding the State) (2)					\$ <u>0</u>
Total <i>direct</i> general obligation debt indebtedness.....					<u>179,990,000</u>
Total <i>direct and overlapping</i> general obligation debt (excluding the State) (2)					<u>\$179,990,000</u>

This table excludes any additional principal amounts attributable to unamortized original issue bond premium.

- (1) Preliminary and subject to change. Taxable value used in this table *excludes* the taxable value used to determine uniform fees on tangible personal property.
- (2) The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of general obligation bonds.

(Source: the Municipal Advisor.)

Debt Ratios Regarding General Obligation Debt

The following table sets forth the ratios of general obligation debt (excluding any additional principal amounts attributable to unamortized original issue bond premium) that is expected to be paid from taxes levied specifically for such debt and not from other revenues over the taxable value of property within the District, the estimated market value of such property and the population of the District. *The State's general obligation debt is not included in the debt ratios because the State currently levies no property tax for payment of general obligation debt.*

	To 2022 Taxable Value ⁽¹⁾	To 2022 Market Value ⁽²⁾	To 2021 Population Estimate Per Capita ⁽³⁾
<i>Direct</i> general obligation debt.....	2.14%	1.40%	\$2,349
<i>Direct and overlapping</i> general obligation debt.....	2.14	1.40	2,349

- (1) Based on 2022 Taxable Value of \$8,401,816,350, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.
- (2) Based on 2022 Market Value of \$12,830,583,306, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.
- (3) Based on the 2021 U.S. Census Bureau population estimate of 76,640.

(Source: the Municipal Advisor.)

Additional Information. For a 10-year history of the ratio of annual debt service to total General Fund expenditures see "FINANCIAL STATEMENTS OF TOOELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2022—Other Information—Ratio of Annual Debt Service to Total General Fund Expenditures" (audit page 65).

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General Obligation Legal Debt Limit And Additional Debt Incurring Capacity

The general obligation indebtedness of the Board is limited by State law to 4% of the fair market value of taxable property in the District (*based on the last equalized property tax assessment roll*). The legal debt limit and additional debt incurring capacity of the Board (after the issuance of the 2023 Bonds) are based on the fair market value for 2022 and the calculated valuation value from 2022 Uniform Fees, and are calculated as follows:

2022 "Fair Market Value".....	\$12,830,583,306
2022 valuation from Uniform Fees.....	<u>228,873,456</u>
2022 "Fair Market Value for Debt Incurring Capacity" ⁽¹⁾	<u>\$13,059,456,762</u>
"Fair Market Value for Debt Incurring Capacity" times 4% (the "Debt Limit").....	\$522,378,805
Less: current outstanding general obligation debt ⁽²⁾	<u>(197,188,805)</u>
Estimated additional debt incurring capacity.....	<u>\$325,189,465</u>

- (1) For debt incurring capacity only, in computing the fair market value of taxable property in the District, the value of all motor vehicles and state-assessed commercial vehicles (which value is determined by dividing the uniform fee revenue by 1.5%) will be included as a part of the fair market value of the taxable property in the District. Does not include valuation regarding Semiconductor Manufacturing Equipment ("SCME").
- (2) For legal debt limit purposes, the outstanding general obligation debt as shown above is increased by the premium associated with debt issued that is reported in the long-term debt footnotes of the Board's financial statements. The total unamortized bond premium was \$14,031,698 (as of June 30, 2022), plus the unamortized bond premium from the 2023 Bonds of \$3,167,107, totaling \$17,198,805, and together with current outstanding direct debt of \$179,990,000, results in total outstanding direct debt (net) of \$197,188,805.

(Source: the Municipal Advisor.)

Additional Information. For Fiscal Year 2022 (Tax Year 2021) computation of the Board's general obligation legal debt limit and debt capacity see "FINANCIAL STATEMENTS OF TOOELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2022—Other Information—Computation of Legal Debt Limit Margin For the Year Ended June 30, 2022" (audit page 64).

No Defaulted Obligations

The Board has never failed to pay principal of and interest on its financial obligations when due.

FINANCIAL INFORMATION REGARDING TOOELE COUNTY SCHOOL DISTRICT, UTAH

Fund Structure; Accounting Basis

The accounting policies of the District conform to all generally accepted accounting principles for governmental units in general and the State's school districts.

The accounts of the District are organized based on funds or groups of accounts, each of which is a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balances, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and how spending activities are controlled. The various funds are grouped by type in the combined financial statements. See "APPENDIX A—FINANCIAL STATEMENTS OF TOOELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2022—Notes to Basic Financial Statements—Note 1. Summary of Significant Accounting Policies" (audit page 19).

Budgets And Budgetary Accounting

The District operates within the budget requirements for school districts as specified by State law and as interpreted by the State Superintendent of Public Instruction. The superintendent of each school district is the budget officer of each respective district.

For the fiscal year beginning July 1, the Business Administrator under the supervision of the Superintendent prepares a tentative budget for all funds which is presented to the Board by the Superintendent on or before June 1. State law requires budgets for all governmental fund types and the Board has adopted budgets for those funds.

After a public hearing has been held, the Board, by resolution, legally adopts the final budget prior to June 22. If the tax rate in the proposed budget exceeds the “certified tax rate,” the Board shall, if required by State law, comply with the notice and hearing requirements contained in the Property Tax Act, Chapter 2, Title 59, Utah Code (the “Property Tax Act”) in adopting the budget. See in this section “Ad Valorem Tax Levy And Collection” and “Public Hearing On Certain Tax Increases” below.

Once adopted, the budget can be amended by subsequent Board action. Reductions in appropriations can be approved by the Board upon recommendation of the Superintendent; however, increased appropriations require a public hearing prior to amending the budget. Adjustments in estimated revenue and revisions of appropriations due to operational changes in categorical program funding are integrated into the amended budget approved by the Board. A final amended budget is legally approved by the Board prior to the end of the fiscal year. The total budgeted expenditures of a given fund may not exceed the revenues expected to be received for the fiscal year plus the fund balance. Control of the budget is exercised at the fund level. All governmental funds are prepared using the modified accrual basis of accounting, adjusted for encumbrances. Unencumbered appropriations lapse at year end.

Undistributed Reserve in School Board Budget. A local school board may adopt a budget with an undistributed reserve. The reserve may not exceed 5% of the maintenance and operation budget adopted by each local board in accordance with a scale developed by the State Board of Education. The scale is based on the size of the school district’s budget. Each local board may appropriate all or a part of the undistributed reserve made to any expenditure classification in the maintenance and operation budget by written resolution adopted by majority vote of such board setting forth the reasons for the appropriation. The board may not use undistributed reserves in the negotiation or settlement of contract salaries for school district employees.

Limits on Appropriations–Estimated Expendable Revenue. A local school board may not make any appropriation more than its estimated expendable revenue, including undistributed reserves, for the following fiscal year. In determining the estimated expendable revenue, any existing deficits arising through excessive expenditures from former years are deducted from the estimated revenue for the ensuing year to the extent of at least 10% of the entire tax revenue of the school district for the previous year. In the event of financial hardships, a local board may deduct from the estimated expendable revenue for the ensuing year, by fund, at least 25% of the deficit amount. All estimated balances available for appropriations at the end of the fiscal year shall revert to the funds from which they were appropriated and shall be fund balances available for appropriation in the budget of the following year. A local school board may reduce a budget appropriation at its regular meeting if notice of the proposed action is given to all board members and the district superintendent at least one week prior to the meeting.

An increase in an appropriation may not be made by a local school board unless the following steps are taken: (a) the local school board receives a written request from the district superintendent that sets forth the reasons for the proposed increase; (b) notice of the request is published in a newspaper of general circulation within the school district at least one week prior to a local school board meeting at which the request will be considered; and (c) the local school board holds a public hearing on the request prior to the board’s acting on the request.

School District Interfund Transfers. The State Board of Education may authorize school district interfund transfers for financially distressed districts if the State Board of Education determines the following: (a) the school district has a significant deficit in its maintenance and operations fund which has resulted from circumstances not subject to the administrative decisions of the school district and which cannot be reasonably reduced under Section 53G–7–305 of the Utah Code; and (b) without the transfer, the school district will not be capable of meeting statewide educational standards adopted by the State Board of Education.

Adoption of Ad Valorem Tax Levy. The governing body of each taxing entity shall, before June 22 of each year, adopt a proposed or, if the tax rate is not more than the certified tax rate, a final tax rate for the taxing entity. The governing body shall report the rate and levy, and any other information prescribed by rules of the county commission for the preparation, review, and certification of the rate, to the county auditor of the county in which the taxing entity is located.

Additional Information. See “APPENDIX A—FINANCIAL STATEMENTS OF TOOELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2022—Notes to Basic Financial Statements—1. Summary of Significant Accounting Policies—Budgets and Budgetary Accounting” (audit page 19).

Management’s Discussion And Analysis

The administration of the District prepared a narrative discussion, overview, and analysis of the financial activities of the District for Fiscal Year 2022. For the complete discussion see “APPENDIX A—FINANCIAL STATEMENTS OF TOOELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2022—Management’s Discussion and Analysis” (audit page 4).

The Management’s Discussion and Analysis for Fiscal Year 2023 is not available. Under State law the Board must complete its annual financial report for Fiscal Year 2023 By November 30, 2023.

Financial Summaries

The summaries contained herein were extracted from the District’s basic financial statements. The summaries have not been audited. See “APPENDIX A—FINANCIAL STATEMENTS OF TOOELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2022.”

Statement of Net Position—Governmental Activities

(This summary has not been audited)

	As of June 30				
	2022	2021	2020	2019	2018
Assets and deferred outflows of resources					
<i>Assets</i>					
Cash and investments	\$ 171,749,651	\$ 133,357,715	\$ 70,590,820	\$ 63,589,187	\$ 59,567,971
Receivables					
Property taxes	60,239,786	55,614,465	49,979,849	45,233,505	43,516,114
Other local	59,617	7,051	202,131	26,321	20,849
State	1,945,038	1,060,403	856,801	1,386,094	413,326
Federal	9,338,040	6,020,812	1,902,807	2,098,368	2,248,338
Investments restricted for debt service	4,879,132	4,486,552	4,096,860	4,023,578	3,635,685
Inventories, deposits and prepaids	1,381,124	1,654,844	1,707,249	298,029	271,120
Net pension assets	13,280,141	—	—	—	—
Capital assets					
Land, water shares and construction in progress	63,178,862	20,140,242	18,327,559	15,619,989	10,636,138
Other capital assets, net of accumulated depreciation	201,289,395	207,185,804	205,988,028	207,338,234	209,529,721
Note receivable	—	—	216,984	224,300	231,371
Total assets	527,340,786	429,527,888	353,869,088	339,837,605	330,070,633
Deferred outflows of resources					
Deferred charge on refunding	2,335,574	2,736,530	3,312,460	4,046,260	4,780,060
Related to pensions	23,500,439	14,829,487	12,634,564	24,015,428	21,045,671
Related to OPEB	565,446	630,845	653,686	—	—
Total deferred outflows of resources	26,401,459	18,196,862	16,600,710	28,061,688	25,825,731
Total assets and deferred inflows of resources	\$553,742,245	\$447,724,750	\$370,469,798	\$367,899,293	\$355,896,364

Statement of Net Position—Governmental Activities—continued

(This summary has not been audited)

	As of June 30				
	2022	2021	2020	2019	2018
Liabilities, deferred inflows of resources and net position					
<i>Liabilities</i>					
Accounts payable	\$ 11,615,652	\$ 3,524,672	\$ 1,868,913	\$ 1,813,001	\$ 392,483
Accrued interest	492,074	353,541	260,416	300,505	334,092
Accrued salaries and benefits	16,615,366	15,017,279	14,184,470	13,259,327	10,961,506
Unearned revenue					
Local	50,749	69,783	57,487	29,305	25,932
State of Utah	1,223,428	1,533,632	1,212,422	601,788	586,336
Federal	115,996	—	—	—	5,502
Noncurrent liabilities					
Due or payable within one year	12,715,961	12,957,977	12,977,080	12,417,315	11,764,125
Due or payable after one year	162,235,891	148,417,690	125,326,972	155,923,789	145,233,945
Total liabilities	205,065,117	181,874,574	155,887,760	184,345,030	169,303,921
Deferred inflows of resources					
Property taxes levied for future year	55,745,861	50,479,070	46,572,738	42,315,519	40,682,037
Related to pensions	52,788,261	24,618,435	12,749,965	1,391,058	18,373,114
Related to OPEB	2,268,509	798,553	881,821	—	—
Total deferred inflows of resources	110,802,631	75,896,058	60,204,524	43,706,577	59,055,151
Net position					
Net invested in capital assets	172,368,764	154,964,427	144,624,224	136,702,796	131,528,471
Restricted for					
Debt service	8,336,951	6,739,955	5,672,544	4,605,490	4,126,579
Capital projects	47,882,023	42,892,112	34,408,123	25,469,200	20,086,541
Food services	4,837,046	2,649,795	1,046,232	139,660	517,309
Unrestricted	4,449,713	(17,292,171)	(31,373,609)	(27,069,460)	(28,721,608)
Total net position	237,874,497	189,954,118	154,377,514	139,847,686	127,537,292
Total liabilities, deferred inflows of resources and net position	\$553,742,245	\$447,724,750	\$370,469,798	\$367,899,293	\$355,896,364

(Source: Information taken from the District's basic financial statements compiled by the Municipal Advisor.)

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Statement of Activities ⁽¹⁾

Total Government Activities

(This summary has not been audited)

Net (Expense) Revenue and Changes in Net Position					
Fiscal Year Ended June 30					
	2022	2021	2020	2019	2018
Governmental activities					
Instruction	\$(79,788,895)	\$(76,992,885)	\$(72,580,007)	\$(72,651,408)	\$(59,154,091)
Supporting services					
Students	(5,503,945)	(5,313,681)	(4,342,290)	(4,487,259)	(3,021,973)
Instructional staff	(5,636,985)	(3,452,260)	(4,455,665)	(4,513,186)	(2,802,365)
District administration	(703,265)	(1,256,931)	(1,015,655)	(1,018,789)	(1,098,254)
School administration	(8,079,064)	(8,341,271)	(8,454,425)	(7,602,565)	(5,880,006)
Central	(1,079,545)	(2,332,957)	(2,225,018)	(1,825,138)	(1,414,697)
Operation and maintenance of facilities	(6,775,088)	(17,685,916)	(14,467,474)	(12,157,923)	(11,572,778)
Student transportation	(3,411,966)	(1,829,558)	(1,373,523)	(2,243,322)	(1,686,301)
Contributions to other governments	(3,158,003)	(2,898,485)	(2,656,418)	—	—
Food services	2,372,885	1,594,080	772,451	(502,555)	219,942
Interest on long-term liabilities	(3,730,971)	(3,126,740)	(3,319,107)	(3,715,873)	(4,034,858)
Total school district	(115,494,842)	(121,636,604)	(114,117,131)	(110,718,018)	(90,445,381)
General revenues					
Property taxes levied for					
Basic	10,346,386	9,141,689	8,568,536	7,783,189	6,633,485
Voted local	9,966,417	8,984,461	8,253,858	3,013,007	2,376,174
Board local	12,420,647	12,471,555	9,687,966	12,096,703	9,900,725
Debt service	15,883,976	14,201,064	14,444,252	14,643,117	13,334,296
Capital local	8,421,622	8,080,400	7,758,627	7,286,812	5,746,381
Pass-through taxes	3,158,003	2,898,485	2,656,418	2,530,754	2,289,576
Federal and state aid not restricted to specific purposes	96,904,831	96,248,339	71,419,123	68,421,205	55,994,043
Earnings on investments	440,472	611,421	1,475,019	2,010,358	1,007,067
Miscellaneous	5,872,867	4,575,824	4,383,160	5,243,267	5,308,903
Total general revenues	163,415,221	157,213,238	128,646,959	123,028,412	102,590,650
Change in net position	47,920,379	35,576,634	14,529,828	12,310,394	12,145,269
Net position—beginning, as restated	189,954,118	154,377,514	139,847,686	127,537,292	115,392,022
Net position—ending	\$237,874,497	\$189,954,148	\$154,377,514	\$139,847,686	\$127,537,291

(1) This report is presented in summary format concerning the single item of “Net (Expense) Revenue and Changes in Net Assets” and is not intended to be complete.

(Source: Information taken from the District’s basic financial statements compiled by the Municipal Advisor.)

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Balance Sheet—Governmental Funds

Major Funds—General Fund

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2022	2021	2020	2019	2018
Assets					
Cash and investments	\$33,827,831	\$32,244,817	\$29,194,065	\$28,119,705	\$22,870,418
Receivables					
Property taxes	33,697,129	30,245,214	27,263,949	23,297,545	21,375,176
Other local	48,715	461	191,581	4,328	4,467
State	1,736,473	856,914	526,070	1,015,034	113,776
Federal	9,256,873	5,740,990	1,330,321	2,001,757	2,155,182
Inventories, deposits and prepaids	1,293,992	1,499,738	1,322,901	131,689	144,550
Due from other funds	52,823	46,910	28,284	—	23,377
Total assets	79,913,836	70,635,044	59,857,171	54,570,058	46,686,946
Liabilities, deferred inflows of resources, net position					
Liabilities					
Accounts payable	\$1,330,076	\$874,741	\$358,983	\$374,378	\$132,531
Accrued salaries and benefits	16,104,141	14,566,066	13,695,775	12,795,628	10,547,190
Unearned revenue:					
Local	47,353	57,604	19,575	6,897	4,826
State	1,223,428	1,533,632	1,212,422	601,788	586,336
Federal	115,996	—	—	—	5,502
Total liabilities	18,820,994	17,032,043	15,286,755	13,778,691	11,276,385
Deferred inflows of resources					
Unavailable property tax revenue	1,823,775	2,390,463	1,462,131	1,315,755	1,165,096
Property taxes levied for future year	31,166,430	27,428,876	25,406,257	21,792,076	19,972,097
Total deferred inflows of resources	32,990,205	29,819,339	26,868,388	23,107,831	21,137,193
Fund balances					
Nonspendable					
Inventories, deposits and prepaids	1,293,992	1,499,738	1,322,901	131,689	144,550
Committed to					
Economic stabilization	8,800,000	8,000,000	6,000,000	6,000,000	4,250,000
Employee benefit obligations	5,500,000	5,500,000	5,500,000	5,500,000	3,689,497
Unassigned	12,508,645	8,783,924	4,879,127	6,051,847	6,189,321
Total fund balances	28,102,637	23,783,662	17,702,028	17,683,536	14,273,368
Total liabilities, deferred inflows of resources and fund balances	\$79,913,836	\$70,635,044	\$59,857,171	\$54,570,058	\$46,686,946

(Source: Information taken from the District's basic financial statements compiled by the Municipal Advisor.)

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Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds—Major Funds—General Fund

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2022	2021	2020	2019	2018
Revenues					
Local					
Property taxes	\$33,382,513	\$29,599,858	\$26,367,483	\$23,322,794	\$19,186,268
Earnings on investments	(69,149)	368,294	700,117	732,976	(53,544)
Other local	1,350,383	1,304,366	1,294,086	1,098,569	1,371,144
State sources	141,170,234	129,797,349	101,828,409	94,368,132	80,727,157
Federal sources	10,923,462	11,044,601	5,155,735	5,779,432	5,114,359
Total revenues	186,757,443	172,114,468	135,345,830	125,301,903	106,345,384
Expenditures					
Current					
Instruction	116,723,319	107,760,434	84,327,064	80,724,930	69,983,638
Supporting services					
Students	9,636,020	8,596,782	7,736,833	6,256,802	4,643,229
Instructional staff	11,680,303	10,590,335	8,644,773	7,025,300	5,238,383
General administration	1,214,992	1,004,328	954,404	959,735	913,551
School administration	9,930,116	9,482,540	8,408,063	7,799,945	6,648,820
Central	2,580,871	2,427,916	2,156,905	1,796,924	1,437,461
Operation and maintenance of facilities	18,706,623	20,493,592	15,226,096	12,834,501	12,629,736
Student transportation	4,822,888	5,057,542	3,917,034	4,150,100	4,035,254
Non instructional	4,549	2,140	5,685	6,147	7,923
Food services	7,500	106,359	—	—	—
Capital outlay	—	—	3,607,549	—	—
Total expenditures	175,307,181	165,521,968	134,984,406	121,554,384	105,537,995
Excess (deficiency) revenues over expenditures	11,450,262	6,592,500	361,424	3,747,519	807,389
Other financing sources (uses)					
Interfund transfers (out)	(7,131,287)	(510,866)	(349,325)	(337,351)	(409,935)
Insurance recoveries	—	—	6,393	—	—
Total other financing sources (uses)	(7,131,287)	(510,866)	(342,932)	(337,351)	(409,935)
Net change in fund balance	4,318,975	6,081,634	18,492	3,410,168	397,454
Fund balances at beginning of year	23,783,662	17,702,028	17,683,536	14,273,368	13,875,914
Fund balances at end of year	\$28,102,637	\$23,783,662	\$17,702,028	\$17,683,536	\$14,273,368

(Source: Information taken from the District's basic financial statements compiled by the Municipal Advisor.)

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Ad Valorem Tax Levy And Collection

The Utah State Tax Commission (the “State Tax Commission”) must assess all centrally–assessed property (as defined under “Property Tax Matters” below) by May 1 of each year. County assessors must assess all locally–assessed property (as defined under “Property Tax Matters” below) before May 22 of each year. The State Tax Commission apportions the value of centrally–assessed property to the various taxing entities within each county and reports such values to county auditors before June 8. The governing body of each taxing entity must adopt a proposed tax rate or, if the tax rate is not more than the certified tax rate, a final tax rate before June 22; provided if the governing body has not received the taxing entity’s certified tax rate at least seven days prior to June 22, the governing body of the taxing entity must, no later than 14 days after receiving the certified tax rate from the county auditor, adopt a proposed tax rate or, if the tax rate is not more than the certified tax rate, a final tax rate. County auditors must forward to the State Tax Commission a statement prepared by the legislative body of each taxing entity showing the amount and purpose of each levy. Upon determination by the State Tax Commission that the tax levies comply with applicable law and do not exceed maximum permitted rates, the State Tax Commission notifies county auditors to implement the levies. If the State Tax Commission determines that a tax levy established by a taxing entity exceeds the maximum levy permitted by law, the State Tax Commission must lower the levy to the maximum levy permitted by law, notify the taxing entity that the rate has been lowered and notify the county auditor (of the county in which the taxing entity is located) to implement the rate established by the State Tax Commission.

On or before July 22 of each year, the county auditors must mail to all owners of real estate shown on their assessment rolls notice of, among other things, the value of the property, itemized tax information for all taxing entities and the date their respective county boards of equalization will meet to hear complaints. Taxpayers owning property assessed by a county assessor may file an application within statutorily defined time limits based on the nature of the contest with the appropriate county board of equalization for contesting the assessed valuation of their property. The county board of equalization must render a decision on each appeal in the time frame prescribed by the Property Tax Act. Under certain circumstances, the county board of equalization must hold a hearing regarding the application, at which the taxpayer has the burden of proving that the property sustained a decrease in fair market value. Decisions of the county board of equalization may be appealed to the State Tax Commission, which must decide all appeals relating to real property by March 1 of the following year. Owners of centrally–assessed property or any county showing reasonable cause, may, on or before the later of August 1 or a day within 90 days of the date the notice of assessment is mailed by the State Tax Commission, apply to the State Tax Commission for a hearing to contest the assessment of centrally–assessed property. The State Tax Commission must render a written decision within 120 days after the hearing is completed and all post–hearing briefs are submitted. The county auditor makes a record of all changes, corrections and orders, and delivers before November 1 the corrected assessment rolls to the county treasurers. On or before November 1, each county treasurer furnishes each taxpayer a notice containing, among other things, the kind and value of the property assessed to the taxpayer, the street address of the property, where applicable, the amount of the tax levied on the property and the year the property is subject to a detailed review.

Without an extension by a county legislative body, taxes are due November 30 (and if a Saturday, Sunday or holiday, the next business day). Each county treasurer is responsible for collecting all taxes levied on real property within that county. There are no prior claims to such taxes. As taxes are collected, each county treasurer must pay to the State and each taxing entity within the county its proportionate share of the taxes, on or before the tenth day of each month. Delinquent taxes are subject to a penalty of 2.5% of the amount of the taxes or \$10 whichever is greater (delinquent taxes paid on or before January 31 immediately following the delinquency date the penalty is 1% of the amount of the delinquent tax or \$10 whichever is greater). Unless the delinquent taxes and penalty are paid before January 31 of the following year, the amount of delinquent taxes and penalty bears interest at the federal funds rate target established by the Federal Open Market Committee plus 6% from the January 1 following the delinquency date until paid (said interest may not be less than 7% nor more than 10%). If delinquent taxes have not been paid by March 15 following the lapse of four years from the delinquency date, the affected county advertises and sells the property at a final tax sale held in May or June of the fifth year after assessment.

The process described above changes if a county or other taxing entity proposes a tax rate in excess of the certified tax rate (as described under “Public Hearing On Certain Tax Increases” below). If such an increase is proposed, the taxing entity must adopt a proposed tax rate before June 22. In addition, the county auditor must include certain information in the notices to be mailed by July 22, as described above, including information concerning the tax impact of the proposed increase on the property and the time and place of the public hearing described in “Public Hearing On Certain Tax Increases” below. In most cases, notice of the public hearing must also be advertised by publication. After the public hearing is held, the taxing entity may adopt a resolution levying a tax more than the

certified tax rate. A resolution levying a tax more than the certified tax rate must be forwarded to the county auditor by August 17. The final tax notice is then mailed by November 1.

Public Hearing On Certain Tax Increases

Each taxing entity that proposes to levy a tax rate that exceeds the “certified tax rate” may do so (by resolution) only after holding a properly noticed public hearing. Generally, the certified tax rate is the rate necessary to generate the same property tax revenue that the taxing entity budgeted for the prior year, with certain exclusions. For purposes of calculating the certified tax rate, county auditors are to use the taxable value of property on the assessment rolls, exclusive of eligible new growth. With certain exceptions, the certified tax rate for the minimum school levy, debt service voted on by the public and certain state and county assessing and collecting levies are the actual levies imposed for such purposes and no hearing is required for these levies.

Among other requirements, on or before July 22 of the year in which such an increase is proposed, the county auditor must mail to all property owners a notice of the public hearing. In most cases, the taxing entity must advertise the notice of public hearing by publication in a newspaper. Such notices must state, among other things, the value of the property, the time and place of the public hearing, and the tax impact of the proposed increase.

Property Tax Matters

The Property Tax Act provides that all taxable property is required to be assessed and taxed at a uniform and equal rate based on its “fair market value” as of January 1 of each year, unless otherwise provided by law. “Fair market value” is defined in the Property Tax Act as “the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.” Pursuant to an exemption for residential property provided for under the Property Tax Act and Article XIII of the State Constitution, the “fair market value” of residential property is reduced by 45%. The residential exemption is limited to one acre of land per residential unit and to one primary residence per household, except that an owner of multiple residential properties may exempt his or her primary residence and each residential property that is the primary residence of a tenant.

The Property Tax Act provides that the State Tax Commission shall assess certain types of property (“centrally-assessed property”), including (i) properties that operate as a unit across county lines that must be apportioned among more than one county or state, (ii) public utility (including railroad) properties, (iii) airline operating properties, (iv) geothermal resources and (v) mines, mining claims and appurtenant machinery, facilities and improvements. All other taxable property (“locally-assessed property”) is required to be assessed by the county assessor of the county in which such locally-assessed property is located. Each county assessor must update property values annually based upon a systematic review of current market data by using a State mandated mass appraisal system and must also complete a detailed review of property characteristics for each parcel of property at least once every five years. The Property Tax Act requires that the State Tax Commission conduct an annual investigation in each county to determine whether all property subject to taxation is on the assessment rolls and whether the property is being assessed at its “fair market value.”

The State Tax Commission and the county assessors utilize various valuation methods, as determined by statute, administrative regulation or accepted practice, to determine the “fair market value” of taxable property.

Uniform Fees. An annual statewide uniform fee is levied on certain tangible personal property in lieu of the ad valorem tax. Subject to certain exemptions, the current uniform fee on motor vehicles that weigh 12,001 pounds or more and certain watercraft is equal up to 1.5% of the market value. Motor vehicles weighing 12,000 pounds or less are subject to an “age based” fee that is due each time the vehicle is registered. Such fees range from \$5 to \$150. Various uniform fees are also levied against other types of tangible personal property required to be registered with the State, including recreational vehicles, in lieu of the ad valorem property tax. The revenues collected from the various uniform fees are distributed by the county of each taxing entity in which the property is located, in the same proportion in which revenue collected from ad valorem real property tax is distributed.

Historical Tax Rates Of The District

	Maximum Tax Rate (1)	Tax Rate (Fiscal Year)				
		2022-23	2021-22	2020-21	2019-20	2018-19
General Fund						
Board local levy (2)	.002500 (9)	0.001302	0.001994	0.002221	0.001878	0.002000
Basic school levy (3)	formula	0.001652	0.001661	0.001628	0.001661	0.001666
Voted local levy (4)	0.001600	0.001600	0.001600	0.001600	0.001600	0.001600
Totals		0.004554	0.005255	0.005449	0.005139	0.005266
Debt service (general obligation bonds):						
Debt service (5)	none	0.002016	0.002550	0.002530	0.002800	0.003014
Capital outlay:						
Capital local levy (6)	0.003000	0.001083	0.001353	0.001439	0.001504	0.001798
Charter school levy (7)	(9)	0.000084	0.000138	0.000147	0.000122	0.000121
Judgment recovery levy (8)	none	0.000000	0.000000	0.000000	0.000000	0.000000
Total		0.007737	0.009296	0.009565	0.009565	0.010199

- (1) Maximum tax rate where applicable under current State law.
- (2) Under certain circumstances authorized by the Utah State Tax Commission the tax rate may exceed the legal maximum tax rate limit.
- (3) Set by law for the District's portion of the State Minimum School Program.
- (4) General maintenance and operation revenue. *In November 1998 and 2017, District residents approved voted leeway programs which in total cannot exceed a .001600 tax rate.* In certain economic conditions, the State Tax Commission will allow this tax rate to exceed the approved tax rate.
- (5) This maximum limitation is not applicable to levies made to provide for payment of the principal of and interest on general obligation bonds authorized by vote of school district electors.
- (6) Construction remodeling projects and purchase of school sites/equipment, etc.
- (7) Charter school levy revenues to be directed to State Charter School program.
- (8) A "judgment levy" is levied for collecting additional revenues. The Board has the legal right to levy a "Judgment Levy" in the succeeding Tax Year to make up for any tax revenue shortfall due to tax or revaluation "judgment" circumstances that the Board had no control over.
- (9) The Board local leeway and the Charter school levy are both included in calculating the maximum tax rate for the Board local leeway of .002500.

(Source: Reports from the Utah State Tax Commission. Compiled by the Municipal Advisor.)

See "STATE OF UTAH SCHOOL FINANCE" below.

Additional Information. For the District's presentation of a 10-year history of property tax rates see "FINANCIAL STATEMENTS OF TOOELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2021—Other Information—Property Tax Rates (Per \$1) by Fund" (audit page 61).

Comparative Ad Valorem Total Property Tax Rates Within Tooele County

Tax Levying Entity ⁽¹⁾	Total Tax Rate Within Taxing Area (Calendar Year)				
	2022	2021	2020	2019	2018
Tooele County School District:					
Grantsville City.....	0.010867	0.015224	0.013760	0.014086	0.014951
Rush Valley Town.....	0.009935	0.011815	0.012384	0.012531	0.013240
Stockton Town.....	0.012374	0.014858	0.016143	0.015227	0.016403
Tooele City.....	0.012102	0.014557	0.014566	0.014807	0.015956
Vernon Town.....	0.009735	0.011651	0.012171	0.012323	0.013193
Wendover, City of.....	0.012668	0.014485	0.014903	0.014944	0.015779
Unincorporated areas ⁽²⁾	0.012461	0.015087	0.015687	0.015950	0.016649

- (1) These tax rates represent a taxing district within the city or town with the highest combined total tax rates of all overlapping taxing districts.
- (2) These tax rates represent a taxing district within the unincorporated municipalities within the County with the highest combined total tax rates of all overlapping taxing districts.

(Source: Reports from the Utah State Tax Commission. Compiled by the Municipal Advisor.)

Taxable, Fair Market And Market Value Of Property Within The District

Calendar Year	Taxable Value (1)	% Change Over Prior Year	Fair Market/Market Value (2)	% Change Over Prior Year
2022.....	\$8,401,816,350	36.8	\$12,830,583,306	40.4
2021.....	6,142,972,512	11.0	9,135,880,687	12.3
2020.....	5,534,032,497	10.9	8,136,661,460	11.3
2019.....	4,988,995,981	11.6	7,310,251,502	13.4
2018.....	4,471,175,475	5.0	6,448,643,594	7.3

- (1) Taxable valuation includes redevelopment agency valuation but excludes semi-conductor manufacturing equipment ("SCME"). The estimated redevelopment agency valuation for Calendar Year 2022 was approximately \$400.8 million; for Calendar Year 2021 was approximately \$231.2 million; for Calendar Year 2020 was approximately \$225.9 million; for Calendar Year 2019 was approximately \$199.9 million; and for Calendar Year 2018 was approximately \$214.4 million.
- (2) Estimated fair market values were calculated by dividing the taxable value of primary residential property by 55%, which eliminates the 45% exemption on primary residential property granted under the Property Tax Act. Does not include market valuation for SCME.

(Source: Information taken from reports of the State Tax Commission. Compiled by the Municipal Advisor.)

Historical Summaries Of Taxable Value Of Property Within The District

	Calendar Year					
	2022	% of TV	2021	2020	2019	2018
Taxable Value	Taxable Value		Taxable Value	Taxable Value	Taxable Value	Taxable Value
Set by State Tax Commission (centrally assessed)						
Total centrally assessed	\$950,681,613	11.3	\$927,411,658	\$912,425,956	\$801,782,728	\$777,298,636
Set by County Assessor (locally assessed)						
Real property (land & bldgs.)						
Primary residential	5,406,117,637	64.3	3,651,563,280	3,174,886,010	2,831,361,697	2,831,361,697
Secondary residential	254,793,331	3.0	160,965,624	136,194,493	104,060,528	104,060,528
Commercial and industrial	1,162,205,405	13.8	912,750,814	897,386,855	874,293,560	874,293,560
FAA (greenbelt)	5,321,691	0.1	5,300,463	5,534,411	5,310,127	5,310,127
Unimproved non-FAA (vacant)	228,526,464	2.7	161,635,520	107,327,131	101,596,791	101,596,791
Agricultural	28,346,211	0.3	27,851,306	28,223,035	26,864,907	26,864,907
Total real property	7,085,310,739	84.3	4,920,067,007	4,349,551,935	3,943,487,610	3,943,487,610
Personal property						
Primary mobile homes	6,819,754	0.1	6,435,601	6,104,945	5,728,384	5,728,384
Secondary mobile homes	193,299	0.0	0	193,299	83,486	83,486
Other business	358,810,945	4.3	289,058,246	265,756,362	237,913,773	237,913,773
Total personal property	365,823,998	4.4	295,493,847	272,054,606	243,725,643	243,725,643
Total locally assessed	\$7,451,134,737	88.7	\$5,215,560,854	\$4,621,606,541	\$4,187,213,253	\$4,187,213,253
Total taxable value	\$8,401,816,350	100.0	\$6,142,972,512	\$5,534,032,497	\$4,988,995,981	\$4,964,511,889

(Source: Information taken from reports of the State Tax Commission. Compiled by the Municipal Advisor.)

Tax Collection Record

Ad valorem property taxes are due on November 30 of each year.

Tax Year End 12/31	Total Taxes Levied ⁽¹⁾	Treasurer's Relief ⁽²⁾	Net Taxes Assessed	Current Collections	Delinquent. Personal Property and Miscellaneous Collections ⁽³⁾	Total Collections ⁽⁴⁾	% of Current Collections to Net Taxes Assessed	% of Total Collections to Net Taxes Assessed
2022*	\$65,591,431	\$1,372,908	\$64,218,523	\$60,119,422	\$7,387,348	\$67,506,770	93.6	105.1
2021	57,184,560	1,201,473	55,983,087	50,116,581	3,969,447	54,086,028	89.5	96.6
2020	52,933,487	1,070,002	51,863,485	47,456,554	3,333,073	50,789,627	91.5	97.9
2019	47,874,269	921,783	46,952,486	44,672,690	3,548,978	48,221,668	95.1	102.7
2018	45,361,641	808,280	44,553,361	41,644,622	2,891,890	44,536,512	93.5	100.0

* Preliminary; subject to change.

(1) Excludes redevelopment agencies valuation.

(2) Treasurer's Relief includes abatements established by statute to low-income, elderly and for hardship situations. These Treasurer's Relief items are levied against the property but are never collected and paid to the entity.

(3) Delinquent Collections include interest; sales of real and personal property; and miscellaneous delinquent collections.

(4) In addition to the Total Collections indicated above, the District also collected Uniform Fees (fees-in-lieu payments) for Tax Year 2022 of \$3,433,102; * for Tax Year 2021 of \$3,437,002; for Tax Year 2020 of \$3,015,437; for Tax Year 2019 of \$2,964,374; and for Tax Year 2018 of \$2,851,612 from tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State.

(Source: Information taken from the Utah State Tax Commission reports, compiled by the Municipal Advisor.)

Additional Information. For the District's presentation of a 10-year history of (i) property tax levies and collections see "FINANCIAL STATEMENTS OF TOOELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2022—Other Information—Property Tax Levies and Collections" (audit page 62) and (ii) property tax revenues by fund see "—Other Information—Property Tax Revenues by Fund" (audit page 60).

Some Of The Largest Taxpayers

The information presented below is for the District's Calendar Year 2022.

Taxpayer	Type of a Business	2022 Taxable Value ⁽¹⁾	% of District's 2022 Taxable Value
Union Pacific Railroad.....	Transportation	\$185,789,422	2.2
PacifiCorp.....	Electric utility	179,460,362	2.1
US Magnesium LLC.....	Mineral mining	162,761,592	1.9
Intrepid Potash—Wendover LLC.....	Mineral mining	81,292,652	1.0
Energy Solutions, LLC.....	Hazardous waste disposal	62,304,030	0.7
Wal Mart.....	Warehouse/transportation	46,196,186	0.5
Carvana, LLC.....	Used car dealer	39,906,749	0.5
TRITPT LLC.....	Lessors of real estate	38,122,415	0.5
ARC RBSLCUT001 LLC.....	Activities related to real estate	37,365,444	0.4
LBP Building 1, LLC.....	Commercial real estate	33,744,390	0.4
		<u>\$866,943,242</u>	10.3

(1) Taxable Value used in this table *excludes* the taxable value used to determine Uniform Fees on tangible personal property. See "Taxable, Fair Market And Market Value Of Property Within The District" above.

(Source: The Office of the Tooele County Treasurer.)

Additional Information. For a list of the District's 10 largest property taxpayers for Fiscal Year 2022 (Tax Year 2021) see "FINANCIAL STATEMENTS OF TOOELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2022—Other Information—Ten Largest Taxpayers" (audit page 63).

STATE OF UTAH SCHOOL FINANCE

Sources Of Funds

Funding for schools in the State is provided from local school district sources consisting of property taxes imposed by the local school district (“Local District Funding”), State sources that are funded primarily by State imposed personal income taxes and corporate franchise taxes (“State Funding”) and federal sources (“Federal Funding”). For Fiscal Year 2022, approximately 62.9% of the District’s funding was provided by State Funding, approximately 28.4% was provided by Local District Funding, and approximately 8.7% was provided from Federal Funding.

Local District Funding

School districts are authorized by State law to levy taxes, certain of which require voter approval, on real property for various purposes. Funding for operation and maintenance is derived primarily through a minimum tax levy (the “Minimum Tax Levy”) by each school district at a rate established each year by the State. Imposition of this Minimum Tax Levy is required for a school district to qualify for receipt of contributions by the State for such purposes. Additional tax levies for, among other things, educational programs and capital outlay and debt service to finance capital outlays may be made at the option of a school district. Certain of such levies will entitle a school district to State guaranteed levels of funding or receipt of specific additional contributions from the State. The Board has received all voter approval necessary for the taxes it currently levies. See “FINANCIAL INFORMATION REGARDING TOOELE COUNTY SCHOOL DISTRICT, UTAH—Historical Tax Rates Of The District” above.

State Funding

Under its school funding program, the State guarantees that in connection with the Minimum Tax Levy and certain of a school district’s additional tax levies each school district will receive certain amounts based primarily on the number of students attending schools in such district. To the extent that such levies do not generate receipts at least equal to such guaranteed amounts, the State contributes funds to the school district in the amount of the shortfall. If a school district’s receipts from such levies reach such prescribed levels, there is no State contribution to such district. Further, school district receipts from the Minimum Tax Levy in excess of the guaranteed amounts are required to be paid over to the State for distribution to other school districts.

In addition to any contributions relating to shortfalls described above, the State annually appropriates fixed amounts to fund certain programs and services statewide. Funds for contributions to school districts and for other programs and services are appropriated from the State Uniform School Fund and the Education Fund, which are funded primarily from personal income taxes and corporate franchise taxes. State Funding is also available, under certain circumstances, to school districts for payment of a portion of capital costs.

Federal Funding

Federal funding is provided for various school programs including child nutrition, vocational education and special education.

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Summary Of State And Federal Funding

During the past five years the District received the following in State and federal funding:

	2022	2021	2020	2019	2018
<i>State Funds</i>					
General	\$141,170,234	\$129,797,349	\$101,828,409	\$94,368,132	\$80,727,157
Other governmental	1,549,365	1,689,393	1,665,995	1,266,338	1,142,825
Capital projects	8,155,439	7,025,821	4,709,213	2,295,510	1,529,056
Total	\$150,875,038	\$138,512,563	\$108,203,617	\$97,929,980	\$83,399,038
% change over prior year	8.9	28.0	10.5	17.4	14.9
<i>Federal Funds</i>					
General	\$10,923,462	\$11,044,601	\$5,155,735	\$5,779,432	\$5,114,359
Other governmental	9,685,531	7,644,226	5,327,445	3,860,153	3,461,415
Capital projects	298,742	298,426	298,109	297,158	295,891
Total	\$20,907,735	\$18,987,253	\$10,781,289	\$9,936,743	\$8,871,665
% change over prior year	10.1	76.1	8.5	12.0	(13.9)

(Source: Information taken from the District's audited basic financial statements for the indicated years. This summary has not been audited.)

LEGAL MATTERS

Absence Of Litigation

The attorneys for the Board, Burbidge, Van Komen, Tanner & Scruggs, Salt Lake City, Utah, have advised that, to the best of their knowledge after due inquiry, there is no pending or threatened litigation that would legally stop, enjoin, or prohibit the issuance, sale, or delivery of the 2023 Bonds.

General

The authorization and issuance of the 2023 Bonds are subject to the approval of Farnsworth Johnson, PLLC, Bond Counsel to the Board. Certain legal matters will be passed upon for the Board by Burbidge, Van Komen, Tanner & Scruggs, Salt Lake City, Utah. The approving opinion of Bond Counsel will be delivered with the 2023 Bonds. A copy of the opinion of Bond Counsel in substantially the form set forth in "APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL" will be made available upon request from the contact persons as indicated under "INTRODUCTION—Contact Persons" above.

Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness, or sufficiency of the OFFICIAL STATEMENT or other offering material relating to the 2023 Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this OFFICIAL STATEMENT.

The various legal opinions to be delivered concurrently with the delivery of the 2023 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

Federal Income Taxation Of 2023 Bonds

In the opinion of Farnsworth Johnson PLLC ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2023 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). *In the further opinion of Bond*

Counsel, interest on the 2023 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel expects to deliver an opinion at the time of issuance of the 2023 Bonds substantially in the form set forth in “APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL”.

To the extent the issue price of any maturity of the 2023 Bonds is less than the amount to be paid at maturity of such 2023 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2023 Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the 2023 Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the 2023 Bonds is the first price at which a substantial amount of such maturity of the 2023 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the 2023 Bonds accrues daily over the term to maturity of such 2023 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such 2023 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2023 Bonds. Beneficial Owners of the 2023 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2023 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such 2023 Bonds in the original offering to the public at the first price at which a substantial amount of such 2023 Bonds is sold to the public.

2023 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2023 Bonds. The Board has made certain representations and covenanted to comply with certain restrictions, conditions, and requirements designed to ensure that interest on the 2023 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2023 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2023 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the 2023 Bonds may adversely affect the value of, or the tax status of interest on, the 2023 Bonds.

Although Bond Counsel is of the opinion that interest on the 2023 Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the 2023 Bonds may otherwise affect a Beneficial Owner’s federal, state, or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code, or court decisions may cause interest on the 2023 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code, or court decisions may also affect the market price for, or marketability of, the 2023 Bonds. Prospective purchasers of the 2023 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the 2023 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Board or about the

effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Board has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the 2023 Bonds ends with the issuance of the 2023 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Board or the Beneficial Owners regarding the tax-exempt status of the 2023 Bonds in the event of an audit examination by the IRS. Under current procedures, parties (such as the Beneficial Owners) other than the Board and its appointed counsel would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Board legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the 2023 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2023 Bonds, and may cause the Board or the Beneficial Owners to incur significant expense.

Utah Income Taxation

In the opinion of Bond Counsel, under the existing laws of the State of Utah, as presently enacted and construed, interest on the Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. Bond Counsel expresses no opinion with respect to any other taxes imposed by the State of Utah or any other political subdivision thereof. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state or local taxes.

MISCELLANEOUS

Bond Ratings

As of the date of this OFFICIAL STATEMENT, the 2023 Bonds have been rated "Aaa" by Moody's based upon the Guaranty Act. An explanation of the above ratings may be obtained from Moody's. The Board has not directly applied to S&P or Fitch for a rating on the 2023 Bonds.

Additionally, as of the date of this OFFICIAL STATEMENT, Moody's has given the 2023 Bonds an underlying rating of "Aa3."

Any explanation of the significance of these outstanding ratings may only be obtained from the rating service furnishing the same. There is no assurance that the ratings given the outstanding general obligation bonds will continue for any given period or that the ratings will not be revised downward or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2023 Bonds.

Municipal Advisor

The Board has entered into an agreement with the Municipal Advisor where under the Municipal Advisor provides financial recommendations and guidance to the Board with respect to preparation for sale of the 2023 Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the 2023 Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this OFFICIAL STATEMENT and has supervised the completion and editing thereof. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the OFFICIAL STATEMENT, or any other related information available to the Board, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT.

Independent Auditors

The financial statements of the Board as of June 30, 2022 and for the year then ended, included in this OFFICIAL STATEMENT, have been audited by Squire & Company, PC, Certified Public Accountants and Business

Consultants, Orem, Utah (“Squire”), as stated in their report in “APPENDIX A—FINANCIAL STATEMENTS OF TOOELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2022” to this OFFICIAL STATEMENT.

Squire has not participated in the preparation or review of this OFFICIAL STATEMENT. Based upon their non-participation, they have not consented to the use of their name in this OFFICIAL STATEMENT.

Additional Information

All quotations contained herein from and summaries and explanations of the State Constitution, statutes, programs and laws of the State, court decisions and the Resolution, do not purport to be complete, and reference is made to said State Constitution, statutes, programs, laws, court decisions and the Resolution for full and complete statements of their respective provisions.

Any statements in this OFFICIAL STATEMENT involving matters of opinion, whether expressly so stated, are intended as such and not as representation of fact.

The appendices attached hereto are an integral part of this OFFICIAL STATEMENT and should be read in conjunction with the foregoing material.

This OFFICIAL STATEMENT and its distribution and use have been duly authorized by the Board.

Board of Education of Tooele County School District, Utah

APPENDIX A

**FINANCIAL STATEMENTS OF
TOOELE COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2022**

The annual financial statements of the Board for Fiscal Year 2022 are contained herein.

The District's basic financial statements for Fiscal Year 2023 must be completed under State law by November 30, 2023.

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TOOELE COUNTY SCHOOL DISTRICT

Basic Financial Statements
with Supplementary and Other Information

Year Ended June 30, 2022

INTRODUCTORY SECTION

TOOELE COUNTY SCHOOL DISTRICT

Table of Contents

Year Ended June 30, 2022

Page

INTRODUCTORY SECTION:

Table of Contents	i
List of Elected and Appointed Officials	iii

FINANCIAL SECTION:

Independent Auditor's Report	1
-------------------------------------	---

Management's Discussion and Analysis	4
---	---

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position	12
---------------------------	----

Statement of Activities	13
-------------------------	----

Fund Financial Statements:

Balance Sheet - Governmental Funds	14
------------------------------------	----

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	15
--	----

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	16
--	----

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
--	----

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - <i>General Fund</i>	18
---	----

Notes to Basic Financial Statements	19
-------------------------------------	----

Required Supplementary Information

Schedules of the District's Proportionate Share of the Net Pension Liability (Asset) – Utah Retirement Systems	43
--	----

Schedules of District Contributions – Utah Retirement Systems	44
---	----

Schedules of Changes in the District's Total OPEB Liability and Related Ratios	45
--	----

Notes to Required Supplementary Information	46
---	----

Combining and Individual Fund Financial Statements and Schedules:

Major Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - <i>General Fund</i>	48
--	----

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - <i>Debt Service Fund</i>	49
---	----

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - <i>Capital Projects Fund</i>	50
---	----

TOOELE COUNTY SCHOOL DISTRICT

Table of Contents

Year Ended June 30, 2022

Page

FINANCIAL SECTION (Continued):

Combining and Individual Fund Financial Statements and Schedules (Continued):

Nonmajor Governmental (Special Revenue) Funds:

Combining Balance Sheet - Nonmajor Governmental Funds	51
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	52
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - <i>Food Services</i>	53
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - <i>Student Activities</i>	54
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - <i>Pass-Through Taxes</i>	55
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - <i>Foundation</i>	56

OTHER INFORMATION (Unaudited):

General Fund:

Percent of Unrestricted Fund Balance to General Fund Expenditures	57
Revenues by Source	58
Expenditures by Function	59

Assessments and Taxes:

Property Tax Revenues by Fund	60
Property Tax Rates (Per \$1) by Fund	61
Property Tax Levies and Collections	62
Ten Largest Taxpayers	63

General Obligation Bonds:

Computation of Legal Debt Margin	64
Ratio of Annual Debt Service to Total General Fund Expenditures	65

Miscellaneous:

Summary of Weighted Pupil Units (WPU)	66
Comparison of Per Pupil Expenditures to the General Fund	67
Student Enrollment by School	68

TOOELE COUNTY SCHOOL DISTRICT

List of Elected and Appointed Officials

Year Ended June 30, 2022

<u>Elected Officials</u>			
<u>Members of the Board of Education</u>	<u>Present Term Began</u>	<u>Present Term Expires</u>	<u>Voting Precinct</u>
Melissa Rich President of the Board District 6	January 2019	December 2022	Stansbury Park 1, 2, 3.1, 3.2 5, 9.1, 9.2 & 10 Lake Point 1.2 & 2
Camille Knudson Vice President of the Board District 5	January 2019	December 2022	Grantsville 1.1, 1.2, 1.3, 2.1, & 5 Stansbury Park 6, 7, & 8 Ibapah, Lake Point 1.1, & Wendover
Robert Gowans Member of the Board District 1	January 2021	December 2024	Tooele 18, 19, 20, 21 & 22
Julia Holt Member of the Board District 2	January 2013	December 2024	Tooele 1, 2, 3, 4, 5, 6, & 8 Lincoln
Scott Bryan Member of the Board District 3	January 2013	December 2024	Tooele 7, 9, 10, 11, 12 & 13 Erda 1, 3.2, & 4.2 Stansbury Park 9.3
ValaRee Shields Member of the Board District 4	January 2021	December 2024	Tooele 14, 15, 16 & 17 Grantsville 2.2 Erda 2.1, 2.2, 3.1, 4.1, & 5 Stansbury Park 4.1 & 4.2
Alan Mouritsen Member of the Board District 7	January 2019	December 2022	Granstville 3, 4.1, 4.2, 6, 7, 8, 9 & 10, Dugway, Ophir, Rush Valley, Stockton, Terra, & Vernon

The term of office for a board member is four years, beginning in January following the November election.

<u>Appointed Officials</u>			
	<u>Present Term Began</u>	<u>Present Term Expires</u>	<u>Initial Appointment</u>
Dr. Mark J. Ernst Superintendent	July 2022	June 2024	November 2021
Lark N. Reynolds Business Administrator	July 2021	June 2023	July 2012

FINANCIAL SECTION



Independent Auditor's Report

Board of Education
Tooele County School District

Report on the Basic Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tooele County School District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Tooele County School District as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the general fund 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 Tooele County School District 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.

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 Tooele County School District's ability to continue as a going concern for twelve months beyond the financial statements 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 GAAS 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 Tooele County School District'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 Tooele County School District'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 schedules of the District's proportionate share of the net pension liability (asset) – Utah Retirement Systems, the schedules of District contributions – Utah Retirement Systems, the schedules of changes in the District's total OPEB liability and other ratios – other postemployment benefit plan, and the related notes to the required supplementary information be presented to supplement the basic financial statements. Such information, 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 required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information sections included in the annual report. The other information section does not include the basic financial statements and our auditors report thereon. Our opinions on the basic financial statements do not cover the other information section, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information section and consider whether a material inconsistency exists between the other information section and the basic financial statements, or the other information section otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information section exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2022, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

Squire & Company, PC

Orem, Utah
November 30, 2022

Management's Discussion and Analysis

This section of Tooele County School District's (the District) annual financial report presents management's discussion and analysis of the District's financial performance during the year ended June 30, 2022. Please read it in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The District's total net position was \$237.9 million at the close of the most recent fiscal year, most of which is invested in capital assets.
- The District is dependent on revenues generated by property taxes. Property tax revenues increased by 7.9% to \$60.2 million as a result of an increase in the taxable value of property.
- During the year, state and federal revenues increased by 9.1% to \$171.8 million as a result of increased funding due to COVID-19.
- During the year, expenses were \$48.0 million less than the \$238.8 million generated in taxes and state, federal, and other revenues from governmental activities.
- The District's student enrollment increased by 935 students to a total of 22,939 during 2022.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplementary and other information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 12 to 13 of this report.

The government-wide financial statements of the District are reported as governmental activities; the District has no business-type activities. Governmental activities and functions include instructional services, supporting services, food services, and interest on long-term liabilities. Property taxes and state and federal grants finance most of these activities.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements.

- Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.
- The District maintains seven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the *general fund*, the *debt service fund*, and the *capital projects fund*, each of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each governmental fund is provided in the form of combining and individual fund financial statements and schedules elsewhere in this report.
- The District adopts an annual appropriated budget for its *general fund*. A budgetary comparison statement has been provided for the *general fund* to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14 to 18 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 19 to 42 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligations to provide other postemployment benefits to its employees and retirees and the District's progress in funding its obligation to provide pension benefits to its employees. This required supplementary information can be found on pages 43 through 47 of this report.

Other Supplementary Information

The combining and individual statements and schedules referred to earlier in connection with governmental funds are presented immediately following the notes to the basic financial statements. Combining and individual fund financial statements and schedules can be found on pages 48 to 56 of this report.

Other Information

Other information is included which contains substantial financial information, but presents tables that differ from financial statements in that they present non-accounting data, cover several years, and are designed to reflect social and economic data and financial and fiscal trends as well as the fiscal capacity of the District. This other information begins on page 57.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$237.9 million at the close of the most recent fiscal year.

TOOELE COUNTY SCHOOL DISTRICT'S Net Position
June 30, 2022 and 2021
(in millions of dollars)

	Governmental Activities		Total Change
	2022	2021	2022-2021
Current and other assets	\$ 262.9	\$ 202.2	\$ 60.7
Capital assets	264.5	227.3	37.2
Total assets	527.4	429.5	97.9
Deferred outflows of resources	26.4	18.2	8.2
Current and other liabilities	30.1	20.5	9.6
Long-term liabilities outstanding	175.0	161.4	13.6
Total liabilities	205.1	181.9	23.2
Deferred inflows of resources	110.8	75.9	34.9
Net position:			
Net investment in capital assets	172.4	155.0	17.4
Restricted	61.1	52.2	8.9
Unrestricted	4.4	(17.3)	21.7
Total net position	\$ 237.9	\$ 189.9	\$ 48.0

The key elements of the District's net position at June 30, 2022 are as follows:

- The largest portion of the District's net position (\$172.4 million) reflects its net investment in capital assets less any related debt (general obligation and lease revenue bonds payable and notes payable) used to acquire those assets that is still outstanding net of unspent bond proceeds. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- An additional portion of the District's net position (\$61.1 million) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for debt service and capital projects.
- The remaining balance of net position (\$4.4 million) is unrestricted.

The District's net position increased by \$48.0 million during the current year. The following discussion and analysis on governmental activities focuses on this increase:

TOOELE COUNTY SCHOOL DISTRICT'S Change in Net Position
Years Ended June 30, 2022 and 2021
(in millions of dollars)

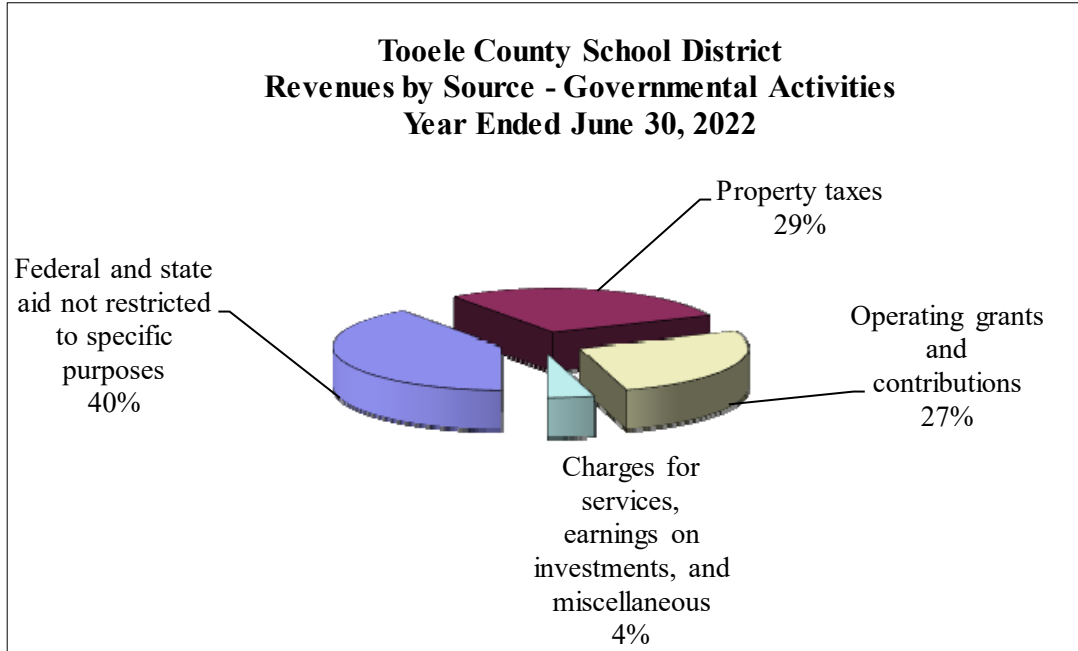
	Governmental Activities		Total Change
	2022	2021	2022-2021
Revenues:			
Program revenues:			
Charges for services	\$ 0.5	\$ 0.3	\$ 0.2
Operating grants and contributions	74.9	61.2	13.7
General revenues:			
Property taxes	60.2	55.8	4.4
Federal and state aid not restricted to specific programs	96.9	96.2	0.7
Earnings on investments	0.4	0.6	(0.2)
Miscellaneous	5.9	4.6	1.3
Total revenues	<u>238.8</u>	<u>218.7</u>	<u>20.1</u>
Expenses:			
Instruction	120.7	113.2	7.5
Supporting services:			
Students	8.5	8.2	0.3
Instructional staff	10.2	10.2	-
General administration	1.3	1.3	-
School administration	8.3	8.8	(0.5)
Central	2.3	2.3	-
Operation and maintenance of facilities	17.4	20.1	(2.7)
Student transportation	6.0	5.2	0.8
Contributions to other governments	3.2	2.9	0.3
Food services	9.2	7.9	1.3
Interest on long-term liabilities	3.7	3.1	0.6
Total expenses	<u>190.8</u>	<u>183.2</u>	<u>7.6</u>
Change in net position	<u>48.0</u>	<u>35.5</u>	<u>12.5</u>
Net position, beginning	<u>189.9</u>	<u>154.4</u>	<u>35.5</u>
Net position, ending	<u><u>\$ 237.9</u></u>	<u><u>\$ 189.9</u></u>	<u><u>\$ 48.0</u></u>

Governmental Activities

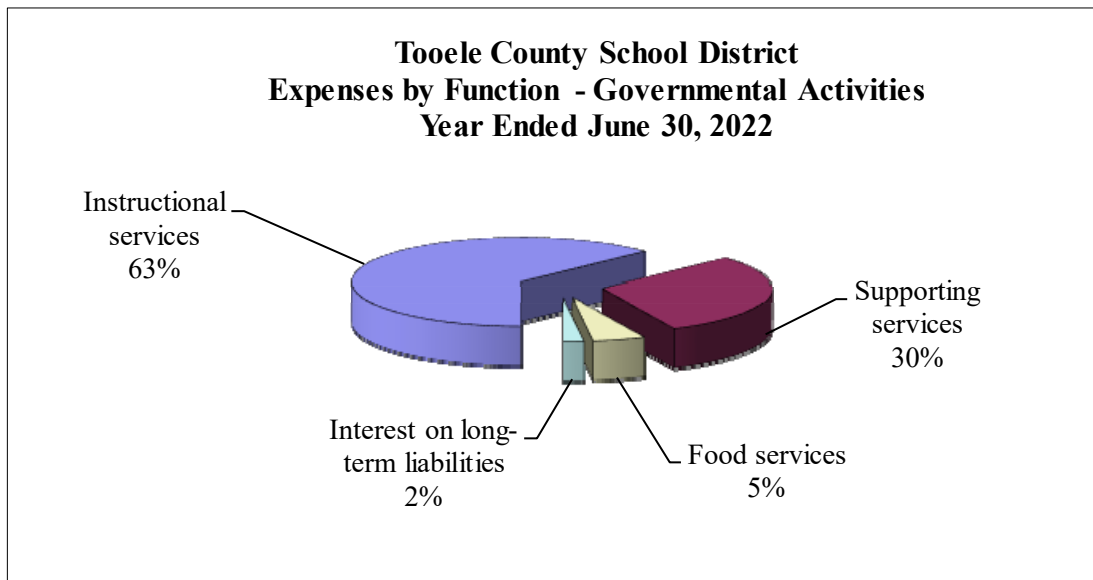
The key elements of the increase in the District's net position for the year ended June 30, 2022 are as follows:

- The District is dependent on revenues generated by property taxes. Property tax revenues increased by 7.9% in 2022 to \$60.2 million as a result of an increase in the taxable value of property and an increase in overall property tax rates.
- Operating grants and contributions increased by 22.4% in 2022 to \$74.9 million as a result of additional appropriations of state and federal revenues.

- State aid increased by \$12.4 million as a result of additional funding resulting from enrollment growth. State aid is based primarily on weighted pupil units (WPU) and other appropriations. If a student is in membership a full 180 days, the state awards the District one WPU. The state guarantees that if local property taxes do not provide money equal to the amount generated by the WPU the state will make up the difference with additional state funding. Certain students receive a WPU greater than one. The value of the WPU increased by 5.9% during the year ended June 30, 2022 (\$3,809 during 2022 as compared to \$3,596 in 2021).



- Instruction represents the largest dollar increase in expense of \$7.5 million, which is primarily due to an increase in personnel costs.



Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. As the District completed the year, its governmental funds reported a combined fund balance of \$161.0 million, \$33.8 million more than the previous year. Included in this year's change in combined fund balance is an increase in the *capital projects fund* of \$25.4 million, *debt service fund* of \$1.7 million, and the *general fund* of \$4.3 million, respectively. In addition, the following changes in *general fund* balances should be noted:

- Expenditures for general District purposes totaled \$175.3 million. Instruction represents 66.6% of *general fund* expenditures.
- *General fund* salaries totaled \$88.0 million while the associated employee benefits of retirement, social security, and insurance (health and accident, industrial, and unemployment) added \$40.8 million to arrive at 73.5% of total *general fund* expenditures.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into nonspendable, restricted, and unrestricted portions. *Nonspendable* includes inventories, deposits, and prepaids that are not expected to be converted to cash. *Restricted* includes net fund resources of the District that are subject to external constraints due to state or federal laws, or externally imposed conditions by grantors or creditors. Restrictions include tax revenues levied for specific purposes and remaining fund balances in the *food services fund*. The unrestricted fund balance is, in turn, subdivided between committed, assigned, and unassigned portions. *Committed* balances reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. *Assigned* balances in the other governmental funds are those that do not meet the requirements of restricted or committed but that are intended to be used for specific purposes. *Unassigned* balances in the *general fund* are all other available net fund resources. At June 30, 2022, the District's combined governmental fund balance is \$161.0 million (\$1.4 million in nonspendable, \$129.5 million in restricted, \$14.6 million in committed, \$3.0 million in assigned, and \$12.5 million in unassigned fund balances).

General Fund Budgetary Highlights

During the year, the Board revised the District's budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of \$19.8 million or 11.3% in total *general fund* expenditures to provide for new programs or increases in existing programs. Even with these adjustments, actual expenditures were \$19.2 million less than final budgeted amounts. The most significant positive variance was \$15.8 million in instruction.

During the year, final budgeted revenues were higher than original budgetary estimates by \$19.8 million or 11.3%, primarily to account for increases in state and federal revenues. Conversely, revenues were \$8.2 million less than final budgeted amounts. Variances primarily result from expenditure-driven federal and state grants that are included in the budgets at their full amounts. Such grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met; unspent grant amounts are carried forward and included in the succeeding year's budget. Therefore, actual grant revenues and expenditures are normally less than the amounts budgeted.

Capital Asset and Debt Administration

Capital Assets

The *capital projects fund* is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District. During the year ended June 30, 2022, the District spent \$45.6 million on capital assets. Major projects included renovations to the Twenty Wells Elementary, Tooele High School, bus garage and warehouse, and Ibapah Elementary.

Capital assets are outlined below:

TOOELE COUNTY SCHOOL DISTRICT'S Capital Assets June 30, 2022 and 2021 (Net of accumulated depreciation, in millions of dollars)

	Governmental Activities		Total Change
	2022	2021	2022-2021
Land	\$ 11.5	\$ 9.8	\$ 1.7
Water shares	3.2	2.4	0.8
Construction in progress	48.5	7.9	40.6
Buildings and improvements	191.1	197.2	(6.1)
Equipment	5.2	5.4	(0.2)
School buses	3.4	2.9	0.5
Vehicles	1.6	1.7	(0.1)
Total capital assets, net	<u>\$ 264.5</u>	<u>\$ 227.3</u>	<u>\$ 37.2</u>

Additional information on the District's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration

The general obligation bonded debt of the District is limited by state law to 4.0% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2022 is \$374.6 million. Net general obligation debt at June 30, 2022 is \$156.3 million, resulting in a legal debt margin of \$218.3 million.

TOOELE COUNTY SCHOOL DISTRICT'S Outstanding Debt June 30, 2022 and 2021 (Net of unamortized premiums, in millions of dollars)

	Governmental Activities		Total Change
	2022	2021	2022-2021
Net general obligation bonds	\$ 156.3	\$ 117.0	\$ 39.3
Net lease revenue bonds	6.0	6.0	-
Note payables	1.5	1.5	-
Total outstanding debt	<u>\$ 163.8</u>	<u>\$ 124.5</u>	<u>\$ 39.3</u>

Additional information on the District's long-term debt can be found in Note 9 to the basic financial statements.

Changing Enrollment within the District

Estimated new growth for the next five years is expected to add 1,117 students to the District's current enrollment due to the growth in the population; this is an overall increase of 4.9%. The following enrollment information is based on counts taken on October 1 of each year.

TOOELE COUNTY SCHOOL DISTRICT'S Enrollment

<u>Year</u>	<u>District Enrollment</u>	<u>Annual Increase</u>
Actual:		
2012-2013	14,034	2.63%
2013-2014	14,107	0.52%
2014-2015	13,873	-1.66%
2015-2016	13,985	0.81%
2016-2017	14,332	2.48%
2017-2018	16,148	12.67%
2018-2019	16,903	4.68%
2019-2020	17,588	4.05%
2020-2021	22,004	25.11%
2021-2022	22,939	4.25%
Estimates:		
2022-2023	23,299	1.57%
2023-2024	23,621	1.38%
2024-2025	23,764	0.61%
2025-2026	23,846	0.35%
2026-2027	24,056	0.88%

Beginning in the 2017-2018 year, the District began enrolling students in My Tech High, a virtual online school.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Tooele County School District, Office of the Business Administrator, 92 Lodestone Way, Tooele, UT 84074.

BASIC FINANCIAL STATEMENTS

TOOELE COUNTY SCHOOL DISTRICT
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets:	
Cash and investments	\$ 171,749,651
Receivables:	
Property taxes	60,239,786
Other local	59,617
State	1,945,038
Federal	9,338,040
Investments restricted for debt service	4,879,132
Inventories, deposits, and prepaids	1,381,124
Net pension asset	13,280,141
Capital assets:	
Land, water shares, and construction in progress	63,178,862
Other capital assets, net of accumulated depreciation	201,289,395
Total assets	<u>527,340,786</u>
Deferred outflows of resources:	
Deferred charge on refunding	2,335,574
Related to pensions	23,500,439
Related to OPEB	565,446
Total deferred outflows of resources	<u>26,401,459</u>
Liabilities:	
Accounts payable	11,615,652
Accrued interest	492,074
Accrued salaries and benefits	16,615,366
Unearned revenue:	
Local	50,749
State	1,223,428
Federal	115,996
Noncurrent liabilities:	
Due or payable within one year	12,715,961
Due or payable after one year	162,235,891
Total liabilities	<u>205,065,117</u>
Deferred inflows of resources:	
Property taxes levied for future year	55,745,861
Related to pensions	52,788,261
Related to OPEB	2,268,509
Total deferred inflows of resources	<u>110,802,631</u>
Net position:	
Net investment in capital assets	172,368,764
Restricted for:	
Debt service	8,336,951
Capital projects	47,882,023
Food services	4,837,046
Unrestricted	4,449,713
Total net position	<u>\$ 237,874,497</u>

The notes to the basic financial statements are an integral part of this statement.

TOOELE COUNTY SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2022

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental activities:				
Instruction	\$ 120,696,872	\$ 50,092	\$ 40,857,885	\$ (79,788,895)
Supporting services:				
Students	8,493,101	-	2,989,156	(5,503,945)
Instructional staff	10,166,238	-	4,529,253	(5,636,985)
District administration	1,336,553	-	633,288	(703,265)
School administration	8,339,647	-	260,583	(8,079,064)
Central	2,305,303	-	1,225,758	(1,079,545)
Operation and maintenance of facilities	17,395,837	40,622	10,580,127	(6,775,088)
Student transportation	6,021,162	42,199	2,566,997	(3,411,966)
Contributions to other governments	3,158,003	-	-	(3,158,003)
Food services	9,217,771	355,761	11,234,895	2,372,885
Interest on long-term liabilities	3,742,037	11,066	-	(3,730,971)
Total school district	<u>\$ 190,872,524</u>	<u>\$ 499,740</u>	<u>\$ 74,877,942</u>	<u>(115,494,842)</u>
General revenues:				
Property taxes levied for:				
Basic				10,346,386
Voted local				9,966,417
Board local				12,420,647
Debt service				15,883,976
Capital local				8,421,622
Pass-through taxes				<u>3,158,003</u>
Total property taxes				60,197,051
Federal and state aid not restricted to specific purposes				96,904,831
Earnings on investments				440,472
Miscellaneous				<u>5,872,867</u>
Total general revenues				<u>163,415,221</u>
Change in net position				47,920,379
Net position - beginning				<u>189,954,118</u>
Net position - ending				<u><u>\$ 237,874,497</u></u>

The notes to the basic financial statements are an integral part of this statement.

TOOELE COUNTY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2022

	Major Funds			Other	Total
	General	Debt Service	Capital Projects	Governmental Funds	Governmental Funds
Assets:					
Cash and investments	\$ 33,827,831	\$ 2,771,368	\$ 126,735,248	\$ 8,415,204	\$ 171,749,651
Receivables:					
Property taxes	33,697,129	14,949,733	8,027,508	3,565,416	60,239,786
Other local	48,715	-	-	10,902	59,617
State	1,736,473	-	-	208,565	1,945,038
Federal	9,256,873	-	-	81,167	9,338,040
Investments restricted for debt service	-	-	4,879,132	-	4,879,132
Inventories, deposits, and prepaids	1,293,992	-	31,647	55,485	1,381,124
Due from other funds	52,823	-	-	-	52,823
Total assets	<u>\$ 79,913,836</u>	<u>\$ 17,721,101</u>	<u>\$ 139,673,535</u>	<u>\$ 12,336,739</u>	<u>\$ 249,645,211</u>
Liabilities:					
Accounts payable	\$ 1,330,076	\$ -	\$ 10,156,769	\$ 128,807	\$ 11,615,652
Accrued salaries and benefits	16,104,141	-	-	511,225	16,615,366
Unearned revenue:					
Local	47,353	-	-	3,396	50,749
State	1,223,428	-	-	-	1,223,428
Federal	115,996	-	-	-	115,996
Due to other funds	-	-	-	52,823	52,823
Total liabilities	<u>18,820,994</u>	<u>-</u>	<u>10,156,769</u>	<u>696,251</u>	<u>29,674,014</u>
Deferred inflows of resources:					
Unavailable property tax revenue	1,823,775	807,363	433,717	197,098	3,261,953
Property taxes levied for future year	31,166,430	13,799,333	7,411,780	3,368,318	55,745,861
Total deferred inflows of resources	<u>32,990,205</u>	<u>14,606,696</u>	<u>7,845,497</u>	<u>3,565,416</u>	<u>59,007,814</u>
Fund balances:					
Nonspendable:					
Inventories, deposits, and prepaids	1,293,992	-	31,647	55,485	1,381,124
Restricted for:					
Debt service	-	3,114,405	4,879,132	-	7,993,537
Capital projects	-	-	116,760,490	-	116,760,490
Food services	-	-	-	4,781,561	4,781,561
Committed to:					
Economic stabilization	8,800,000	-	-	-	8,800,000
Employee benefit obligations	5,500,000	-	-	-	5,500,000
Foundation	-	-	-	258,900	258,900
Assigned to:					
Schools	-	-	-	2,979,126	2,979,126
Unassigned	12,508,645	-	-	-	12,508,645
Total fund balances	<u>28,102,637</u>	<u>3,114,405</u>	<u>121,671,269</u>	<u>8,075,072</u>	<u>160,963,383</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 79,913,836</u>	<u>\$ 17,721,101</u>	<u>\$ 139,673,535</u>	<u>\$ 12,336,739</u>	<u>\$ 249,645,211</u>

The notes to the basic financial statements are an integral part of this statement.

TOOELE COUNTY SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2022

Total fund balances for governmental funds \$ 160,963,383

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 11,519,601	
Water shares	3,150,536	
Construction in progress	48,508,725	
Buildings and improvements, net of \$99,891,406 accumulated depreciation	191,162,726	
Equipment, net of \$7,041,589 accumulated depreciation	5,165,692	
School buses, net of \$6,465,488 accumulated depreciation	3,409,530	
Vehicles, net of \$2,144,741 accumulated depreciation	<u>1,551,447</u>	264,468,257

Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources. 3,261,953

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is \$463,949 and accrued interest for lease revenue bonds is \$28,125. (492,074)

The net pension asset is not an available resource and therefore is not report in the governmental funds. 13,280,141

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year-end are:

General obligation bonds payable	(142,240,000)	
Unamortized general obligation bonds premiums	(14,031,698)	
Unamortized deferred amounts on refunding	2,335,574	
Lease revenue bonds payable	(6,000,000)	
Notes payable	(1,479,075)	
Early retirement benefits payable	(2,193,571)	
Compensated absences payable	(1,838,639)	
Total OPEB liability	(7,168,869)	
Deferred outflows of resources related to pensions	23,500,439	
Deferred inflows of resources related to pensions	(52,788,261)	
Deferred outflows of resources related to OPEB	565,446	
Deferred inflows of resources related to OPEB	<u>(2,268,509)</u>	<u>(203,607,163)</u>

Total net position of governmental activities \$ 237,874,497

The notes to the basic financial statements are an integral part of this statement.

TOOELE COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2022

	Major Funds			Other	Total
	General	Debt Service	Capital Projects	Governmental Funds	Governmental Funds
Revenues:					
Local:					
Property taxes	\$ 33,382,513	\$ 16,198,935	\$ 8,594,964	\$ 3,158,003	\$ 61,334,415
Earnings on investments	(69,149)	31,058	423,305	55,258	440,472
Other local	1,350,383	-	280,000	4,742,224	6,372,607
State	141,170,234	-	8,155,439	1,549,365	150,875,038
Federal	10,923,462	-	298,742	9,685,531	20,907,735
Total revenues	186,757,443	16,229,993	17,752,450	19,190,381	239,930,267
Expenditures:					
Current:					
Instruction	116,723,319	-	-	3,426,184	120,149,503
Supporting services:					
Students	9,636,020	-	-	-	9,636,020
Instructional staff	11,680,303	-	-	25,915	11,706,218
General administration	1,214,992	-	-	-	1,214,992
School administration	9,930,116	-	-	-	9,930,116
Central	2,580,871	-	-	-	2,580,871
Operation and maintenance of facilities	18,706,623	-	-	1,800	18,708,423
Student transportation	4,822,888	-	902,525	648,708	6,374,121
Non instructional	4,549	-	-	647,279	651,828
Contributions to other governments	-	-	-	3,158,003	3,158,003
Food services	7,500	-	-	9,559,835	9,567,335
Capital outlay	-	-	48,781,021	-	48,781,021
Debt service:					
Bond principal	-	10,635,000	-	-	10,635,000
Notes payable principal	-	-	876,171	-	876,171
Interest and fees	-	3,899,430	467,952	-	4,367,382
Bond issuance costs	-	-	225,158	-	225,158
Total expenditures	175,307,181	14,534,430	51,252,827	17,467,724	258,562,162
Excess (deficiency) of revenues over (under) expenditures	11,450,262	1,695,563	(33,500,377)	1,722,657	(18,631,895)
Other financing sources (uses):					
Transfers in (out)	(7,131,287)	-	6,500,000	631,287	-
Proceeds from notes payable	-	-	830,508	-	830,508
General obligation bonds issued	-	-	49,085,000	-	49,085,000
General obligation bonds premium	-	-	1,949,983	-	1,949,983
Proceeds from sale of capital assets	-	-	551,698	-	551,698
Total other financing sources (uses)	(7,131,287)	-	58,917,189	631,287	52,417,189
Net change in fund balances	4,318,975	1,695,563	25,416,812	2,353,944	33,785,294
Fund balances - beginning	23,783,662	1,418,842	96,254,457	5,721,128	127,178,089
Fund balances - ending	\$ 28,102,637	\$ 3,114,405	\$ 121,671,269	\$ 8,075,072	\$ 160,963,383

The notes to the basic financial statements are an integral part of this statement.

TOOELE COUNTY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Government Funds to the Statement of Activities
Year Ended June 30, 2022

Net change in fund balances-total governmental funds **\$ 33,785,294**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for land, water shares, equipment, school buses, and vehicles and \$100,000 for buildings and improvements are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. The net effect of transactions involving capital assets is as follows:

Capital outlays	\$ 45,551,202	
Proceeds from sale of capital assets	(551,698)	
Gain on sale of capital assets	284,116	
Depreciation expense	<u>(8,141,409)</u>	37,142,211

The governmental funds report long-term liabilities proceeds as financing sources, while repayment of bond and capital lease principal are reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds, capital lease, and related items is as follows:

General obligation bonds issued	(49,085,000)	
Premium on bonds issued	(1,949,983)	
Procees from notes payable	(830,508)	
Repayment of bond principal	10,635,000	
Principal payments on notes payable	876,171	
Amortization of deferred charge on refunding	(400,956)	
Interest expense	(138,533)	
Amortization of bond premiums	<u>1,164,834</u>	(39,728,975)

Property tax revenue is recognized when levied (claim to resources established) rather than when available. The portion not available soon enough to pay for the current period's expenditures is recognized as a deferred inflow of resources in the funds. (1,137,364)

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued vacation and personal leave	(322,792)	
Early retirement payable	(123,288)	
OPEB expense	466,885	
Pension expense	<u>17,838,408</u>	17,859,213

Change in net position of governmental activities **\$ 47,920,379**

The notes to the basic financial statements are an integral part of this statement.

TOOELE COUNTY SCHOOL DISTRICT**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual****General Fund**

Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Local:				
Property taxes	\$ 29,777,816	\$ 32,866,281	\$ 33,382,513	\$ 516,232
Earnings on investments	530,000	280,000	(69,149)	(349,149)
Other local	315,991	328,827	1,350,383	1,021,556
State	137,242,180	143,395,862	141,170,234	(2,225,628)
Federal	7,301,026	18,113,050	10,923,462	(7,189,588)
Total revenues	<u>175,167,013</u>	<u>194,984,020</u>	<u>186,757,443</u>	<u>(8,226,577)</u>
Expenditures:				
Current:				
Instruction	118,580,924	132,548,564	116,723,319	15,825,245
Supporting services:				
Students	10,955,336	12,020,716	9,636,020	2,384,696
Instructional staff	10,905,760	11,605,176	11,680,303	(75,127)
General administration	1,121,078	1,141,078	1,214,992	(73,914)
School administration	9,739,109	9,886,506	9,930,116	(43,610)
Central	2,717,925	2,717,925	2,580,871	137,054
Operation and maintenance of facilities	16,258,699	20,158,727	18,706,623	1,452,104
Student transportation	4,388,182	4,405,328	4,822,888	(417,560)
Non instructional	-	-	4,549	(4,549)
Food services	-	-	7,500	(7,500)
Total expenditures	<u>174,667,013</u>	<u>194,484,020</u>	<u>175,307,181</u>	<u>19,176,839</u>
Excess of revenues over expenditures	500,000	500,000	11,450,262	10,950,262
Other financing sources (uses):				
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(7,131,287)</u>	<u>(6,631,287)</u>
Net change in fund balances	-	-	4,318,975	4,318,975
Fund balances - beginning	<u>23,783,662</u>	<u>23,783,662</u>	<u>23,783,662</u>	<u>-</u>
Fund balances - ending	<u>\$ 23,783,662</u>	<u>\$ 23,783,662</u>	<u>\$ 28,102,637</u>	<u>\$ 4,318,975</u>

The notes to the basic financial statements are an integral part of this statement.

TOOELE COUNTY SCHOOL DISTRICT

Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Tooele County School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

Reporting Entity

The Board of Education, comprised of seven elected individuals, is the primary governing authority for the District. The Board establishes District policies, approves the budget, levies taxes, issues bonds, and appoints a superintendent with administrative responsibilities encompassing all District educational activities and a business administrator who oversees fiscal activities.

As required by GAAP, these financial statements present the activities of the District and its component units, the Tooele Education Foundation (the Foundation) and the Municipal Building Authority of the Tooele County School District (the Building Authority), for which the District is financially accountable. The District is not a component unit of any other primary government. Although legally separate entities, blended component units are, in substance, part of the District's operations.

- The Foundation is a nonprofit organization established under Internal Revenue Service regulations as a conduit for tax-deductible donations to the District. The Foundation's board is approved by the Board of Education. The Foundation exclusively services the District. The Foundation is presented as a special revenue fund of the District.
- The Building Authority has the same board as the District and provides financing services exclusively to the District. The District has committed resources to service debt obligations of the Building Authority. The Building Authority is reported with the governmental funds of the District. The Building Authority does not issue separate financial statements.

Government-wide and Fund Financial Statements

The *government-wide financial statements* (the statement of net position and the statement of activities) display information about the government (the District). These statements include the financial activities of the overall government. As a general rule, the effect of interfund activity is eliminated from the government-wide financial statements.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instruction, school administration, operation and maintenance of facilities, and food services) are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line. Program revenues include 1) fees and charges paid by students and other recipients of goods or services offered by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

TOOELE COUNTY SCHOOL DISTRICT

Notes to Basic Financial Statements

The *fund financial statements* provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *debt service fund* accounts for resources accumulated and payments made for principal and interest on general obligation school building bonds.
- The *capital projects fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the District.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The *government-wide financial statements* are reported using the economic resources measurement focus as well as the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after year-end. Property taxes and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement and postemployment healthcare benefits, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. The District primarily applies cost-reimbursement grant resources first to such programs, followed by categorical block grants, and then by general revenues.

Budgetary Data

The District operates within the budget requirements for school districts as specified by Utah State law and as interpreted by the Utah State Superintendent of Public Instruction. Budgets are presented on the modified accrual basis of accounting for all governmental funds. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance commitment. The following procedures are used in establishing the budgetary data reflected in the financial statements.

TOOELE COUNTY SCHOOL DISTRICT

Notes to Basic Financial Statements

- By June 1 of each year, the District business administrator prepares a proposed annual budget (for the fiscal year beginning July 1) for all applicable funds. The budget is presented to the Board of Education by the superintendent. This budget includes proposed expenditures and the means of financing them. Also included is a final budget for the current fiscal year ending June 30.
- Copies of the proposed budget are made available for public inspection and review by the District's patrons.
- If the District does not exceed the certified property tax rate, a public hearing is held prior to June 30 at which time the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified property tax rate, the budget is adopted in August when additional data is available to set the rates.
- Once adopted, the budget can be amended by subsequent Board action. The Board upon recommendation of the superintendent can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Utah State law, interim adjustments may be made by an administrative transfer of money from one appropriation to another within any given fund.
- Certain interim adjustments in estimated revenue and expenditures during the year ended June 30, 2022, have been included in the final budget approved by the Board, as presented in the financial statements.
- Expenditures may not legally exceed budgeted appropriations at the fund level.

Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the District. The District's investments are reported at fair value. Earnings on pooled funds are allocated to funds based on the average balance of each participating fund.

Inventories

Inventories are valued at cost or, if donated, at fair value when received, stated at the lower of average cost or market. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories reported in the governmental funds are equally offset by a nonspendable portion of the fund balance, indicating that they are not expected to be converted to cash.

Prepaids

Prepaid items of all funds are recorded as expenditures/expense when consumed rather than when purchased.

Capital Assets

Capital assets, which include land, water shares, buildings and improvements, furniture and equipment, and transportation equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 for land, water shares, equipment, and transportation equipment and \$100,000 for buildings and improvements. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or significantly extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

TOOELE COUNTY SCHOOL DISTRICT

Notes to Basic Financial Statements

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Portable classrooms	25
Athletic field improvements	20
Kitchen equipment	15
Maintenance equipment and trucks	15
School buses	12
Audio visual and other equipment	10
Passenger vehicles	5
Computers and copiers	5

Unearned Revenue

Unearned revenue for the District represents amounts received on grants whose purpose restrictions have not been met. Revenue is recognized on restricted grants only when all restrictions on those funds are satisfied.

Pensions

For purposes of measuring the net pension liability (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 (URS) and additions to/deductions from the URS's fiduciary net position have been determined on the same basis as they are reported by the URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension plan investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

For purposes of measuring the total OPEB liability, OPEB expense, and related deferred inflows/outflows of resources, the District recognizes benefit payments when due and payable in accordance with benefit terms. The total OPEB liability is actuarially determined.

Compensated Absences

Under terms of association agreements, twelve-month or full-year contract employees earn vacation and sick leave in amounts varying with tenure and classification. In the event of termination or death, an employee is reimbursed for current value of accumulated vacation days to a maximum of 30 days. Upon retirement, employees are compensated for accumulated sick leave at \$25 per day with a maximum of 250 days. Vacation pay is accrued when incurred in the government-wide financial statements. No accrual is made for sick leave. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts, as well as refunding costs, are deferred and amortized over the life of the bonds using the straight-line method,

TOOELE COUNTY SCHOOL DISTRICT

Notes to Basic Financial Statements

which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and refunding costs.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Deferred Outflows 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 so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred Inflows of Resources

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 so will not be recognized as an inflow of resources (revenue) until that time.

Net Position/Fund Balances

The residual of all other elements presented in a statement of net position is *net position* on the government-wide and proprietary fund financial statements and the residual of all other elements presented in a balance sheet on the governmental fund financial statements is *fund balance*.

Net position is divided into three components: net investment in capital assets (capital assets net of related debt less unspent bond proceeds), restricted, and unrestricted. Net position is reported as restricted when constraints are placed upon it by external parties or are imposed by constitutional provisions or enabling legislation.

The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the District is bound to honor them. The District first determines and reports nonspendable balances, then restricted, then committed, and so forth.

Fund balance classifications are summarized as follows:

Nonspendable – This category includes fund balance amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories, deposits, and prepaids are classified as nonspendable.

Restricted – This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance amounts include unspent tax revenues levied for specific purposes, such as, capital projects and debt service. Also, the remaining fund balances in the *food services fund* are restricted.

TOOELE COUNTY SCHOOL DISTRICT

Notes to Basic Financial Statements

Committed – This category includes amounts that can only be used for specific purposes established by formal action of the District’s highest level of decision-making authority. The Board of Education is the highest level of decision making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

- Economic stabilization. As defined in Utah law as an “undistributed reserve,” the District maintains for economic stabilization up to five percent of *general fund* budgeted expenditures. Potential state budget cuts, disasters, immediate capital needs, and other significant events are circumstances or conditions that signal the need for stabilization. Additionally, the commitment is necessary to maintain liquidity (i.e., reducing any disparity between when financial resources are available to make payments and the maturity of related liabilities). Also defined by state law, the commitment is not to be used “in the negotiation or settlement of contract salaries for school district employees” and the use of this reserve requires a written resolution adopted by a majority vote of the Board of Education filed with the Utah State Board of Education and Utah State Auditor.
- The District has committed *general fund* resources for employee benefit obligations for unpaid early retirement benefits.
- The District has committed other governmental fund resources to the Tooele Education Foundation to be used for fundraising, operations, schools, and other purposes.

Assigned – This category includes amounts that the District intends to be used for a specific purpose but are neither restricted nor committed. This intent is expressed by written approval of the District’s business administrator as authorized by the Board of Education. The District has assigned fund balances held in other governmental funds for schools.

Unassigned – Residual balances in the *general fund* are classified as unassigned.

Net Position/Fund Balance Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report in each category of net position and fund balance, a flow assumption must be made about the order in which the resources are considered to be applied.

Net position – It is the District’s policy to consider restricted net position to have been depleted before unrestricted net position.

Fund balance – It is the District’s policy to consider restricted fund balance to have been depleted before using any components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

TOOELE COUNTY SCHOOL DISTRICT

Notes to Basic Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS

A reconciliation of cash and investments at June 30, 2022 as shown on the financial statements is as follows:

Carrying amount of deposits	\$ 2,244,717
Carrying amount of investments	<u>174,384,066</u>
Total cash and investments	<u><u>\$ 176,628,783</u></u>

Total cash and investments reported in the financial statements at June 30, 2022 are summarized as follows:

Cash and investments	\$ 171,749,651
Investments restricted for debt service	<u>4,879,132</u>
Total cash and investments	<u><u>\$ 176,628,783</u></u>

The District complies with the State Money Management Act (*Utah Code* Title 51, Chapter 7) (the Act) and related Rules of the Money Management Council (the Council) in handling our depository and investing transactions. District funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the District to invest in the Utah Public Treasurers' Investment Fund (PTIF), certificates of deposit, U.S. Treasury obligations, U.S. agency issues, first-tier commercial paper, banker's acceptances, repurchase agreements, corporate bonds, money market mutual funds, and obligations of governmental entities within the State of Utah.

The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. The District considers the rules of the Council to be necessary and enough for adequate protection of our uninsured bank deposits.

Deposits

The District's carrying amount of bank deposits at June 30, 2022 was \$2,244,717 and the bank balance was \$2,251,610. Of the bank balance, \$1,222,944 was covered by federal depository insurance and \$1,028,666 was uninsured and uncollateralized. No deposits are collateralized, nor are any required to be by state statute.

Custodial credit risk – Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk.

Investments

The District's investments are with the PTIF, government agencies, certificates of deposit, and in corporate bonds. The Building Authority has investments separate from the District and invests in the PTIF.

The District invests with the PTIF. The PTIF is an external local government investment pool managed by the Utah State Treasurer. The PTIF is authorized and makes investments in accordance with the Act. The Council provides regulatory oversight for the PTIF. Participant accounts with the PTIF are not insured or otherwise guaranteed by the state. Participants in the PTIF share proportionally in the income, costs, gains, and losses from investment activities. The degree of risk of the PTIF depends upon the

TOOELE COUNTY SCHOOL DISTRICT

Notes to Basic Financial Statements

underlying portfolio, which consists of debt securities held by the state or in the state's name by the state's custodial banks, including investment-grade corporate bonds and notes, 94.0%; money market mutual funds, 3.4%; first-tier commercial paper, 2.5%; and certificates of deposit, 0.1%. The portfolio has a weighted average maturity of 90 days or less. The majority of the PTIF's corporate bonds and notes are variable-rate securities, which reset every three months to the prevailing market interest rates. The PTIF is not rated. The PTIF has no debt securities with more than 5.0% of its total investments in a single issuer. The reported value of the pool is the same as the fair value of the pool shares.

The District has \$152,167,156, the Foundation has \$698,563, and the Building Authority has \$4,903,601 invested in the PTIF at June 30, 2022, respectively. The District has \$242,848 invested in government agencies rated AA+ and AAA by Standard & Poor's and Moody's Investor Service, Inc, respectively. The District has \$234,087 invested in a certificate of deposit, which is unrated. The District also has \$987,445 invested in international bonds rated BBB+ and A3 or higher by Standard & Poor's and Moody's Investor Service, Inc, respectively. The District also has \$15,150,906 invested in corporate bonds rated BBB- and BAA3 or higher by Standard & Poor's and Moody's Investor Service, Inc, respectively.

The District and Building Authority have the following investments summarized by investment type and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
Tooele County School District:			
Utah Public Treasurers'			
Investment Fund (PTIF)	\$ 152,167,156	\$ 152,167,156	\$ -
Government agencies	242,848	-	242,848
Certificates of deposit	234,087	-	234,087
International bonds	987,445	496,079	491,366
Corporate bonds	15,150,906	6,094,298	9,056,608
Total District	168,782,442	158,757,533	10,024,909
Foundation:			
Utah Public Treasurers'			
Investment Fund (PTIF)	698,563	698,563	-
Municipal Building Authority of the			
Tooele County School District:			
Utah Public Treasurers'			
Investment Fund (PTIF)	4,903,061	4,903,061	-
Total investments	\$ 174,384,066	\$ 164,359,157	\$ 10,024,909

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to interest rate risk by complying with the Act, which requires that the remaining term to maturity of investments not exceed the period of availability of the funds invested. Except for endowments, the Act further limits the remaining term to maturity on all investments in commercial paper and bankers' acceptances to 270 days or less and fixed-income securities to 365 days or less. In addition, variable-rate securities may not have a remaining term to final maturity exceeding two years.

TOOELE COUNTY SCHOOL DISTRICT

Notes to Basic Financial Statements

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District’s policy for reducing its exposure to credit risk is to comply with the Act and related rules. The Act and related rules limit investments in commercial paper to a first tier rating and investments in fixed-income and variable-rate securities to a rating of A or higher as rated by Moody’s Investors Service, Inc. or by Standard and Poor’s Corporation.

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 District’s policy for managing this risk is to comply with the Act and related rules. The Act limits investments in commercial paper and or corporate obligations to 5.0% of the District’s total portfolio with a single issuer.

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District’s policy for managing this risk is to comply with the Act and related rules. The District places no other limit on investments to be held by counterparties.

NOTE 3 – FAIR VALUE MEASUREMENTS

The District categorizes 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 in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements at June 30, 2022:

- Utah Public Treasurers’ Investment Fund position of \$152,167,156, the unit of account is each share held, and the value of the position is the fair value of the pool’s share price multiplied by the number of shares held (Level 2 inputs).
- Government agencies of \$242,848 are valued using quoted market prices (Level 1 inputs).
- Certificate of deposit of \$234,087 are valued using quoted market prices (Level 2 inputs).
- International bonds of \$987,445 are valued using matrix pricing model (Level 2 inputs).
- Corporate bonds of \$15,150,906 are valued using a matrix pricing model (Level 2 inputs).

The Foundation has the following recurring fair value measurement at June 30, 2022:

- Utah Public Treasurer’s Investment Fund position of \$698,563, the unit of account is each share held, and the value of the position is the fair value of the pool’s share price multiplied by the number of shares held (Level 2 inputs).

The Building Authority has the following recurring fair value measurements at June 30, 2022:

- Utah Public Treasurer’s Investment Fund position of \$4,903,061, the unit of account is each share held, and the value of the position is the fair value of the pool’s share price multiplied by the number of shares held (Level 2 inputs).

TOOELE COUNTY SCHOOL DISTRICT

Notes to Basic Financial Statements

NOTE 4 – PROPERTY TAXES

District Property Tax Revenue

The property tax revenue of the District is collected and distributed by the Tooele County (the County) treasurer as an agent of the District. Utah statutes establish the process by which taxes are levied and collected. The county assessor is required to assess real property as of January 1 (the legal lien date) and complete the tax rolls by May 15. By July 21, the county auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1 and August 15 for a revision of the assessed value. The county auditor makes approved changes in assessed value by November 1 and on this same date the county auditor is to deliver the completed assessment rolls to the county treasurer. Tax notices are mailed with a due date of November 30.

Delinquent taxes are subject to a 2.5% penalty, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 31 of the following year, these delinquent taxes, including penalties, are subject to an interest charge; the interest period is from January 1 until date paid.

An annual uniform fee based on the value of motor vehicles is levied in lieu of an ad valorem tax on motor vehicles. This uniform fee was 1.5% of the fair market statewide value of the property, as established by the State Tax Commission. Legislations requires motor vehicles be subject to an “age-based” fee that is due each time a vehicle is registered. The revenues collected in each county from motor vehicle fees is distributed by the county to each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed. The District recognizes motor vehicle fees as property tax revenue when collected.

As of June 30, 2022, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2022 or earlier. It is expected that all assessed taxes (including delinquencies plus accrued interest and penalties) will be collected within a five-year period, after which time the county treasurer may force sale of property to collect the delinquent portion.

Pass-through Taxes

In addition to property taxes the District levies for its own purposes, the District levies property taxes for redevelopment agencies (located within the boundaries of the District) in accordance with the Community Development and Renewal Agencies Act (Utah Code 17C-1). These taxes are forwarded directly to the redevelopment agencies.

Property tax revenue (or incremental taxes) from increased assessed values within project areas are earmarked to finance urban renewal, economic development, and community development projects managed by the redevelopment agencies for the duration of the projects.

During the year ended June 30, 2022, incremental taxes levied by the District for redevelopment agencies totaling \$2,337,280 were recorded as revenue with an equivalent amount of expenditure in non instructional in the other governmental funds (in the *pass-through taxes fund*).

Per *Utah Code* 53F-2-703, a portion of the District’s board local levy is paid to the statewide charter school levy account. The portion is based on the number of charter school students residing within the District’s boundaries. In 2022, the amount collected by the County and paid directly to the State was \$820,723; this amount was reported in the other governmental funds (in the *pass-through taxes fund*) as revenue with an equivalent amount of expenditure in contributions to other governments.

TOOELE COUNTY SCHOOL DISTRICT
Notes to Basic Financial Statements

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 9,769,326	\$ 1,750,275	\$ -	\$ 11,519,601
Water shares	2,425,190	725,346	-	3,150,536
Construction in progress	7,945,726	40,618,827	(55,828)	48,508,725
Total capital assets, not being depreciated	20,140,242	43,094,448	(55,828)	63,178,862
Capital assets, being depreciated:				
Buildings and improvements	290,998,304	55,828	-	291,054,132
Equipment	11,657,495	715,939	(166,153)	12,207,281
School buses	9,648,867	902,525	(676,374)	9,875,018
Vehicles	3,589,663	838,290	(731,765)	3,696,188
Total capital assets, being depreciated	315,894,329	2,512,582	(1,574,292)	316,832,619
Accumulated depreciation for:				
Buildings and improvements	(93,824,763)	(6,066,643)	-	(99,891,406)
Equipment	(6,292,149)	(903,200)	153,760	(7,041,589)
School buses	(6,702,102)	(420,236)	656,850	(6,465,488)
Vehicles	(1,889,511)	(751,330)	496,100	(2,144,741)
Total accumulated depreciation	(108,708,525)	(8,141,409)	1,306,710	(115,543,224)
Total capital assets, being depreciated, net	207,185,804	(5,628,827)	(267,582)	201,289,395
Governmental activity capital assets, net	<u>\$ 227,326,046</u>	<u>\$ 37,465,621</u>	<u>\$ (323,410)</u>	<u>\$ 264,468,257</u>

For the year ended June 30, 2022, depreciation expense was charged to functions of the District as follows:

Governmental activities:	
Instruction	\$ 8,087,349
Supporting services:	
District administration	28,047
School administration	320
Operation and maintenance of facilities	5,902
Student transportation	6,499
Food services	13,292
Total depreciation expense, governmental activities	<u>\$ 8,141,409</u>

TOOELE COUNTY SCHOOL DISTRICT
Notes to Basic Financial Statements

The District is obligated at June 30, 2022 under construction commitments as follows:

Project	Amount Authorized	Costs to Date	Costs to Complete
Transportation Center	\$ 10,267,776	\$ 4,135,972	\$ 6,131,804
Stansbury High School Cafeteria Addition	134,950	81,360	53,590
Twenty Wells Elementary	19,350,935	16,755,135	2,595,800
Ibapah Elementary	5,539,473	5,210,083	329,390
Ibapah Modular Homes	302,374	302,374	-
Bus Garage and Warehouse	7,877,299	7,469,380	407,919
High School Tooele	139,740,262	13,669,271	126,070,991
Stansbury Junior High School	3,015,150	885,150	2,130,000
Total	<u>\$ 186,228,219</u>	<u>\$ 48,508,725</u>	<u>\$ 137,719,494</u>

The general obligation school building bonds will be used to finance the costs to complete these projects (see Note 9).

NOTE 6 – STATE RETIREMENT PLANS

Description of Plans

Eligible employees of the District are provided with the following plans through the Utah Retirement Systems (URS) administered by the URS:

Defined Benefit Pension Plans (cost-sharing, multiple-employer plans):

- *Public Employees Noncontributory Retirement System* (Tier 1 Noncontributory System)
- *Public Employees Contributory Retirement System* (Tier 1 Contributory System)
- *Tier 2 Hybrid Public Employees Contributory Retirement System* (Tier 2 Contributory System)

Defined Contribution Plans (individual account plans):

- *401(k) Plan* (includes the *Tier 2 Defined Contribution Plan*)
- *457 Plan and other individual plans*

District employees qualify for membership in the retirement systems if a) employment, contemplated to continue during a fiscal or calendar year, normally requires an average of 20 or more hours per week and the employee receives benefits normally provided by the District as approved by the Utah State Retirement Board, b) the employee is a classified school employee whose employment normally requires an average of 20 hours or more per week regardless of benefits, c) the employee is a teacher who teaches half-time or more and receives benefits normally provided by the District as approved by the Utah State Retirement Board, or d) the employee is an appointed officer.

The Tier 2 systems 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 systems.

TOOELE COUNTY SCHOOL DISTRICT

Notes to Basic Financial Statements

The plans are established and governed by the respective sections of Title 49 of the Utah Code. The plans are amended statutorily by the Utah State Legislature. Title 49 provides for the administration of the plans under the direction of the Utah State Retirement Board, whose members are appointed by the Governor.

The URS (a component unit of the State of Utah) issues a publicly available financial report that can be obtained at www.urs.org.

Benefits Provided

The URS provides retirement, disability, and death benefits to participants in the plans.

Retirement benefits are determined from 1.50% to 2.00% of the employee's highest 3 or 5 years of compensation times the employee's years of service depending on the pension plan; benefits are subject to cost-of-living adjustments up to 2.50% or 4.00%, limited to the actual Consumer Price Index increase for the year. Employees are eligible to retire based on years of service and age.

Defined contribution plans are available as supplemental plans to the basic retirement benefits of the defined benefit pension plans and as a primary retirement plan for some Tier 2 participants. Participants in the defined contribution plans are fully vested in employer and employee contributions at the time the contributions are made, except Tier 2 required contributions and associated earnings are vested during the first four years of employment. If an employee terminates prior to the vesting period, employer contributions and associated earnings for that employee are subject to forfeiture. Forfeitures are used to cover a portion of the plan's administrative expenses paid by participants. Benefits depend on amounts contributed to the plans plus investment earnings. Individual accounts are provided for each employee and are available at termination, retirement, death, or unforeseeable emergency.

Contributions

As a condition of participation in the plans, 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.

TOOELE COUNTY SCHOOL DISTRICT

Notes to Basic Financial Statements

For the year ended June 30, 2022, District required contribution rates for the plans were as follows:

	Defined Benefit Plans Rates			District Rates for 401(k) Plan	Totals
	District Contribution *	Amortization of UAAL **	Paid by District for Employee		
Tier 1 Noncontributory System	12.25%	9.94%	-	1.50%	23.69 %
Tier 1 Contributory System	5.45%	12.25%	5.00%	-	22.70 %
Tier 2 Contributory System	9.46%	9.94%	-	0.62%	20.02 %
Tier 2 Defined Contribution Plan	0.08%	9.94%	-	10.00%	20.02 %

* District contribution includes 0.08% of covered-employee payroll of the Tier 2 plans for death benefits.

** Required contributions include an additional amount to finance any unfunded actuarial accrued liability in the Tier 1 plans.

Employees can make additional contributions to defined contribution plans subject to limitations.

For the year ended June 30, 2022, District and employee contributions to the plans were as follows:

	District Contributions *	Employee Contributions
Tier 1 Noncontributory System	\$ 10,190,407	\$ -
Tier 2 Contributory System	5,018,246	-
Tier 2 Defined Contribution Plan	645,637	-
401(k) Plan	1,680,221	1,197,375
457 Plan and other individual plans	-	267,734

* A portion of required contributions in the Tier 2 plans is used to finance the unfunded actuarial accrued liability in the Tier 1 plans.

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

At June 30, 2022, the District reported a net pension asset of \$13,280,141 and a net pension liability of zero for the following plans:

	Net Pension Asset	Net Pension Liability
Tier 1 Noncontributory System	\$ 12,738,046	\$ -
Tier 2 Contributory System	542,095	-
Total	<u>\$ 13,280,141</u>	<u>\$ -</u>

The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2021, rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability (asset) is equal to the ratio of actual contributions compared to the total of all

TOOELE COUNTY SCHOOL DISTRICT
Notes to Basic Financial Statements

employer contributions during the plan year. The following presents the proportion (percentage) of the collective net pension liability (asset) at December 31, 2021 and the change in its proportion since the prior measurement date for each plan:

	Proportionate Share	
	2021	Change
Tier 1 Noncontributory System	1.8643472 %	0.0723218 %
Tier 2 Contributory System	1.2808299 %	0.1179213 %

For the year ended June 30, 2022, the District recognized pension expense for the plans as follows:

	Pension Expense
Defined benefit pension plans:	
Tier 1 Noncontributory System	\$ (3,876,167)
Tier 2 Contributory System	1,884,248
Total	<u>\$ (1,991,919)</u>
Defined contribution plans:	
Tier 2 Defined Contribution Plan	\$ 645,637
401(k) Plan	1,680,221
Total	<u>\$ 2,325,858</u>

At June 30, 2022, the District reported deferred outflows of resources related to defined benefit pension plans from the following sources:

	Deferred Outflows of Resources Related to Pensions		
	Tier 1 Noncontributory System	Tier 2 Contributory System	Total
Differences between expected and actual experience	\$ 7,640,803	\$ 263,361	\$ 7,904,164
Changes of assumptions	4,966,955	505,463	5,472,418
Changes in proportion and differences between District contributions and proportionate share of contributions	1,778,380	325,754	2,104,134
Contributions subsequent to the measurement date	5,098,547	2,921,176	8,019,723
Total	<u>\$ 19,484,685</u>	<u>\$ 4,015,754</u>	<u>\$ 23,500,439</u>

TOOELE COUNTY SCHOOL DISTRICT

Notes to Basic Financial Statements

At June 30, 2022, the District reported deferred inflows of resources related to defined benefit pension plans from the following sources:

	Deferred Inflows of Resources Related to Pensions		
	Tier 1	Tier 2	Total
	Noncontributory System	Contributory System	
Differences between expected and actual experience	\$ -	\$ 69,845	\$ 69,845
Changes of assumptions	-	5,125	5,125
Net difference between projected and actual earnings on pension plan investments	51,373,844	1,339,447	52,713,291
Total	<u>\$ 51,373,844</u>	<u>\$ 1,414,417</u>	<u>\$ 52,788,261</u>

The \$8,019,723 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of December 31, 2021 will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans will be recognized in pension expense as follows:

Year Ending June 30,	Tier 1 Noncontributory System	Tier 2 Contributory System	Total
2023	\$ (4,872,852)	\$ (249,795)	\$ (5,122,647)
2024	(11,925,361)	(320,767)	(12,246,128)
2025	(11,649,016)	(232,173)	(11,881,189)
2026	(8,540,477)	(132,881)	(8,673,358)
2027	-	107,018	107,018
Thereafter	-	508,759	508,759

Actuarial Assumptions

The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% to 9.25%, average, including inflation
Investment rate of return	6.85%, net of pension plan investment expense, including inflation

Mortality rates were based on actual experience and mortality tables, considering gender, occupation, and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2019. The discount rate was reduced from 6.95% to 6.85% since the prior measurement date.

The long-term expected rate of return on defined benefit 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

TOOELE COUNTY SCHOOL DISTRICT
Notes to Basic Financial Statements

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	Target Allocation	Long-Term Expected Real Rate of Return
Equity securities	37%	2.43%
Debt securities	20%	(0.06%)
Real assets	15%	0.87%
Private equity	12%	1.18%
Absolute return	16%	0.47%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.85%. 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, actuarially determined and certified by the Utah State Retirement Board. Based on those assumptions, the plans' 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 (asset).

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
District's proportionate share of the net pension (asset) liability:			
Tier 1 Noncontributory System	\$ 45,746,719	\$ (12,738,046)	\$ (61,631,727)
Tier 2 Contributory System	3,229,921	(542,095)	(3,438,220)
Total	<u>\$ 48,976,640</u>	<u>\$ (13,280,141)</u>	<u>\$ (65,069,947)</u>

TOOELE COUNTY SCHOOL DISTRICT

Notes to Basic Financial Statements

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plans

At June 30, 2022, the District reported payables of \$2,244,292 for contributions to defined benefit and defined contribution plans.

NOTE 7 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The District provides other post-employment benefits (OPEB) to eligible retirees and their spouses. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

Benefits Provided

The Plan provides lifetime Medicare supplemental insurance for retired employees who have completed at least 15 years of service with the District and 25 years in public education. Eligibility for this benefit was restricted in June 2000 to only those who had previously retired and those current employees who had earned at least 25 years of service.

Employees Covered by Benefit Terms

At July 1, 2021, the date of the latest actuarial valuation, 114 retirees and 75 spouses were covered by the benefit terms. The Plan is closed to new entrants.

Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Discount rate	3.54%
Healthcare cost trend rates	3.70% - 3.70% over 55 years

The discount rate was based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rate was increased from 2.16% to 3.54% since the prior measurement date. Also the healthcare cost trend rate assumption was decreased from 3.90% to 3.70%.

Mortality rates were based on 2010 Public General Employee with 100% of MP Ultimate scale.

The medical cost trend used in the valuation was derived from the "Getzen Model" published by the Society of Actuaries for developing long term medical cost trends. A Federal excise tax will apply for high cost health plans beginning in 2022. A margin to reflect the impact of the excise tax in future years

TOOELE COUNTY SCHOOL DISTRICT
Notes to Basic Financial Statements

is reflected in the assumed trend. The development of the trend rates was based on the assumed general inflation of 2.30% per year.

Changes in the Total OPEB Liability

The following presents the OPEB liability activity for the year ended June 30, 2022:

	Total OPEB Liability
Balance at June 30, 2021	\$ 9,171,109
Changes for the year:	
Interest	192,821
Effect of liability gains or losses	(648,287)
Effect on assumptions changes or inputs	(1,055,737)
Benefit payments	(491,037)
Net changes	(2,002,240)
Balance at June 30, 2022	\$ 7,168,869

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, calculated using the discount rate of 3.54%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current rate.

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB obligation	\$ 7,795,957	\$ 7,168,869	\$ 6,624,198

Sensitivity to the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, calculated using the current healthcare cost trend rate of 3.90% decreasing to 3.70% as well as what the District's total OPEB liability would be if it were calculated using a trend rate that is 1 percentage point lower (2.90% decreasing to 2.70%) or 1 percentage point higher (4.90% decreasing to 4.70%) than the current trend rate.

	1% Decrease (2.70%)	Healthcare Cost Trend Rates (3.70%)	1% Increase (4.70%)
Total OPEB obligation	\$ 6,657,665	\$ 7,168,869	\$ 7,744,439

TOOELE COUNTY SCHOOL DISTRICT
Notes to Basic Financial Statements

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of \$355,365. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,306,200	\$ -
Changes of assumptions or other inputs	962,309	565,446
Total	<u>\$ 2,268,509</u>	<u>\$ 565,446</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2023	\$ 168,669
2024	168,669
2025	168,669
2026	168,669
2027	168,669
Thereafter	859,718

NOTE 8 – RISK MANAGEMENT

The District also maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability up to \$10 million per occurrence through policies administered by the Utah State Risk Management Fund (the Fund). The District also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the Fund. Property physical damage is insured to replacement value with a \$1,000 deductible; automobile physical damage is insured to actual value with a \$350 deductible; other liability is limited to the lesser of \$10 million or the statutory limit. The Fund is a public entity risk pool operated by the State for the benefit of the State and local governments within the State. The District pays annual premiums to a Fund; the Fund obtains independent coverage for insured events, up to \$25 million per location. This is a pooled arrangement where the participants pay experience rated annual premiums, which are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The pool reinsures excess losses to preserve the capital base. Insurance coverage by major category of risk has remained relatively constant as compared to the prior fiscal year. Insurance settlements have not exceeded insurance coverage for the past three years.

Unemployment compensation is handled on a cost of benefits reimbursement basis with the State of Utah. The Utah School Boards Risk Management Mutual Insurance Association covers all District employees for workers' compensation.

TOOELE COUNTY SCHOOL DISTRICT
Notes to Basic Financial Statements

NOTE 9 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds payable	\$ 103,790,000	\$ 49,085,000	\$ (10,635,000)	\$ 142,240,000	\$ 10,150,000
General obligation bonds premium	13,246,549	1,949,983	(1,164,834)	14,031,698	-
Net general obligation bonds payable	117,036,549	51,034,983	(11,799,834)	156,271,698	10,150,000
Lease revenue bonds payable	6,000,000	-	-	6,000,000	-
Notes payable	1,524,738	830,508	(876,171)	1,479,075	376,909
Early retirement benefits payable	2,070,283	501,406	(378,118)	2,193,571	718,141
Compensated absences payable	1,515,847	593,761	(270,969)	1,838,639	1,470,911
Total OPEB liability	9,171,109	192,821	(2,195,061)	7,168,869	-
Net pension liability	24,057,141	(8,210,652)	(15,846,489)	-	-
Total governmental activity long-term liabilities	<u>\$ 161,375,667</u>	<u>\$ 44,942,827</u>	<u>\$ (31,366,642)</u>	<u>\$ 174,951,852</u>	<u>\$ 12,715,961</u>

General Obligation Bonds

The District issues general obligation bonds to provide funds for the construction of new facilities, acquisition of property, renovation and improvement of facilities, and procurement of other equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the District. Payments on the general obligation bonds are made by the *debt service fund* from property taxes.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2022, including interest payments, are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 10,150,000	\$ 3,466,038	\$ 13,616,038
2024	8,520,000	5,059,888	13,579,888
2025	8,945,000	4,633,888	13,578,888
2026	9,385,000	4,214,338	13,599,338
2027	9,830,000	3,773,788	13,603,788
2028-2032	34,225,000	13,787,938	48,012,938
2033-2037	35,200,000	7,159,013	42,359,013
2038-2042	25,985,000	2,415,538	28,400,538
Total	<u>\$ 142,240,000</u>	<u>\$ 44,510,427</u>	<u>\$ 186,750,427</u>

TOOELE COUNTY SCHOOL DISTRICT

Notes to Basic Financial Statements

General obligation school building bonds payable at June 30, 2022, with their outstanding balances, are comprised of the following individual issues:

Series 2014B - General Obligation Refunding Bonds - original issue of \$22,545,000 with interest rates ranging from 4.00% to 5.00%	\$ 13,185,000
Series 2015 - General Obligation Refunding Bonds - original issue of \$16,960,000 with interest rates ranging from 1.75% to 5.00%	9,960,000
Series 2016 - General Obligation Bonds - original issue of \$33,000,000 with interest rates ranging from 1.25% to 5.00%	26,550,000
Series 2017 - General Obligation Bonds - original issue of \$16,000,000 with interest rates ranging from 3.00% to 5.00%	3,530,000
Series 2021 - General Obligation Bonds - original issue of \$45,480,000 with interest rates ranging from 2.00% to 5.00%	39,930,000
Series 2022 - General Obligation Bonds - original issue of \$49,085,000 with interest rates ranging from 3.38% to 5.00%	<u>49,085,000</u>
	<u>\$ 142,240,000</u>

On May 19, 2022, the District issued \$49,085,000 in general obligation bonds with interest rates ranging from 3.38% to 5.0%. Proceeds from this issuance including the amount of bond premiums of \$1,949,983 are used to finance the construction of new schools and the renovation of existing schools.

The general obligation bonded debt of the District is limited by state law to 4.0% of the fair market value of the total taxable property in Tooele County. The legal debt limit at June 30, 2022 is \$374,598,582, with general obligation debt outstanding of \$156,271,698 (which is net of bond premiums) resulting in a legal debt margin of \$218,326,884.

Lease Revenue Bonds

In August 2010, the Building Authority of Tooele County School District issued \$6,000,000 of Qualified School Construction Bonds to finance the reconstruction of Grantsville Elementary School. The bonds accrue interest at a net rate of 0.345% (5.625% net of a credit of 5.280%), payable semi-annually, and will mature on June 1, 2027. The bonds require the principal amount of \$6,000,000 to be paid at maturity. If the interest rate credit were to be discontinued the Building Authority would be required to pay interest at the full amount rather than the net amount. In accordance with the requirements of the bonds, the Building Authority has placed \$600,000 in a debt service reserve fund. The Building Authority has also agreed to transfer \$375,000 annually into a sinking fund. At June 30, 2022, the reserve account and sinking fund have balances of \$4,879,132 and \$4,486,552, respectively. The District will make annual payments to the Building Authority from the *capital projects fund* for the use of the building.

TOOELE COUNTY SCHOOL DISTRICT
Notes to Basic Financial Statements

The annual requirements to amortize the lease revenue bonds outstanding as of June 30, 2022, including interest payments, are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ -	\$ 337,500	\$ 337,500
2024	-	337,500	337,500
2025	-	337,500	337,500
2026	-	337,500	337,500
2027	6,000,000	337,500	6,337,500
Total	<u>\$ 6,000,000</u>	<u>\$ 1,687,500</u>	<u>\$ 7,687,500</u>

Notes Payable

The District has entered into several note payables to purchase vehicles. Proceeds from the notes totaled \$830,508 during the year ended June 30, 2022, the notes bear interest rates ranging from 5.0% to 9.0%. The notes are secured by the vehicles. The notes are payable in monthly installments ranging from \$55 to \$1,188 per vehicle.

The annual requirements to amortize the notes payable outstanding in the *capital projects fund*, as of June 30, 2022, including interest payments, are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 376,909	\$ 135,109	\$ 512,018
2024	327,919	120,482	448,401
2025	251,764	94,339	346,103
2026	170,890	63,057	233,947
2027	128,176	48,612	176,788
2028-2029	223,417	85,724	309,141
Total	<u>\$ 1,479,075</u>	<u>\$ 547,323</u>	<u>\$ 2,026,398</u>

Early Retirement Incentive

The District provides an early retirement incentive program. Eligibility is restricted to those employees with a minimum of 30 years prior service with a minimum of 10 years of service in the District, and who meet the eligibility requirements for and will be receiving URS benefits. Eligible retirees receive amounts based on age and classification. These amounts were paid out over a period of up to five consecutive years for those who retired prior to August 2018. For current retirees, cumulative benefits are now paid in a lump sum amount into a qualified trust plan for the benefit of the retiree. In addition to early retirement compensation, the District provides medical insurance coverage to qualified early retirees up to age 65 or 10 years of benefits, which ever comes first. The District's payments for these benefits totaled \$378,118 for the year ended June 30, 2022. Future retirement payments for employees who have elected early retirement are recognized on an accrual basis as an expense in the government-wide statements in the year of retirement. This liability is paid from the fund from which the employee retires.

TOOELE COUNTY SCHOOL DISTRICT

Notes to Basic Financial Statements

NOTE 10 – INTERFUND BALANCES AND TRANSFERS

The *general fund* reports balances due from other governmental funds totaling \$52,823 at June 30, 2022. These balances are temporary advances to cover operating costs.

The District transferred \$6,500,000 from the *general fund* to the *capital projects fund* primarily to cover capital outlay purchases. The District transferred \$211,936 from the *general fund* to the *Tooele Education Foundation fund* primarily to cover administrative costs incurred by the Foundation. The District transferred \$279,268 from the *general fund* to the *student activities fund* to support activities held at the schools. The District transferred \$140,083 from the *general fund* to the *food service fund* to support activities held in feeding the students.

NOTE 11 – LITIGATION AND COMPLIANCE

At certain times, claims or lawsuits are pending in which the District is involved. The District's counsel and insurance carriers estimate that the District's potential obligations resulting from such claims or litigation would not materially affect the financial statements of the District.

All fund balances are positive at June 30, 2022. Fund expenditures were within budgeted amounts for the year ended June 30, 2022.

NOTE 12 – GRANTS

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the *general fund* or other applicable fund. Based on prior experience, District administration believes such disallowance, if any, would be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

TOOELE COUNTY SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability (Asset) –
Utah Retirement Systems

Last Eight Plan (Calendar) Years

	District's Proportion of Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Tier 1 Noncontributory System:					
2021	1.8643472 %	\$ (12,738,046)	\$ 46,053,348	(27.66)%	102.7 %
2020	1.7920254 %	23,889,882	44,333,706	53.89 %	94.3 %
2019	1.7669338 %	39,256,001	43,674,475	89.88 %	90.1 %
2018	1.5393727 %	57,272,625	40,603,186	141.05 %	84.1 %
2017	1.4629616 %	35,774,710	38,553,460	92.79 %	89.2 %
2016	1.4895131 %	46,543,683	38,511,784	120.86 %	84.9 %
2015	1.4895131 %	46,789,872	39,924,419	117.20 %	84.5 %
2014	1.5073443 %	37,872,458	41,370,402	91.54 %	87.2 %
Tier 1 Contributory System:					
2021	0.0000000 %	\$ -	\$ -	0.00 %	0.0 %
2020	0.0000000 %	-	-	0.00 %	0.0 %
2019	0.0000000 %	-	-	0.00 %	0.0 %
2018	0.0000000 %	-	-	0.00 %	0.0 %
2017	0.0677760 %	4,460	15,421	28.92 %	99.2 %
2016	0.2157321 %	118,212	57,831	204.41 %	93.4 %
2015	0.1682473 %	105,433	53,296	197.83 %	92.4 %
2014	0.1440346 %	15,793	52,778	29.92 %	98.7 %
Tier 2 Contributory System:					
2021	1.2808299 %	\$ (542,095)	\$ 23,886,036	(2.27)%	103.8 %
2020	1.1629086 %	167,259	18,628,367	0.90 %	98.3 %
2019	1.1575840 %	250,942	15,539,590	1.61 %	96.5 %
2018	1.0905795 %	467,072	12,827,505	3.64 %	90.8 %
2017	1.0094891 %	89,004	9,913,198	0.90 %	97.4 %
2016	0.9751693 %	108,779	7,997,139	1.36 %	95.1 %
2015	1.0050074 %	(2,194)	6,489,271	(0.03)%	100.2 %
2014	1.0856406 %	(32,900)	5,307,730	(0.62)%	103.5 %

TOOELE COUNTY SCHOOL DISTRICT
Schedule of District Contributions – Utah Retirement Systems
 Last Eight Reporting (Fiscal) Years

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Tier 1 Noncontributory System:					
2022	\$ 10,190,407	\$ 10,190,407	\$ -	\$ 46,366,129	21.98 %
2021	9,976,622	9,976,622	-	45,400,398	21.97 %
2020	9,641,150	9,641,150	-	43,961,006	21.93 %
2019	9,328,751	9,328,751	-	42,606,410	21.90 %
2018	8,563,001	8,563,001	-	39,054,948	21.93 %
2017	8,423,954	8,423,954	-	38,389,233	21.94 %
2016	8,582,710	8,582,710	-	39,084,890	21.96 %
2015	8,831,600	8,831,600	-	40,775,151	21.66 %
Tier 1 Contributory System:					
2022	\$ -	\$ -	\$ -	\$ -	0.00 %
2021	-	-	-	-	0.00 %
2020	-	-	-	-	0.00 %
2019	-	-	-	-	0.00 %
2018	-	-	-	-	0.00 %
2017	8,305	8,305	-	62,096	13.37 %
2016	12,765	12,765	-	71,551	17.84 %
2015	9,988	9,988	-	57,170	17.47 %
Tier 2 Contributory System:					
2022	\$ 5,018,246	\$ 5,018,246	\$ -	\$ 25,887,375	19.38 %
2021	4,116,693	4,116,693	-	21,420,346	19.22 %
2020	3,171,837	3,171,837	-	16,676,910	19.02 %
2019	2,690,867	2,690,867	-	14,271,567	18.85 %
2018	2,101,771	2,101,771	-	11,406,035	18.43 %
2017	1,580,782	1,580,782	-	8,661,965	18.25 %
2016	1,342,643	1,342,643	-	7,360,564	18.24 %
2015	1,008,053	1,008,053	-	5,587,340	18.04 %
Tier 2 Defined Contribution Plan:					
2022	\$ 645,637	\$ 645,637	\$ -	\$ 6,324,245	10.21 %
2021	531,390	531,390	-	5,284,972	10.05 %
2020	416,433	416,433	-	4,143,152	10.05 %
2019	322,238	322,238	-	3,214,944	10.02 %
2018	234,755	234,755	-	2,342,855	10.02 %
2017	199,805	199,805	-	1,969,221	10.15 %
2016	134,532	134,532	-	1,330,748	10.11 %
2015	99,753	99,753	-	980,218	10.18 %

TOOELE COUNTY SCHOOL DISTRICT
Schedule of Changes in the District's Total OPEB Liability and Related Ratios

Last Four Plan Fiscal Years

	2022	2021	2020	2019
Total OPEB Liability:				
Interest	\$ 192,821	\$ 204,014	\$ 376,907	\$ 387,140
Differences between expected and actual experience	-	-	(965,090)	-
Effects of economic demographic gains or losses	(648,287)	-	-	-
Changes of assumptions and other inputs	(1,055,737)	42,558	715,413	-
Benefit payments	(491,037)	(610,335)	(656,887)	(646,341)
Net change in total OPEB liability	(2,002,240)	(363,763)	(529,657)	(259,201)
Total OPEB liability - beginning	9,171,109	9,534,872	10,064,529	10,323,730
Total OPEB liability - ending	<u>\$ 7,168,869</u>	<u>\$ 9,171,109</u>	<u>\$ 9,534,872</u>	<u>\$ 10,064,529</u>
Covered payroll	N/A	N/A	N/A	N/A
Total OPEB liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

TOOELE COUNTY SCHOOL DISTRICT
Notes to Required Supplementary Information

NOTE A – CHANGES IN ASSUMPTIONS – UTAH RETIREMENT SYSTEMS

Amounts reported in plan year 2021 reflect the following assumption changes adopted from the January 1, 2021 valuation:

- The investment return assumption decreased from 6.95% to 6.85%.

Amounts reported in plan year 2020 reflect the following assumption changes adopted from the January 1, 2020 valuation:

- The payroll growth assumption decreased from 3.00% to 2.90%.
- Other assumptions that were modified: retirement rates, termination rates, disability rates, rate of salary increase, and pre and post retirement mortality tables.

Amounts reported in plan years 2019 and 2018 remain unchanged from the prior year.

Amounts reported in plan year 2017 reflect the following assumption changes adopted from the January 1, 2017 valuation:

- The investment return assumption was decreased from 7.20% to 6.95%.
- The inflation assumption decreased from 2.60% to 2.50%.
- The life expectancy assumption increased for most groups.
- The wage inflation assumption decreased from 3.35% to 3.25%.
- The payroll growth assumption decreased from 3.10% to 3.00%

Amounts reported in plan year 2016 reflect the following assumption changes adopted from the January 1, 2016 valuation:

- The investment return assumption was decreased from 7.50% to 7.20%.
- The inflation rate was decreased from 2.75% to 2.60%.
- Both the payroll growth and wage inflation assumptions were decreased by 0.15% .

Amounts reported in plan year 2015 reflect the following assumption changes adopted from the January 1, 2015 valuation:

- The wage inflation assumption for all employee groups was decreased from 3.75% to 3.50%.
- The payroll growth assumption was decreased from 3.50% to 3.25%.
- Other assumptions that were modified: rate of salary increases, post retirement mortality, and certain demographics.

NOTE B – SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) – UTAH RETIREMENT SYSTEMS

These schedules only present information for the 2014 and subsequent measurement periods of the plans; prior-year information is not available.

TOOELE COUNTY SCHOOL DISTRICT
Notes to Required Supplementary Information

NOTE C – SCHEDULES OF DISTRICT CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS

These schedules only present information for the 2015 and subsequent reporting periods of the plans; prior-year information is not available.

Contributions as a percentage of covered payroll may be different than the Utah State Retirement Board certified rate due to rounding or other administrative issues. A portion of the required contributions in the Tier 2 plans is used to finance the unfunded actuarial accrued liability of the Tier 1 plans.

NOTE D – OTHER POSTEMPLOYMENT BENEFIT PLAN (OPEB)

Amounts reported in plan year 2022 reflect the following assumption changes adopted from the July 1, 2022 valuation:

- The investment return assumption was increased from 2.16% to 3.54%.
- The healthcare cost trend rate assumption was decreased from 3.90% to 3.70%.

Amounts reported in plan year 2021 reflect the following assumption changes adopted from the July 1, 2021 valuation:

- The investment return assumption was decreased from 2.21% to 2.16%.

Amounts reported in plan year 2020 reflect the following assumption changes adopted from the July 1, 2020 valuation:

- The investment return assumption was decreased from 3.87% to 2.21%.
- The healthcare cost trend rate assumption was decreased from 6.80% to 6.00%.

These schedules only present information for our 2018 and subsequent reporting periods of the plans; prior-year information is not available.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

TOOELE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2022 with Comparative Totals for 2021

	2022			2021
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Property taxes	\$ 32,866,281	\$ 33,382,513	\$ 516,232	\$ 29,599,858
Earnings on investments	280,000	(69,149)	(349,149)	368,294
Other local	328,827	1,350,383	1,021,556	1,304,366
State	143,395,862	141,170,234	(2,225,628)	129,797,349
Federal	18,113,050	10,923,462	(7,189,588)	11,044,601
Total revenues	194,984,020	186,757,443	(8,226,577)	172,114,468
Expenditures:				
Current:				
Salaries	93,652,783	87,964,167	5,688,616	80,108,498
Employee benefits	43,559,794	40,810,774	2,749,020	38,416,526
Purchased professional services	35,182,036	28,681,937	6,500,099	25,796,970
Purchased property services	842,600	989,560	(146,960)	840,355
Other purchased services	2,192,457	1,915,288	277,169	1,391,740
Supplies	16,145,937	14,227,167	1,918,770	16,350,383
Property	2,110,887	596,143	1,514,744	2,510,374
Other	797,526	122,145	675,381	107,122
Total expenditures	194,484,020	175,307,181	19,176,839	165,521,968
Excess of revenues over expenditures	500,000	11,450,262	10,950,262	6,592,500
Other financing sources (uses):				
Transfers out	(500,000)	(7,131,287)	(6,631,287)	(510,866)
Net change in fund balances	-	4,318,975	4,318,975	6,081,634
Fund balances - beginning	23,783,662	23,783,662	-	17,702,028
Fund balances - ending	<u>\$ 23,783,662</u>	<u>\$ 28,102,637</u>	<u>\$ 4,318,975</u>	<u>\$ 23,783,662</u>

TOOELE COUNTY SCHOOL DISTRICT**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual*****Debt Service Fund***

Year Ended June 30, 2022 with Comparative Totals for 2021

	2022			2021
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 15,921,769	\$ 16,198,935	\$ 277,166	\$ 13,743,373
Earnings on investments	1,000	31,058	30,058	26,628
Total revenues	15,922,769	16,229,993	307,224	13,770,001
Expenditures:				
Bond principal	10,635,000	10,635,000	-	10,700,000
Interest and fees	3,908,468	3,899,430	9,038	2,780,259
Total expenditures	14,543,468	14,534,430	9,038	13,480,259
Excess of revenues over expenditures / net change in fund balances	1,379,301	1,695,563	316,262	289,742
Fund balances - beginning	1,418,842	1,418,842	-	1,129,100
Fund balances - ending	<u>\$ 2,798,143</u>	<u>\$ 3,114,405</u>	<u>\$ 316,262</u>	<u>\$ 1,418,842</u>

TOOELE COUNTY SCHOOL DISTRICT**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual****Capital Projects Fund**

Year Ended June 30, 2022 with Comparative Totals for 2021

	2022			2021
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Property taxes	\$ 8,470,473	\$ 8,594,964	\$ 124,491	\$ 7,816,883
Earnings on investments	13,000	423,305	410,305	193,256
Other local	-	280,000	280,000	-
State	8,155,439	8,155,439	-	7,025,821
Federal:				
Interest subsidy	298,742	298,742	-	298,426
Total revenues	<u>16,937,654</u>	<u>17,752,450</u>	<u>814,796</u>	<u>15,334,386</u>
Expenditures:				
Capital outlay:				
Salaries	78,000	78,000	-	71,000
Employee benefits	45,363	45,579	(216)	43,265
Purchased services	125,000	5,207,380	(5,082,380)	1,310,409
Purchased property services	58,706,529	34,565,404	24,141,125	6,133,342
Supplies	4,397,720	3,757,322	640,398	185,091
Property	3,442,025	6,019,361	(2,577,336)	3,661,657
Debt service:				
Principal on notes payable	450,000	876,171	(426,171)	623,966
Interest and fees	481,500	478,452	3,048	657,144
Debt issuance cost	268,500	225,158	43,342	258,663.00
Total expenditures	<u>67,994,637</u>	<u>51,252,827</u>	<u>16,741,810</u>	<u>12,944,537</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(51,056,983)</u>	<u>(33,500,377)</u>	<u>17,556,606</u>	<u>2,389,849</u>
Other financing sources (uses):				
Transfers in	-	6,500,000	6,500,000	-
Proceeds from notes payable	-	830,508	830,508	656,717
General obligation bonds issued	49,085,000	49,085,000	-	45,480,000
General obligation bonds premium	1,949,983	1,949,983	-	5,572,764
Proceeds from sale of capital assets	22,000	551,698	529,698	2,073,714
Total other financing sources (uses)	<u>51,056,983</u>	<u>58,917,189</u>	<u>7,860,206</u>	<u>53,783,195</u>
Net change in fund balances	-	25,416,812	25,416,812	56,173,044
Fund balances - beginning	<u>96,254,457</u>	<u>96,254,457</u>	<u>-</u>	<u>40,081,413</u>
Fund balances - ending	<u>\$ 96,254,457</u>	<u>\$ 121,671,269</u>	<u>\$ 25,416,812</u>	<u>\$ 96,254,457</u>

TOOELE COUNTY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Food Services	Student Activities	Pass-Through Taxes	Tooele Education Foundation	
Assets:					
Cash and investments	\$ 5,084,973	\$ 2,429,410	\$ -	\$ 900,821	\$ 8,415,204
Receivables:					
Property taxes	-	-	3,565,416	-	3,565,416
Other local	-	10,902	-	-	10,902
State	208,565	-	-	-	208,565
Federal	81,167	-	-	-	81,167
Inventories	55,485	-	-	-	55,485
Total assets	<u>\$ 5,430,190</u>	<u>\$ 2,440,312</u>	<u>\$ 3,565,416</u>	<u>\$ 900,821</u>	<u>\$ 12,336,739</u>
Liabilities:					
Accounts payable	\$ 84,843	\$ 12,381	\$ -	\$ 31,583	\$ 128,807
Accrued salaries and benefits	508,301	632	-	2,292	511,225
Unearned revenue:					
Local	-	-	-	3,396	3,396
Due to other funds	-	-	-	52,823	52,823
Total liabilities	<u>593,144</u>	<u>13,013</u>	<u>-</u>	<u>90,094</u>	<u>696,251</u>
Deferred inflows of resources:					
Unavailable property tax revenue	-	-	197,098	-	197,098
Property taxes levied for future year	-	-	3,368,318	-	3,368,318
Total deferred inflows of resources	-	-	3,565,416	-	3,565,416
Fund balances:					
Nonspendable:					
Inventories	55,485	-	-	-	55,485
Restricted for:					
Food services	4,781,561	-	-	-	4,781,561
Committed to:					
Foundation	-	-	-	258,900	258,900
Assigned to:					
Schools	-	2,427,299	-	551,827	2,979,126
Total fund balances	<u>4,837,046</u>	<u>2,427,299</u>	<u>-</u>	<u>810,727</u>	<u>8,075,072</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,430,190</u>	<u>\$ 2,440,312</u>	<u>\$ 3,565,416</u>	<u>\$ 900,821</u>	<u>\$ 12,336,739</u>

TOOELE COUNTY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2022

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Food Services	Student Activities	Pass-Through Taxes	Tooele Education Foundation	
Revenues:					
Local:					
Property taxes	\$ -	\$ -	\$ 3,158,003	\$ -	\$ 3,158,003
Earnings on investments	45,136	10,122	-	-	55,258
Other local	326,971	3,813,741	-	601,512	4,742,224
State	1,549,365	-	-	-	1,549,365
Federal	9,685,531	-	-	-	9,685,531
Total revenues	<u>11,607,003</u>	<u>3,823,863</u>	<u>3,158,003</u>	<u>601,512</u>	<u>19,190,381</u>
Expenditures:					
Instruction	-	3,426,184	-	-	3,426,184
Supporting services:					
Instructional staff	-	16,607	-	9,308	25,915
Operation and maintenance of facilities	-	-	-	1,800	1,800
Student transportation	-	644,412	-	4,296	648,708
Non instructional	-	-	-	647,279	647,279
Contributions to other governments	-	-	3,158,003	-	3,158,003
Food services	<u>9,559,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,559,835</u>
Total expenditures	<u>9,559,835</u>	<u>4,087,203</u>	<u>3,158,003</u>	<u>662,683</u>	<u>17,467,724</u>
Excess (deficiency) of revenues over (under) expenditures	2,047,168	(263,340)	-	(61,171)	1,722,657
Other financing sources :					
Transfers in	<u>140,083</u>	<u>279,268</u>	<u>-</u>	<u>211,936</u>	<u>631,287</u>
Net change in fund balances	2,187,251	15,928	-	150,765	2,353,944
Fund balances - beginning	<u>2,649,795</u>	<u>2,411,371</u>	<u>-</u>	<u>659,962</u>	<u>5,721,128</u>
Fund balances - ending	<u>\$ 4,837,046</u>	<u>\$ 2,427,299</u>	<u>\$ -</u>	<u>\$ 810,727</u>	<u>\$ 8,075,072</u>

TOOELE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Food Services
Nonmajor Special Revenue Fund
Year Ended June 30, 2022 with Comparative Totals for 2021

	2022			2021
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Earnings on investments	\$ -	\$ 45,136	\$ 45,136	\$ 16,390
Other local	325,000	326,971	1,971	200,909
State	1,200,000	1,549,365	349,365	1,628,584
Federal	8,253,696	9,685,531	1,431,835	7,644,226
Total revenues	<u>9,778,696</u>	<u>11,607,003</u>	<u>1,828,307</u>	<u>9,490,109</u>
Expenditures:				
Current:				
Salaries	3,215,028	3,213,339	1,689	2,687,241
Employee benefits	1,004,779	1,003,172	1,607	884,894
Purchased services	82,287	135,830	(53,543)	70,277
Supplies	4,540,000	4,332,837	207,163	3,720,838
Property	200,000	143,010	56,990	57,023
Other	736,602	731,647	4,955	466,273
Total expenditures	<u>9,778,696</u>	<u>9,559,835</u>	<u>218,861</u>	<u>7,886,546</u>
Excess of revenues over expenditures	-	2,047,168	2,047,168	1,603,563
Other financing sources:				
Transfers in	-	140,083	-	-
Net change in fund balances	-	2,187,251	2,047,168	1,603,563
Fund balances - beginning	<u>2,649,795</u>	<u>2,649,795</u>	<u>-</u>	<u>1,046,232</u>
Fund balances - ending	<u><u>\$ 2,649,795</u></u>	<u><u>\$ 4,837,046</u></u>	<u><u>\$ 2,047,168</u></u>	<u><u>\$ 2,649,795</u></u>

TOOELE COUNTY SCHOOL DISTRICT**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual****Student Activities****Nonmajor Special Revenue Fund**

Year Ended June 30, 2022 with Comparative Totals for 2021

	2022			2021
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Earnings on investments	\$ 17,170	\$ 10,122	\$ (7,048)	\$ 6,853
Other local	5,156,272	3,813,741	(1,342,531)	2,882,274
Total revenues	5,173,442	3,823,863	(1,349,579)	2,889,127
Expenditures:				
Current:				
Salaries	90,773	66,137	24,636	40,537
Employee benefits	9,077	18,140	(9,063)	11,351
Purchased services	1,168,335	993,804	174,531	458,380
Supplies	4,171,350	2,958,645	1,212,705	2,560,259
Property	40,900	27,580	13,320	18,163
Other	37,560	22,897	14,663	22,568
Total expenditures	5,517,995	4,087,203	1,430,792	3,111,258
Excess (deficiency) of revenues over (under) expenditures	(344,553)	(263,340)	81,213	(222,131)
Other financing sources:				
Transfers in	344,553	279,268	(65,285)	310,866
Net change in fund balances	-	15,928	15,928	88,735
Fund balances - beginning	2,411,371	2,411,371	-	2,322,636
Fund balances - ending	<u>\$ 2,066,818</u>	<u>\$ 2,427,299</u>	<u>\$ 15,928</u>	<u>\$ 2,411,371</u>

TOOELE COUNTY SCHOOL DISTRICT**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual*****Pass-Through Taxes***

Year Ended June 30, 2022 with Comparative Totals for 2021

	2022			2021
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 3,320,723	\$ 3,158,003	\$ (162,720)	\$ 2,898,485
Expenditures:				
Current:				
Contributions to other governments	3,320,723	3,158,003	162,720	2,898,485
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOOELE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Tooele Education Foundation
Nonmajor Special Revenue Fund
Year Ended June 30, 2022 with Comparative Totals for 2021

	2022			2021
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Other local	\$ 1,252,000	\$ 601,512	\$ (650,488)	\$ 686,447
State	-	-	-	60,809
Total revenues	1,252,000	601,512	(650,488)	747,256
Expenditures:				
Current:				
Salaries	180,650	179,232	1,418	161,171
Employee benefits	51,380	56,352	(4,972)	53,589
Purchased services	-	60,936	(60,936)	74,386
Supplies	1,219,970	366,063	853,907	454,864
Property	-	-	-	22,000
Other	-	100	(100)	100
Total expenditures	1,452,000	662,683	789,317	766,110
Excess (deficiency) of revenues over (under) expenditures	(200,000)	(61,171)	138,829	(18,854)
Other financing sources:				
Transfers in	200,000	211,936	11,936	200,000
Net change in fund balances	-	150,765	150,765	181,146
Fund balances - beginning	659,962	659,962	-	478,816
Fund balances - ending	<u>\$ 459,962</u>	<u>\$ 810,727</u>	<u>\$ 150,765</u>	<u>\$ 659,962</u>

OTHER INFORMATION
(Unaudited)

TOOELE COUNTY SCHOOL DISTRICT

Percent of Unassigned Fund Balance to

General Fund Expenditures

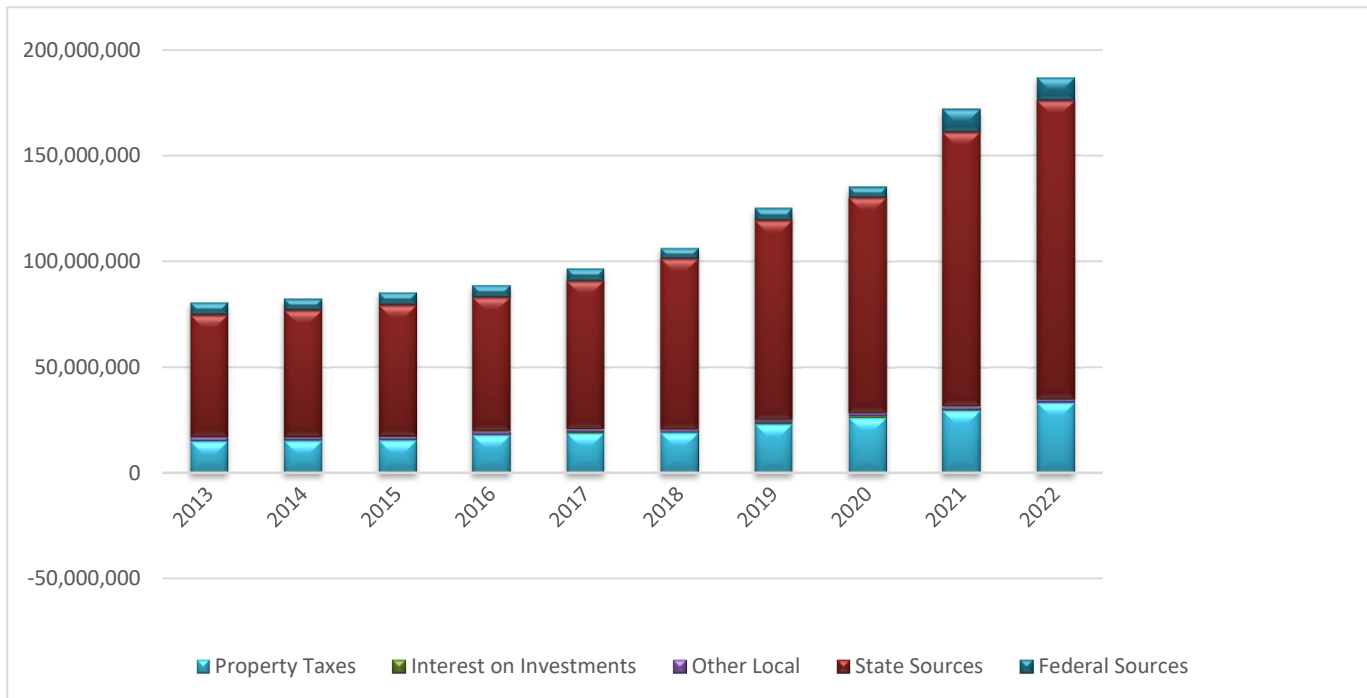
For the Years Ended June 30, 2013 through 2022

Year Ended June 30,	Unassigned Fund Balance	Total General Fund Expenditures	Percent of Unassigned Fund Balance to General Fund Expenditures
2013	\$ 3,179,694	\$ 80,381,201	3.96%
2014	4,124,814	81,435,091	5.07%
2015	4,257,590	84,896,751	5.02%
2016	3,480,063	86,767,681	4.01%
2017	5,699,301	94,224,883	6.05%
2018	6,189,322	105,537,999	5.86%
2019	6,051,848	121,554,364	4.98%
2020	4,879,125	134,984,410	3.61%
2021	8,783,925	165,521,961	5.31%
2022	12,508,645	175,307,181	7.14%

TOOELE COUNTY SCHOOL DISTRICT

Revenues by Source for the General Fund
For the Years Ended June 30, 2013 through 2022

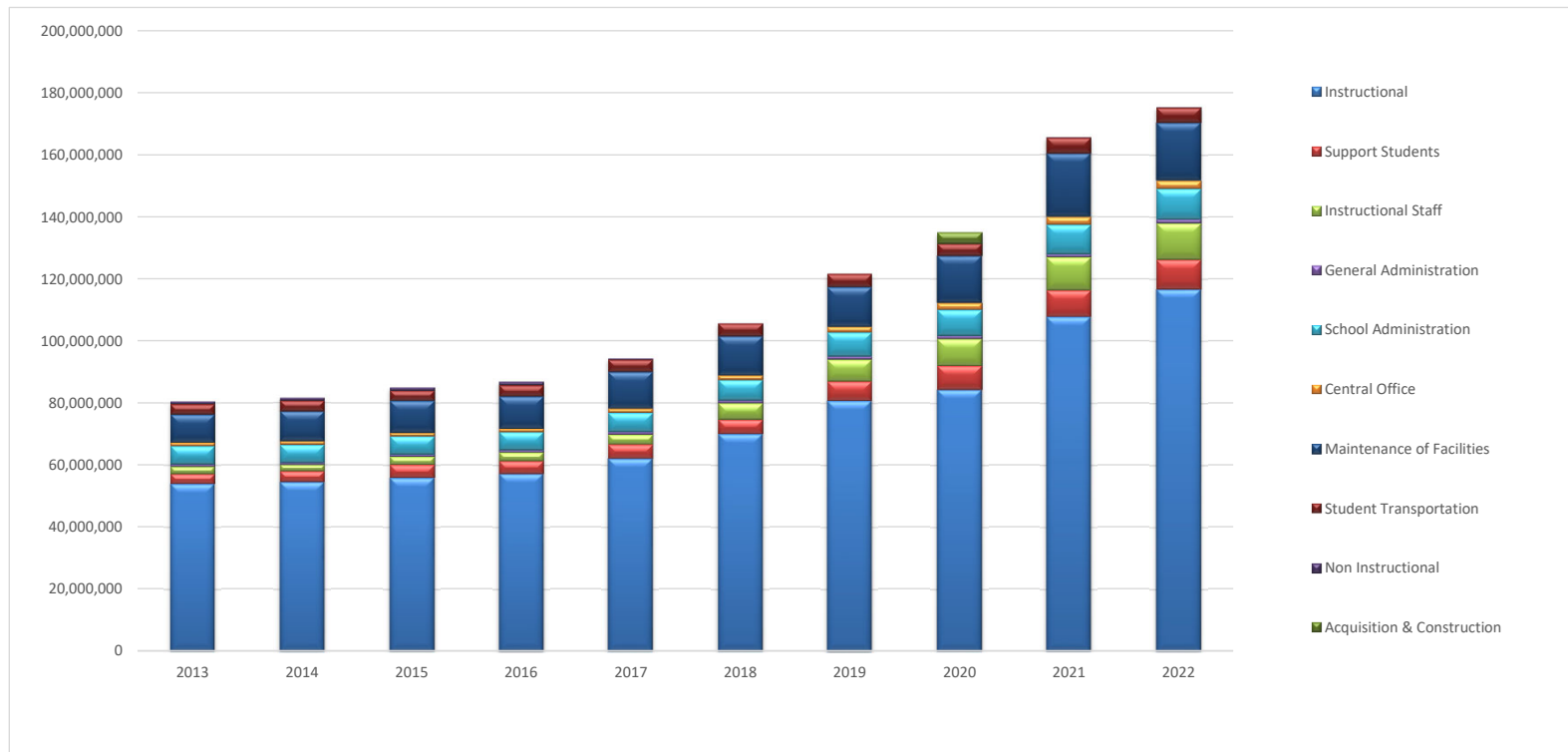
Year Ended June 30,	Property Taxes	Interest on Investments	Other Local	State Sources	Federal Sources	Total Revenues
2013	\$ 15,084,052	\$ 99,019	\$ 1,879,548	\$ 57,606,436	\$ 5,816,753	\$ 80,485,808
2014	15,436,716	107,672	1,583,267	59,893,971	5,356,198	82,377,824
2015	15,531,344	135,707	1,653,899	61,848,623	5,849,546	85,019,119
2016	18,095,195	217,959	1,407,126	63,464,894	5,749,606	88,934,780
2017	19,021,451	537,051	1,068,085	70,016,515	5,984,213	96,627,315
2018	19,186,268	26,318	1,291,282	80,727,154	5,114,360	106,345,383
2019	23,322,795	732,976	1,098,569	94,368,132	5,779,432	125,301,903
2020	26,367,484	742,796	1,251,407	101,828,407	5,155,736	135,345,830
2021	29,599,857	406,853	1,265,805	129,797,349	11,044,600	172,114,464
2022	33,382,513	(69,149)	1,350,383	141,170,234	10,923,462	186,757,443



TOOELE COUNTY SCHOOL DISTRICT

Expenditure by Function for the General Fund
For the Years Ended June 30, 2013 through 2022

Year Ended June 30,	Instructional	Support Students	Support Instructional Staff	General Administration	School Administration	Central Office	Operation & Maintenance of Facilities	Student Transportation	Non Instructional	Facilities Acquisition & Construction	Total Expenditures
2013	\$ 53,912,687	\$ 3,233,001	\$ 2,362,295	\$ 749,241	\$ 5,837,309	\$ 1,154,003	\$ 9,051,032	\$ 3,246,496	\$ 835,136	\$ -	\$ 80,381,200
2014	54,413,542	3,495,307	2,086,538	629,965	5,779,097	1,204,861	9,583,969	3,425,872	815,940	-	81,435,091
2015	55,874,044	4,246,642	2,574,531	669,738	5,911,278	1,117,189	10,258,116	3,295,497	949,716	-	84,896,751
2016	57,194,836	4,115,392	2,797,760	764,747	5,794,998	1,094,799	10,420,128	3,528,228	1,056,793	-	86,767,681
2017	62,015,487	4,612,894	3,154,549	806,425	6,177,834	1,311,111	11,840,948	3,994,865	310,770	-	94,224,883
2018	69,983,672	4,643,221	5,238,371	913,552	6,648,827	1,437,456	12,629,724	4,035,254	7,922	-	105,537,999
2019	80,724,930	6,256,802	7,025,300	959,735	7,799,945	1,796,924	12,834,501	4,150,100	6,147	-	121,554,384
2020	84,327,032	7,736,863	8,644,788	954,403	8,408,057	2,156,904	15,226,096	3,917,033	5,685	3,607,549	134,984,410
2021	107,760,430	8,596,788	10,590,337	1,004,328	9,482,526	2,427,916	20,493,601	5,057,543	108,492	-	165,521,961
2022	116,723,319	9,636,020	11,680,303	1,214,992	9,930,116	2,580,871	18,706,623	4,822,888	12,049	-	175,307,181



TOOELE COUNTY SCHOOL DISTRICT

Property Tax Revenues by Fund
For the Years Ended June 30, 2013 through 2022

Year Ended June 30,	General Fund Revenues				Special Revenue Fund		
	Basic	Voted Leeway	Board Local Levy	Total General Fund	Incremental Tax	Capital Outlay and Debt Service	Total Funds
2013	\$ 5,162,473	\$ 1,876,126	\$ 8,045,453	\$ 15,084,052	\$ -	\$ 16,325,422	\$ 31,409,474
2014	4,984,299	1,948,260	8,504,157	15,436,716	-	15,712,720	31,149,436
2015	4,837,352	2,045,392	8,648,600	15,531,344	4,081,699	17,171,334	36,784,377
2016	6,495,711	2,245,061	9,354,422	18,095,194	4,093,358	17,799,594	39,988,146
2017	6,672,446	2,390,130	9,958,875	19,021,451	4,119,577	19,192,743	42,333,771
2018	6,522,998	2,525,166	10,138,104	19,186,268	2,289,576	18,506,671	39,982,515
2019	7,378,613	7,086,303	8,857,879	23,322,795	2,530,754	21,312,056	47,165,605
2020	8,522,357	8,209,374	9,635,753	26,367,484	2,656,418	22,083,217	51,107,120
2021	8,843,561	8,691,461	12,064,834	29,599,857	2,898,485	21,560,255	54,058,597
2022	10,551,542	10,164,038	12,666,933	33,382,513	3,158,003	24,793,899	61,334,415

TOOELE COUNTY SCHOOL DISTRICT

Property Tax Rates (Per \$1) by Fund
For the Years Ended June 30, 2013 through 2022

Year Ended June 30.	General Fund Revenues			Total General Fund	Special Revenue Funds	Capital Outlay and Debt Service	Total Funds
	Basic	Voted Leeway	Board Local Levy		Community Recreation & Charter School		
2013	0.001651	0.000600	0.002573	0.004824	-	0.005221	0.010045
2014	0.001535	0.000600	0.002619	0.004754	-	0.004839	0.009593
2015	0.001419	0.000600	0.002537	0.004556	-	0.005037	0.009593
2016	0.001736	0.000600	0.002500	0.004836	-	0.004757	0.009593
2017	0.001675	0.000600	0.002500	0.004775	-	0.004818	0.009593
2018	0.001568	0.000607	0.002437	0.004612	0.000092	0.004418	0.009122
2019	0.001666	0.001600	0.002000	0.005266	0.000121	0.004812	0.010199
2020	0.001661	0.001600	0.001878	0.005139	0.000122	0.004304	0.009565
2021	0.001628	0.001600	0.002221	0.005449	0.000147	0.003969	0.009565
2022	0.001661	0.001600	0.001994	0.005255	0.000138	0.003903	0.009296

TOOELE COUNTY SCHOOL DISTRICT

Property Tax Levies and Collections
For the Years Ended June 30, 2013 through 2022

Year Ended June 30,	Tax Rate (Per \$1)	Taxable Value *	Net Taxes Levied	Current Collections	Percent of Current Collections	Delinquent Collections	Total Property Tax Collections	Percent of Total Assessment	Fee in Lieu of Taxes	Total Collections
2013	.010045	\$ 3,564,993,856	\$ 35,810,363	\$ 26,119,515	72.94%	\$ 1,502,122	\$ 27,621,637	77.13%	\$ 3,787,837	\$ 31,409,474
2014	.009593	3,737,235,055	35,851,296	27,172,292	75.79%	1,460,041	28,632,333	79.86%	2,517,103	31,149,436
2015	.009593	3,780,312,311	36,264,536	32,270,105	88.99%	1,982,035	34,252,140	94.45%	2,532,237	36,784,377
2016	.009593	4,013,497,073	38,501,477	35,786,403	92.95%	1,422,713	37,209,116	96.64%	2,779,030	39,988,146
2017	.009593	4,176,751,964	40,067,582	38,090,301	95.07%	1,399,498	39,489,799	98.56%	2,843,972	42,333,771
2018	.009122	4,258,166,009	38,842,990	34,517,196	88.86%	2,154,717	36,671,914	94.41%	3,183,144	39,855,058
2019	.010199	4,471,175,475	45,601,519	41,108,294	90.15%	3,006,218	44,114,512	96.74%	3,051,092	47,165,605
2020	.009565	4,988,995,981	47,719,747	44,494,076	93.24%	3,264,659	47,758,735	100.08%	3,348,384	51,107,120
2021	.009565	5,534,032,497	52,933,021	47,483,191	89.70%	3,047,042	50,530,233	95.46%	3,528,363	54,058,597
2022	.009296	6,142,922,922	57,104,611	49,945,665	87.46%	7,627,239	57,572,903	100.82%	3,761,511	61,334,414

* Source: Utah State Tax Commission Final TC-233B Report including Real, Personal, and Centrally Assessed Property

TOOELE COUNTY SCHOOL DISTRICT

Ten Largest Taxpayers in
Tooele County School District
December 31, 2021

<u>Taxpayer</u>	<u>Business</u>	<u>2021 Taxable Value</u>	<u>Percent of the District's 2021 Taxable Value</u>
Union Pacific Railroad Company	Transportation Utility	\$ 190,613,783	3.10%
US Magnesium LLC	Mineral Mining	175,673,050	2.86%
Pacificorp	Electric Utility	171,424,378	2.79%
Intrepid Potash-Wendover LLC	Mineral Mining	68,604,291	1.12%
Purple	Manufacturing	64,225,631	1.05%
Energy Solutions LLC	Waste Management	62,304,030	1.01%
Cabela's Wholesale Inc.	Warehouse/Transportation	59,440,250	0.97%
Wal-Mart Distribution	Warehouse/Transportation	45,700,282	0.74%
Cargill Inc.	Salt Production	28,293,424	0.46%
Carlisle Syntec Inc.	Commerical Roofing	26,894,157	0.44%
Totals		<u>\$ 893,173,276</u>	<u>14.54%</u>
Taxable value of Tooele County School District at December 31, 2021		<u>\$ 6,142,922,922</u>	

Source: Tooele County Assessor

Taxable value used in this table excludes all tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State.

TOOELE COUNTY SCHOOL DISTRICT

Computation of Legal Debt Margin
For the Year Ended June 30, 2022

2021 "Fair Market Value" (1)	\$ 9,135,831,097
2021 Estimated Valuation from Uniform Fees (1)(2)	<u>229,133,442</u>
Estimated "Fair Market Value for Debt Incurring Capacity"	<u><u>\$ 9,364,964,539</u></u>
 "Fair Market Value for Debt Incurring Capacity" X 4% (the "Debt Limit")	 \$ 374,598,582
 Less: Current Outstanding General Obligation Debt	 <u>(156,271,698)</u>
 Legal Debt Margin / Additional Debt Incurring Capacity	 <u><u>\$ 218,326,884</u></u>

(1) From Report 510 (233b List of Final Values)

(2) For debt incurring capacity only, in computing the fair market value of taxable property in the District, the value of all motor vehicles and state-assessed commercial vehicles (which value is determined by dividing the uniform fee revenue by 1.5%) will be included as a part of the fair market value of the taxable property in the District.

TOOELE COUNTY SCHOOL DISTRICT
Ratio of Annual Debt Service to Total General Fund Expenditures
For the Years Ended June 30, 2013 through 2022

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest and Fees</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
2013	\$ 8,775,000	\$ 3,672,480	\$12,447,480	\$ 80,381,200	15.49%
2014	9,165,000	3,044,690	12,209,690	81,435,091	14.99%
2015	9,625,000	2,418,356	12,043,356	84,896,751	14.19%
2016	9,565,000	2,906,354	12,471,354	86,767,681	14.37%
2017	9,920,000	3,568,891	13,488,891	94,224,883	14.32%
2018	9,540,000	3,951,878	13,491,878	105,537,999	12.78%
2019	9,825,000	3,639,612	13,464,612	121,554,384	11.08%
2020	10,225,000	3,232,594	13,457,594	134,984,410	9.97%
2021	10,700,000	2,780,259	13,480,259	165,521,961	8.14%
2022	10,635,000	3,899,430	14,534,430	175,307,181	8.29%

TOOELE COUNTY SCHOOL DISTRICT

Summary of Weighted Pupil Units (WPU's)
For the Years Ended June 30, 2013 through 2022

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Pupils in Grades K-12	\$ 12,755	\$ 13,035	\$ 13,062	\$ 13,205	\$ 13,140	\$ 13,505	\$ 15,125	\$ 15,827	\$ 16,613	\$ 20,804	\$ 21,452
Necessary Existent Small Schools	435.531	488.978	521.978	507.436	516.091	527.444	525.747	515.961	523.034	500.435	512.251
Professional Staff	1,107.984	1,166.829	1,199.160	1,208.631	1,226.796	1,276.426	1,403.319	1,468.571	1,539.952	1,920.021	1,979.519
Foreign Exchange Students	8.000	9.000	9.000	12.000	10.000	10.000	10.000	10.000	10.000	-	12.000
Special Education	2,303.649	2,310.335	2,274.980	2,395.078	2,289.233	2,308.515	2,365.102	2,416.226	2,486.705	2,611.318	2,711.507
Applied Technology Education	916.496	902.732	1,031.545	971.565	1,016.595	993.259	1,070.315	1,077.536	999.889	966.265	937.992
Students At-Risk	-	-	-	-	-	-	-	-	-	-	295.245
Class Size Reduction	848.238	863.707	869.660	871.944	843.738	854.797	956.671	1,007.212	1,059.863	1,391.535	1,436.357
	<u>18,374.652</u>	<u>18,776.197</u>	<u>18,968.563</u>	<u>19,171.540</u>	<u>19,042.702</u>	<u>19,475.476</u>	<u>21,456.214</u>	<u>22,322.058</u>	<u>23,232.502</u>	<u>28,193.357</u>	<u>29,337.012</u>
Value Per Each WPU	<u>\$ 2,816</u>	<u>\$ 2,842</u>	<u>\$ 2,899</u>	<u>\$ 2,972</u>	<u>\$ 3,092</u>	<u>\$ 3,184</u>	<u>\$ 3,311</u>	<u>\$ 3,395</u>	<u>\$ 3,532</u>	<u>\$ 3,596</u>	<u>\$ 3,809</u>
Total Basic Program	\$ 51,153,455	\$ 52,778,330	\$ 54,367,044	\$ 56,338,136	\$ 58,202,111	\$ 62,009,912	\$ 71,041,526	\$ 75,783,642	\$ 82,057,706	\$ 101,383,318	\$ 111,744,681
Local Levy Proceeds	<u>(5,125,885)</u>	<u>(5,252,469)</u>	<u>(4,917,649)</u>	<u>(5,052,455)</u>	<u>(6,479,874)</u>	<u>(6,675,647)</u>	<u>(6,584,308)</u>	<u>(7,315,782)</u>	<u>(8,468,335)</u>	<u>(8,840,206)</u>	<u>(10,367,070)</u>
State Guarantee	<u>\$46,027,570</u>	<u>\$47,525,861</u>	<u>\$ 49,449,395</u>	<u>\$ 51,285,681</u>	<u>\$ 51,722,237</u>	<u>\$ 55,334,265</u>	<u>\$ 64,457,218</u>	<u>\$ 68,467,860</u>	<u>\$ 73,589,371</u>	<u>\$ 92,543,112</u>	<u>\$ 101,377,611</u>

TOOELE COUNTY SCHOOL DISTRICT

Comparison of Per Pupil Expenditures in the General Fund
For the Years Ended June 30, 2013 through 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Instruction	\$ 3,880	\$ 3,895	\$ 4,058	\$ 4,125	\$ 4,402	\$ 4,405	\$ 4,802	\$ 4,826	\$ 5,012	\$ 5,172
Support Services:										
Students	233	250	308	297	327	292	372	443	400	427
Instructional Staff	170	149	187	202	224	330	418	495	493	518
General administration	54	45	49	55	57	58	57	55	47	54
School administration	420	414	429	418	439	419	464	481	441	440
Central Office	83	86	81	79	93	90	107	123	113	114
Operation and maintenance of facilities	651	686	745	752	841	795	764	871	953	829
Student transportation	234	245	239	254	284	254	247	224	235	214
Total Support Services	1,845	1,875	2,038	2,057	2,265	2,238	2,429	2,693	2,682	2,595
Non Instructional	60	58	69	76	22	-	-	-	5	1
Facilities Acquisition & Construction	-	-	-	-	-	-	-	206	-	-
Totals	<u>\$ 5,785</u>	<u>\$ 5,828</u>	<u>\$ 6,165</u>	<u>\$ 6,258</u>	<u>\$ 6,689</u>	<u>\$ 6,643</u>	<u>\$ 7,231</u>	<u>\$ 7,725</u>	<u>\$ 7,699</u>	<u>\$ 7,768</u>
Final Enrollment	<u>13,896</u>	<u>13,970</u>	<u>13,768</u>	<u>13,864</u>	<u>14,087</u>	<u>15,886</u>	<u>16,810</u>	<u>17,472</u>	<u>21,500</u>	<u>22,568</u>

TOOELE COUNTY SCHOOL DISTRICT

Student Enrollment by School
For the Years Ended June 30, 2013 through 2022

Year Ended June 30,	Elementary																			
	Anna Smith	Copper Canyon	Dugway	East	Grantsville	Harris	Ibapah	Middle Canyon	My Tech High	Digital Education Center	Northlake	Old Mill	Overlake	Rose Springs	Settlement Canyon	Stansbury Park	Sterling	Vernon	West	Willow
2013	270	654	111	506	779	429	22	502	-		537	-	600	842	625	842	-	35	398	677
2014	277	628	79	520	761	418	22	491	-		533	-	583	842	664	914	-	22	385	675
2015	284	550	64	460	745	394	25	473	-		514	-	563	749	611	925	-	26	389	704
2016	269	608	55	463	723	407	33	590	-		553	-	597	674	580	753	-	27	408	702
2017	243	658	65	-	755	-	32	669	-		595	-	596	619	578	760	716	26	456	723
2018	214	443	59	-	770	-	38	647	1,173		593	512	617	409	553	524	715	22	463	684
2019	216	426	59	-	790	-	33	609	1,777		549	570	557	442	551	517	711	25	418	737
2020	191	400	52	-	804	-	30	640	1,965		607	614	546	444	577	519	734	28	311	744
2021	204	355	47	-	714	-	19	566	5,228	444	469	607	511	402	445	464	632	29	247	743
2022	198	377	64	-	836	-	20	641	5,028	156	532	734	590	458	570	483	730	35	233	764
Year Ended June 30,	Jr High					High					Digital Education Center									
	Clarke N. Johnsen	Grantsville	Tooele	Dugway	Grantsville	Tooele	Stansbury	Wendover	My Tech High	Blue Peak				Total						
2013	842	380	839	80	758	1,390	1,502	190.00	-	86			-	13,896						
2014	873	395	831	60	719	1,432	1,537	194.00	-	115			-	13,970						
2015	868	401	848	59	749	1,538	1,538	184.00	-	107			-	13,768						
2016	809	435	852	66	786	1,628	1,557	178.00	-	111			-	13,864						
2017	868	465	823	70	830	1,683	1,596	174.00	-	87			-	14,087						
2018	797	456	819	59	882	1,697	1,660	177	767	136			-	15,886						
2019	812	471	771	54	877	1,651	1,767	183	997	240			-	16,810						
2020	899	470	785	56	926	1,598	1,827	195	1,164	346			-	17,472						
2021	735	462	690	44	876	1,397	1,750	187	2,163	90	980			21,500						
2022	854	530	765	42	934	1,536	1,946	186	2,428	103	795			22,568						

Information taken from the End of Fourth Term Counts

TOOELE COUNTY SCHOOL DISTRICT

COMPLIANCE REPORTS

Year Ended June 30, 2022

TABLE OF CONTENTS

	Page
Schedule of Expenditures of Federal Awards	1
Notes to Schedule of Expenditures of Federal Awards	2
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 <i>Government Auditing Standards</i>	4
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	6
Summary Schedule of Prior Audit Findings	8
Schedule of Findings and Questioned Costs	9
Independent Auditor's Report on Compliance and Report on Internal Control over Compliance Required by the <i>State Compliance Audit Guide</i>	11

TOOELE COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

	CFDA Number	Pass-Through Entity Identifying Number	District's Program Number	Receivable (Unearned) June 30, 2021	Received	Expended	Receivable (Unearned) June 30, 2022
U.S. DEPARTMENT OF AGRICULTURE:							
Passed Through Utah State Board of Education:							
<i>Child Nutrition Cluster:</i>							
School Breakfast Program	10.553	SBP	8070	\$ 99,659	\$ 1,391,046	\$ 1,291,387	\$ -
National School Lunch Program	10.555	NSLF, NSLP, SCA	8070	180,164	7,593,910	7,494,913	81,167
National School Lunch Program - Commodities	10.555	NSLF, NSLP	8070	-	804,444	804,444	-
Fresh Fruit and Vegetable Program	10.582	FFVP	8070	-	94,787	94,787	-
Total Child Nutrition Cluster				279,823	9,884,187	9,685,531	81,167
Passed Through Tooele County:							
<i>Forest Service Schools and Roads Cluster:</i>							
Schools and Roads - Grants to States	10.665	n/a	7750	-	75,955	75,955	-
Total U.S. Department of Agriculture				279,823	9,960,142	9,761,486	81,167
U.S. DEPARTMENT OF DEFENSE:							
Direct Programs:							
Language Grant Program	12.900		7323	48,741	-	32,217	80,958
Total U.S. Department of Defense				48,741	-	32,217	80,958
U.S. DEPARTMENT OF THE TREASURY:							
Passed Through Utah State Board of Education:							
COVID-19 Coronavirus Relief Fund	21.019	CRF, PUZ	7226	434,954	445,305	10,351	-
Total U.S. Department of the Treasury				434,954	445,305	10,351	-
U.S. DEPARTMENT OF EDUCATION:							
Passed Through Utah State Board of Education:							
<i>Special Education Cluster (IDEA):</i>							
Special Education Grants to States	84.027	STAC, FTFL, FTD	7524/7525	1,019,997	1,020,012	3,274,094	3,274,079
Special Education Preschool Grants	84.173	PRE	7522	-	-	117,102	117,102
COVID-19 Special Education Preschool Grants	84.173	ARPP	7523	-	-	41,952	41,952
Total Special Education Cluster (IDEA)				1,019,997	1,020,012	3,433,148	3,433,133
Direct Programs:							
Indian Education - Grants to Local Educational Agencies	84.060		7330	11,332	38,298	40,179	13,213
Passed Through Utah State Board of Education:							
Title I Grants to Local Educational Agencies	84.010	T1FT, T1SF	7801	1,131,759	1,222,335	1,105,775	1,015,199
Career and Technical Education - Basic Grants to States	84.048	FLEA	7591	168,641	168,641	179,742	179,742
Education for Homeless Children and Youth	84.196	MVFT	7950	-	25,016	25,016	-
English Language Acquisition State Grants	84.365	ELFT	7880	48,843	78,196	79,833	50,480
Supporting Effective Instruction State Grants	84.367	2FT	7860	117,976	117,976	139,816	139,816
Student Support and Academic Enrichment Program	84.424	4AFT	7905	1,588	62,930	80,471	19,129
Education Stabilization Fund:							
COVID-19 Governor's Emergency Education Relief Fund	84.425C	GEER	7220, 7230	443,585	443,585	5,915	5,915
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	ESSR	7210, 7215	2,240,674	2,240,674	1,666,593	1,666,593
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	ARPF	7225	-	-	2,573,624	2,573,624
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	ARPH	7235	-	2,328	19,514	17,186
Total Education Stabilization Fund				2,684,259	2,686,587	4,265,646	4,263,318
Total U.S. Department of Education				5,184,395	5,419,991	9,349,626	9,114,030
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:							
Passed through Utah Department of Workforce Services:							
<i>CCDF Cluster:</i>							
Child Care and Development Block Grant	93.575	20DWS0069	7350	72,900	563,651	436,640	(54,111)
Passed through Utah Department of Health:							
<i>Medicaid Cluster:</i>							
Medical Assistance Program	93.778	N/A	7636	-	1,018,673	1,018,673	-
Total U.S. Department of Health and Human Services				72,900	1,582,324	1,455,313	(54,111)
TOTAL FEDERAL AWARDS				<u>\$ 6,020,813</u>	<u>\$ 17,407,762</u>	<u>\$ 20,608,993</u>	<u>\$ 9,222,044</u>

The accompanying notes are and integral part of this schedule.

TOOELE COUNTY SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A – BASIS FOR PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Tooele County School District (the District) under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting as described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Donated food commodities are recorded at acquisition value in the *food services fund* as an inventory asset and federal revenue when received totaling \$804,444 for the year ended June 30, 2022. Donated food commodity inventories are recorded as expenditures in the *food services fund* when they are consumed by the schools; for purposes of the Schedule, donated food commodities are also recorded as expenditures when received.

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C – RELATIONSHIP TO THE DISTRICT'S FINANCIAL STATEMENTS

The District received an interest rate subsidy on its Qualified School Construction Bonds. These federal grants are not classified as federal financial assistance. A reconciliation of federal revenue as reported on the District's basic financial statements and the schedule of expenditures of federal awards for the year ended June 30, 2022 is as follows:

General fund	\$ 10,923,462
Capital projects fund	298,742
Food services fund (other governmental fund)	<u>9,685,531</u>
Total governmental funds	20,907,735
Interest rate subsidy	<u>(298,742)</u>
Total federal revenue reported on the schedule of expenditures of federal awards (SEFA)	<u><u>\$ 20,608,993</u></u>

NOTE D – SUBRECIPIENTS OF FEDERAL AWARDS

The District did not provide federal award funding to any subrecipient during the year ended June 30, 2022.



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*

Board of Directors
Tooele County School District

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 governmental activities, each major fund, and the aggregate remaining fund information of Tooele County School District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 financial statements. 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Squire & Company, PC

Orem, Utah
November 30, 2022



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards required by the Uniform Guidance

Board of Directors
Tooele County School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited Tooele County School District (the District)'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether the noncompliance with compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the *Uniform Guidance* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material, if there is substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *Uniform Guidance*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not

identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the governmental activities, each major fund, and the aggregate remaining fund information of Tooele County School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 30, 2022, which contained unmodified opinions on those basic financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Squire & Company, PC

Orem, Utah
November 30, 2022

TOOELE COUNTY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2022

No matters were reported in the prior year audit.

TOOELE COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiency identified	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weakness identified	No
Significant deficiency identified	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	No

Identification of Major Federal Programs

Name of Federal Program (CFDA Number)

Title I Grants to Local Educational Agencies (84.010)
Special Education Cluster (IDEA):
 Special Education Grants to States (84.027)
 Special Education Preschool Grants (84.173)
 COVID-19 Special Education Preschool Grants (84.173)
Economic Stabilization Fund:
 COVID-19 Governor’s Emergency Education Relief Fund (84.425C)
 COVID-19 Elementary and Secondary School Emergency Relief Fund (84.425D)
 COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief
 (84.425U)
 COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief –
 Homeless Children and Youth (84.425W)
Medicaid Cluster:
 Medical Assistance Program (93.778)

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

TOOELE COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.



Independent Auditor's Report on Compliance
and Report on Internal Control over Compliance
Required by the *State Compliance Audit Guide*

Board of Education
Tooele County School District

Report on Compliance

Opinion

We have audited Tooele County School District's (the District) compliance with the following applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2022:

Budgetary Compliance
Fund Balance
Fraud Risk Assessment
Cash Management
Utah Retirement Systems
Public Treasurer's Bond
Internal Control Systems
Public Education Programs

In our opinion, Tooele County School District complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2022.

Basis for Opinion on Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor. Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the state compliance requirements referred to above.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the *State Compliance Audit Guide* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the *State Compliance Audit Guide* as a whole

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *State Compliance Audit Guide*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a state compliance requirement on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not

identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Squire & Company, PC

Orem, Utah
November 30, 2022

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APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF FARNSWORTH JOHNSON PLLC]

[TO BE DATED CLOSING DATE]

Re: \$37,750,000
Board of Education of
Tooele County School District, Utah
General Obligation School Building Bonds
(Utah School Bond Guaranty Program),
Series 2023

We have acted as bond counsel to the Board of Education of Tooele County School District, Utah (the “*Issuer*”) in connection with the issuance by the Issuer of its \$37,750,000 General Obligation School Building Bonds (Utah School Bond Guaranty Program), Series 2023 dated the date hereof (the “*Bonds*”). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Bonds are valid and legally binding upon the Issuer and all taxable property in Tooele County School District, Utah, is subject to the levy of taxes to pay the same without limitation as to rate or amount.

2. The guaranty of timely payment of the Bonds provided by the Utah School Bond Guaranty Act is a valid and binding obligation of the State of Utah.

3. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended (the “*Code*”), that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

4. Interest on the Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. No opinion is expressed with respect to any other taxes imposed by the State of Utah or any political subdivision thereof. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the disclosure document, if any, relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX C

PROPOSED FORM OF

CONTINUING DISCLOSURE UNDERTAKING

FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER PARAGRAPH (B)(5) OF RULE 15C2-12

[TO BE DATED CLOSING DATE]

THIS CONTINUING DISCLOSURE UNDERTAKING (the “*Agreement*”) is executed and delivered by the Board of Education of Tooele County School District, Utah (the “*Issuer*”) in connection with the issuance of \$37,750,000 General Obligation School Building Bonds (Utah School District Bond Guaranty Program), Series 2023 (the “*Bonds*”). The Bonds are being issued pursuant to a Resolution of the Issuer adopted on April 11, 2023 (collectively, the “*Resolution*”).

In consideration of the issuance of the Bonds by the Issuer and the purchase of such Bonds by the Beneficial Owners thereof, the Issuer covenants and agrees as follows:

Section 1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the Issuer as of the date set forth above, for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The Issuer represents that it and the State (pursuant to the Utah school district bond guaranty program, Title 53G, Chapter 4, Part 8 of the Utah Code Annotated 1953, as amended) will be the only obligated persons with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

Section 2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

“*Annual Financial Information*” means the financial information and operating data described in *Exhibit I*.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

“*Audited Financial Statements*” means the audited financial statements of the Issuer prepared pursuant to the standards and as described in *Exhibit I*.

“*Beneficial Owner*” means any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent’s successors and assigns.

“*EMMA*” means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

“*Reportable Event*” means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

“*Reportable Events Disclosure*” means dissemination of a notice of a Reportable Event as set forth in Section 5.

“*Rule*” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“*State*” means the State of Utah.

“*Undertaking*” means the obligations of the Issuer pursuant to Sections 4 and 5.

Section 3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the Bonds maturing in each of the following years are as follows:

JUNE 1 OF THE YEAR	CUSIP NUMBER	JUNE 1 OF THE YEAR	CUSIP NUMBER
2024		2035	
2025		2036	
2026		2037	
2027		2038	
2028		2039	
2029		2040	
2030		2041	
2031		2042	
2032		2043	

The Final Official Statement relating to the Bonds is dated May 18, 2023 (the “*Final Official Statement*”). The Issuer will include the CUSIP Number in all disclosure described in Sections 4 and 5 of this Agreement.

Section 4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner

and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

Section 5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Indenture.

Section 6. CONSEQUENCES OF FAILURE OF THE ISSUER TO PROVIDE INFORMATION. The Issuer shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Issuer to comply with any provision of this Agreement, the Beneficial Owner of any Bond may seek mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel performance.

Section 7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the Issuer by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or change in the identity, nature, or status of the Issuer, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into

account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the Beneficial Owners of the Bonds, as determined either by parties unaffiliated with the Issuer or any other obligated person (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Issuer shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

Section 8. TERMINATION OF UNDERTAKING. The Undertaking of the Issuer shall be terminated hereunder if the Issuer shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. The Issuer shall give notice to EMMA in a timely manner if this Section is applicable.

Section 9. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 10. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Material Event. If the Issuer is changed, the Issuer shall disseminate such information to EMMA.

Section 11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, and the Beneficial Owners of the Bonds, and shall create no rights in any other person or entity.

Section 12. RECORDKEEPING. The Issuer shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 13. ASSIGNMENT. The Issuer shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the Issuer under this Agreement or to execute an Undertaking under the Rule.

Section 14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

(Signature page follows.)

DATED as of the day and year first above written.

BOARD OF EDUCATION OF TOOELE COUNTY SCHOOL
DISTRICT, UTAH

By _____
President

Address: 92 S Lodestone Way
Tooele, Utah 84074

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

“Annual Financial Information” means financial information and operating data of the type contained in the Official Statement under the following captions:

CAPTION

DEBT STRUCTURE OF TOOELE COUNTY SCHOOL DISTRICT, UTAH

- Outstanding General Obligation Bonded Indebtedness
- Municipal Building Authority of Tooele County School District, Utah
- Debt Service Schedule of Outstanding General Obligation Bonds by Fiscal Year
- Debt Service Schedule of Outstanding Lease Revenue Bonds of the Municipal Building Authority of Tooele County School District, Utah by Fiscal Year

FINANCIAL INFORMATION REGARDING TOOELE COUNTY SCHOOL DISTRICT, UTAH

- Financial Summaries
- Historical Tax Rates of the District
- Taxable, Fair Market and Market Value of Property Within the District
- Historical Summaries of Taxable Values of Property Within the District
- Tax Collection Record
- Some of the Largest Taxpayers

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The Issuer shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 185 days after the last day of the Issuer’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared pursuant to generally accepted accounting principles applicable to governmental units in general and Utah school districts in particular. Audited Financial Statements will be submitted to EMMA within 30 days after availability to Issuer.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Issuer will disseminate a notice of such change as required by Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE BONDS FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Issuer^{*}
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. The incurrence of a Financial Obligation^{**} of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material
16. A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties

^{*} This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

^{**} “*Financial Obligation*” means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of (a) or (b) in this definition; *provided however*, Financial Obligation does not include municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule.

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APPENDIX D

BOOK-ENTRY SYSTEM

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2023 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2023 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2023 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2023 Bonds, except if use of the book-entry system for the 2023 Bonds is discontinued.

To facilitate subsequent transfers, all 2023 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2023 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2023 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2023 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2023 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2023 Bond documents. For example, Beneficial Owners of 2023 Bonds may wish to ascertain that the nominee holding the 2023 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all the 2023 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2023 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede &

Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2023 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2023 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Board or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2023 Bonds at any time by giving reasonable notice to the Board or the Paying Agent. Under such circumstances, if a successor depository is not obtained, 2023 Bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2023 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

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