



DAVISTECH
DAVIS TECHNICAL COLLEGE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022



Kaysville, Utah

A Component Unit of the State of Utah



DAVISTECH

DAVIS TECHNICAL COLLEGE

A COMPONENT UNIT OF THE STATE OF UTAH

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022

KAYSVILLE, UTAH

Prepared by the Fiscal Services Office

Jeff Lund, MBA, Vice President and Chief Financial Officer

Ed Eschler, CPA, Controller

This Page Intentionally Left Blank


Table of Contents

Introduction




Letter of Transmittal.....	3
Certificate of Achievement.....	6
Organizational Chart.....	7

Financial




Independent Auditor's Report.....	10
Management's Discussion and Analysis.....	13
Basic Financial Statements:	
Statement of Net Position.....	22
Statement of Revenues, Expenses, and Changes in Net Position.....	23
Statement of Cash Flows.....	24
Notes to the Financial Statements.....	26

Required Supplementary Information




Proportionate Share of the Net Pension Liability	50
Pension Contributions: Last Ten Fiscal Years.....	52

Statistics



Schedule of Net Position: Last Ten Fiscal Years.....	56
Changes in Net Position: Last Ten Fiscal Years.....	58
Expenses by Function: Last Ten Fiscal Years.....	60
Expenses by Natural Classification: Last Ten Fiscal Years.....	62
Revenues by Source: Last Ten Fiscal Years.....	64
Tuition and Fees by Source: Last Ten Fiscal Years.....	66
Historic Enrollment: Last Ten Fiscal Years.....	68
Historic Tuition Rates: Last Ten Fiscal Years.	69
Demographic and Economic Information: Last Ten Calendar Years.....	70
Schedule of Principal Employers.....	71
Operating Indicators and Employees.	72
Building Information.....	73

Government Audit



Independent Auditor's Report on Internal Control Over	76
Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	



DAVISTECH
DAVIS TECHNICAL COLLEGE

INTRODUCTION

This Page Intentionally Left Blank



September 21, 2022

To the Members of the College Board of Trustees
Davis Technical College

Management of the Davis Technical College (College), a technical college within the Utah System of Higher Education and a component unit of the State of Utah, assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Utah State Auditor's Office, has issued an unmodified ("clean") opinion on the College's financial statements for the fiscal year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the College

The College was established effective July 1, 1978, by the Utah State Legislature to offer vocational and related instruction to secondary and adult students. The institution was originally known as the Davis Area Vocational Center (DAVC). Over time, the institution's name changed to the Davis Applied Technology Center (DATC), then the Davis Applied Technology College (DATC). Effective July 1, 2017, the Utah Legislature passed legislation which renamed the College as the Davis Technical College. The College operates as an institution of the Utah System of Higher Education and is governed by the Utah Board of Higher Education, with appropriate responsibilities and authority delegated to the College Board of Trustees. Information on the College's relationship to the Utah System of Higher Education can be found in Note 1 of the notes to the financial statements.

The institution meets the needs of Utah employers for technically skilled workers and promotes local and statewide economic development by providing market-driven technical education to secondary and post-secondary students. Programs lead to institutional certificates and industry credentials, where applicable, but do not include general education. The institution delivers competency-based instruction, allowing students to progress quickly and affordably with recognition of prior education, skill, and experience. Articulation agreements are in place with secondary education partners to reduce the duplication of course work for students. Pathway agreements with postsecondary college and university partners also provide opportunities for students to progress in their education. The College primarily provides services to the geographical area encompassing Davis County and Morgan County, but also accepts students from other areas both from within and out of the State.

In addition to the activities of the College, this report includes information related to the legally separate Davis Technical College Foundation, Inc. (Foundation). Because the resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is included

in these financial statements. Additional information on the Foundation can be found in the notes to the financial statements (See Notes 1 and 10).

The Board of Trustees is required to adopt an annual budget. The budget is developed based upon revenues appropriated by the Utah State Legislature, tuition and fees, and various other sources. The budget is revised by the Trustees as the need arises throughout the year.

Local Economy

In Fiscal Year 2022, over 69% of revenues came from direct appropriations, grant and contracts, or capital grants from the State of Utah. Therefore, the total state economy is important to the outlook of the College. Currently in Utah many employers are having difficulty finding skilled workers as the state has one of the lowest unemployment rates in the country. With full employment Utah is reporting positive tax revenues and one of the strongest economies in the nation and that should bode well for the College as it continues to train workers to fill jobs for local employers.

Long-term Financial Planning

The College is working through a phased renovation plan to update and many areas of the campus. During Fiscal Year 2022, Phase I was completed and included the relocation of the Information Technology, Cyber Security, and Software Development Programs as well as the Student Services and Student Financial Aid offices.

Funding of \$20 million dollars for Phases II through V of this renovation plan has been allocated to the College by the State of Utah. These phases will include the updating and expansion for Culinary Arts, Welding Technology, Apprenticeships, and Architectural Engineering and Design program spaces, as well as new space for the Construction Trades programs. It is anticipated the construction will be completed by June 2024.

Relevant Financial Policies

The direct appropriation from the State of Utah for Fiscal Year 2022 was \$21,733,100 or 55.3% of total revenues. Other revenues that come from various other state funding sources are recorded in the financial statements as state grants and contracts, rather than state appropriations, these additional state funds are appropriated to other agencies first and then come to the College in the form of a grant or contract. State grants and contracts for Fiscal Year 2022 were \$2,721,515 or 6.9% of total revenues. The grants and contracts were from various state sources including, a contract with the Utah Department of Corrections, Strategic Workforce Initiative (SWI) funds, Talent Ready Utah funds, and flow-through funds from state agencies for coronavirus relief funding. Additionally, during Fiscal Year 2022, the College received state funded capital improvements of \$2,862,360 which are reflected on the College's financial statement as a Capital Grants and make 7.3% of total revenues for the fiscal year.

The College strives to maintain policies which are relevant and based on current standards and regulations. During this fiscal year, the College worked with the Utah System of Higher Education to better align academic programs and numerous policies and procedures of the College with other institutions across the state.

Statewide Higher Education Governance

During the 2020 General Session of the Utah Legislature, the Legislature passed Senate Bill 111, Higher Education Amendments. This bill combined the Utah System of Higher Education and Utah System of Technical Colleges. The Utah Board of Higher Education was formed as a new governing body to oversee all higher education within the State of Utah. This new system of higher education has introduced several changes for technical colleges. Technical colleges are now more integrated into the processes and procedures of Utah's statewide higher education system. Throughout this year the College has worked on program alignment, improved pathways, and articulation for students who choose to pursue further education at a degree granting institution after completion of an educational certificate at a technical college. Technical colleges are also finalizing the process to move educational programs from clock-hour to credit-based programs with an anticipated completion date of July of 2023. This will further improve articulation and pathways for students.

The combined Utah System of Higher Education has begun a study in 2021 to determine if a shared services model would be feasible within the System and to determine what a shared services model might look like. The shared services study is focused on accounting, procurement, human resources, and information technology, recommendations from the study will be made available in 2023.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the College for its comprehensive annual financial report for the fiscal year ended June 30, 2021. This was the fourth year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the College had to publish an easily readable and efficiently organized comprehensive annual financial report that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the skill, effort, and dedication of Ed Eschler, Controller, and the entire staff of the Fiscal Services Department. We wish to thank all members of the Fiscal Services Department for their assistance in the preparation of this report. Credit also is due to College Board Chair, Troy Wood, and other members of the Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the management of the College's finances.

Respectfully submitted,



Darin Brush
President/CEO



Jeff Lund, MBA
Vice President and Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Davis Technical College
Utah**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

DAVIS TECHNICAL COLLEGE

ORGANIZATIONAL CHART

Utah System of Higher Education
Board of Higher Education

Commissioner of Higher Education

Davis Technical College
Board of Trustees

Troy Wood, Chair
Chris DeHerrera, Vice Chair
Justin Atkinson
Amanda Covington
Michael Henry
Brandon Howard
Scot Merrihew
Tucker Morgan
Julie Tanner
Adam Toone
Tamara Tran
James Diamond, Invited Guest



Davis Technical College
President

Darin Brush
President and Chief Executive Officer



Vice President and Chief Academic
Leslie Mock, M.S.N., RN



Vice President and Chief Financial Officer
Jeff Lund, M.B.A



Vice President and Chief Student Affairs Officer
Kelly Simerick, M.B.A

This Page Intentionally Left Blank



DAVISTECH
DAVIS TECHNICAL COLLEGE

FINANCIAL



OFFICE OF THE
STATE AUDITOR

Independent Auditor's Report

To the Board of Trustees, Audit Committee
and
Darin Brush, President
Davis Technical College

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Davis Technical College (the College) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we;

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Pension Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and,

although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the *introduction and statistics sections* but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, 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 and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information 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 September 21, 2022 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.



Office of the State Auditor
Salt Lake City, Utah
September 21, 2022

**DAVIS TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022**

As management of the Davis Technical College (College), a component unit of the State of Utah, we offer readers of the College's financial statements this narrative overview and analysis of the financial activities of the College for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the College's financial statements. The financial statements comprise four components: 1) the Statement of Net Position, 2) the Statement of Revenues, Expenses, and Changes in Net Position, 3) the Statement of Cash Flows, and 4) the Notes to the Financial Statements.

Statement of Net Position. The Statement of Net Position provides information on the College's assets, deferred outflows, liabilities, and deferred inflows at the end of the fiscal year, with the difference reported as net position. The information provided in the Statement of Net Position – along with disclosures and other information contained in the Statement of Revenues, Expenses, and Changes in Net Position; the Statement of Cash Flows; and accompanying notes – helps users assess, among other things, the College's liquidity and its ability to meet its obligations.

Statement of Revenues, Expenses, and Changes in Net Position. The Statement of Revenues, Expenses, and Changes in Net Position provides information to users both about the operating performance of the College and the effects of nonoperating transactions and events that change the amount of net position of the College. The information in this statement, together with information in the Statement of Net Position, the Statement of Cash Flows and accompanying notes, should assist users of the financial statements in evaluating the College's performance during the fiscal year and how well management has discharged their stewardship responsibilities and other aspects of their duties.

Statement of Cash Flows. The Statement of Cash Flows provides information about the cash receipts and cash payments of the College during the fiscal year. When used with related disclosures and information in other financial statements, a statement of cash flows should help financial statement report users assess the College's ability to generate future net cash flows; its ability to meet its obligations as they come due; the reasons for differences between operating income and the associated cash receipts and payments; and the effects on the College's financial position of both its cash and noncash investing, capital, and financing transactions during the fiscal year.

Notes to the Financial Statements. The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

DAVIS TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2022

Financial Analysis

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position. The following schedule presents a summary of the College's assets, deferred outflows, liabilities, deferred inflows, and net position as of June 30, 2022 and 2021:

Net Position	Year Ended June 30, 2022 Amount	Year Ended June 30, 2021 Amount	Amount of Increase (Decrease)
Current Assets	\$ 13,397,568	\$ 14,481,106	\$ (1,083,538)
Noncurrent Assets	2,324,417	1,055,213	1,269,204
Capital Assets, net	61,907,142	60,260,847	1,646,295
Total Assets	77,629,128	75,797,166	1,831,962
Deferred Outflows of Resources	1,591,429	1,184,783	406,646
Current Liabilities	2,012,950	2,615,762	(602,812)
Noncurrent Liabilities	932,027	2,836,786	(1,904,759)
Total Liabilities	2,944,977	5,452,548	(2,507,571)
Deferred Inflows of Resources	3,976,252	2,047,874	1,928,378
Net Position:			
Net Investment in Capital Assets	61,907,142	60,260,847	1,646,295
Restricted	1,893,996	1,519,327	374,669
Unrestricted	8,498,190	7,701,352	796,838
Total Net Position	\$ 72,299,328	\$ 69,481,526	\$ 2,817,802

The Total Assets of the College increased by \$1,831,962 during the fiscal year.

Current Assets decreased by \$1,083,538 as the College experienced decreases in Cash and Cash Equivalents of \$1,506,708 from regular operations and Prepaid Expenses of \$24,640 offset by increases in Accounts Receivable of \$230,704 from various state agencies and \$88,487 from operations. Inventories of merchandise and supplies in the Bookstore, Cosmetology Salon, and of various programs increased \$128,619.

Noncurrent Assets increased \$1,269,204 as restricted cash increased \$340,039 from the Foundation's fundraising efforts towards the future construction of an Emergency Services Training Center, and an increase in Net Pension Assets increased of \$929,166.

The increase in Capital Assets of \$1,646,295 for the year is the result of additions in assets, a Student Services department remodel and other campus improvements of \$6,226,127 being offset by a reduction of \$499,934 in Construction in Progress and depreciation expense of \$4,079,898.

DAVIS TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2022

Deferred Outflows increased for the current year by \$406,646 to \$1,591,429 resulting from increases of \$135,426 in changes in proportion and differences between contributions and the proportionate share of contributions, \$553,303 due to changes between expected and actual experience in the defined benefits pension plan.

The Total Current Liabilities of the College decreased by \$602,812. Accounts Payable decreased \$171,360, primarily resulting from a \$475,665 decrease in the amount due to the Division of Facilities and Construction Management (DFCM) for work on campus remodel projects and an increase of \$290,706 for non-State of Utah vendors. Accrued Compensation Liabilities decreased \$343,877, Accrued Termination Benefits for former employees by \$51,630, Unearned Revenue by \$30,172 and other liabilities by \$3,027.

Noncurrent Liabilities decreased by \$1,904,759 as the College recorded a decrease of \$1,973,400 in Net Pension Liabilities and Accrued Termination Benefits decreased by \$10,342. The noncurrent portion of the Accrued Leave Liability increased by \$78,983

Deferred Inflows related to pensions increased \$1,928,378 to \$3,976,252 resulting from increases to \$3,691,956 in projected and actual earnings on investments, \$4,574 in changes between the actuarially expected and actual investment experience, as well as \$279,386 in changes in proportion and differences between contributions and the proportionate share of contributions.

The Total Net Position of the College increased by \$2,817,802 from the previous fiscal year. Though Restricted Assets increased \$374,669 to \$1,893,996, these restricted funds resulted from the Foundation's fundraising and scholarships and do not have an impact on the availability of resources for future College needs. The College's net position at year-end was \$72,299,328.

DAVIS TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2022

Changes in Net Position. The following schedule presents a summary of changes in Net Position for the College for the fiscal years ended June 30, 2022 and 2021:

Changes in Net Position	Year Ended June 30, 2022 Amount	Year Ended June 30, 2021 Amount	Amount of Increase (Decrease)
Operating Revenues	\$ 9,676,529	\$ 12,107,335	\$ (2,430,806)
Operating Expenses	(36,519,315)	(32,918,030)	(3,601,285)
Operating Income (Loss)	(26,842,786)	(20,810,695)	(6,032,091)
Nonoperating Revenues	26,603,261	23,466,535	3,136,726
Nonoperating Expenses	(18,637)	-	(18,637)
Nonoperating Income (Loss)	26,584,623	23,466,535	3,118,088
Income Before Other Items	(258,163)	2,655,839	(2,914,002)
Other Revenues and Expenses	3,075,965	33,515,402	(30,439,437)
Increase (Decrease) in Net Position	2,817,802	36,171,242	(33,353,439)
Net Position - Beginning of Year	69,481,526	33,310,284	36,171,242
Total Net Position	<u>\$ 72,299,328</u>	<u>\$ 69,481,526</u>	<u>\$ 2,817,803</u>

The College experienced a net operating loss of \$26,842,786. The College is a State institution and receives a large portion of its revenues from State Appropriations. These appropriations are classified in the financial statements of the College as nonoperating revenues. The state appropriation is anticipated as a means of covering a majority of the costs of operating the College. During fiscal year 2022, the State appropriation of \$21,733,100 was sufficient to offset all but \$5,109,686 of the amount shown on the financial statements as an operating loss.

After considering nonoperating revenues and expenses, and other items, the College had an increase in Total Net Position of \$2,817,803. Prior to recording depreciation expenses of \$4,079,898, the College had an increase in net position of \$6,897,701. The Other Revenues of the College consisted of \$2,862,360 in capital projects on the campus completed by the State of Utah's Division of Facilities Construction and Management, which is a reduction of projects completed from the prior year of \$30,628,697 and \$213,605 in equipment donated to the College through the Foundation.

DAVIS TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2022

Revenues. The following schedule presents a summary of College revenues for the fiscal years ended June 30, 2022, and 2021:

Revenues	Year Ended June 30, 2022 Amount	Percent of Total	Year Ended June 30, 2021 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Operating Revenues:					
Student Tuition and Fees	\$ 2,193,671	5.57%	\$ 2,260,307	\$ (66,636)	(2.95%)
Federal Grants and Contracts	258,888	0.66%	255,318	3,570	1.40%
State Grants and Contracts	2,721,515	6.92%	5,077,461	(2,355,946)	(46.40%)
Local Grants and Contracts	30,311	0.08%	504,593	(474,282)	(93.99%)
Nongov Grants & Contracts	1,015,712	2.58%	904,969	110,743	12.24%
Sales & Services of Ed Depts	62,854	0.16%	11,083	51,771	467.12%
Auxiliary Enterprises	2,268,361	5.76%	2,001,938	266,423	13.31%
Other Operating Revenues	216,749	0.54%	164,465	52,284	31.79%
Independent Operations	908,468	2.31%	927,201	(18,733)	(2.02%)
Total Operating Revenues	<u>9,676,529</u>	<u>24.58%</u>	<u>12,107,335</u>	<u>(2,430,806)</u>	<u>(20.08%)</u>
Nonoperating Revenues:					
State Appropriations	21,733,100	55.22%	19,201,800	2,531,300	13.18%
Gifts	1,046,544	2.66%	508,063	538,481	105.99%
Investment Income	-	0.00%	79,262	(79,262)	(100.00%)
Disposal of Capital Assets	13,768	0.03%	56,346	(42,578)	(75.57%)
Federal Pell Grants	983,465	2.50%	1,073,179	(89,714)	(8.36%)
Federal CARES Act: HEERF Grants	2,713,710	6.90%	2,361,221	352,489	14.93%
Other Nonoperating Revenues	112,673	0.28%	186,664	(73,991)	(39.64%)
Total Nonoperating Revenues	<u>26,603,260</u>	<u>67.59%</u>	<u>23,466,535</u>	<u>3,136,725</u>	<u>13.37%</u>
Other Revenues:					
Capital Grants	2,862,360	7.27%	33,491,057	(30,628,697)	(91.45%)
Capital Gifts	213,605	0.54%	24,345	189,260	777.40%
Total Other Revenues	<u>3,075,965</u>	<u>7.81%</u>	<u>33,515,402</u>	<u>(30,439,437)</u>	<u>(90.82%)</u>
Total Revenues	<u>\$ 39,355,754</u>	<u>99.98%</u>	<u>\$ 69,089,272</u>	<u>\$ (29,733,518)</u>	<u>(43.04%)</u>

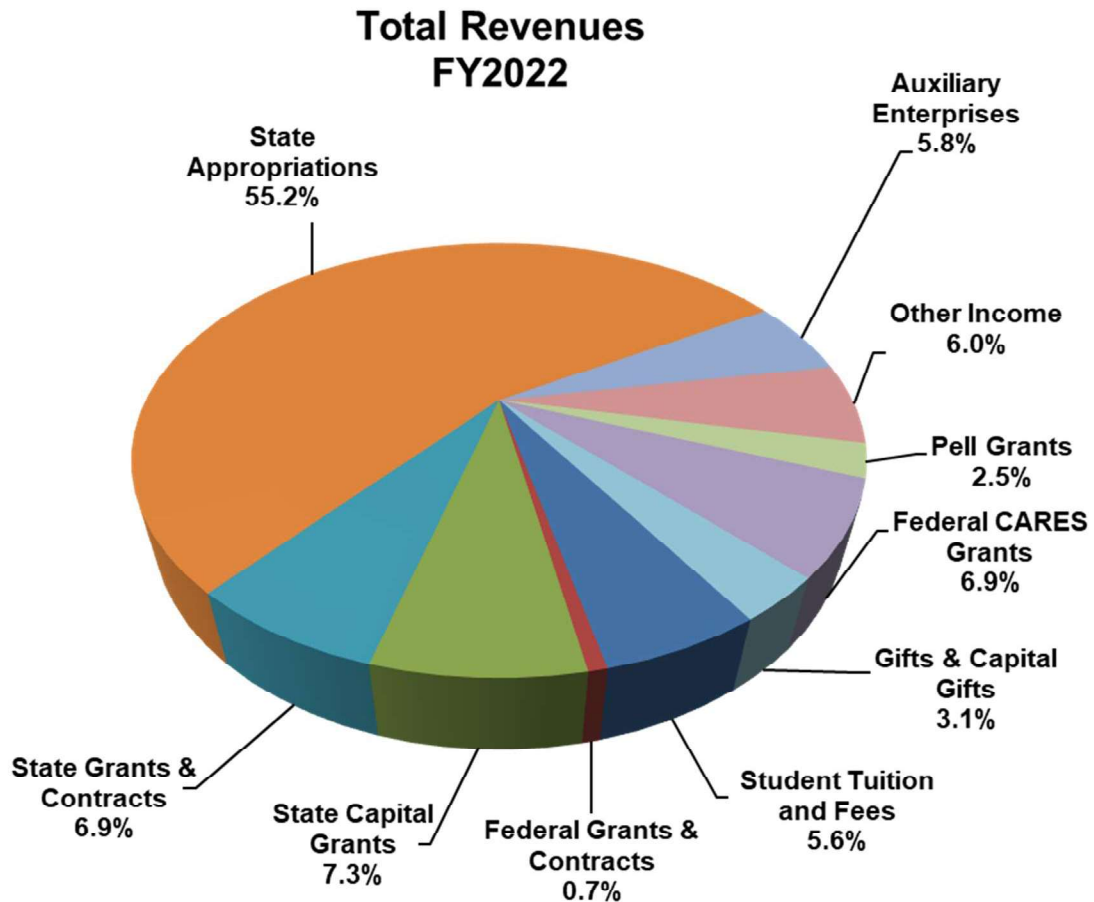
The revenue comparison between fiscal year 2022 and fiscal year 2021 shows a decrease in total revenues of \$29,733,518 or (43.04%) over the prior year. The largest factor in this decrease was a reduction in Capital Grants of \$30,628,697 due to funding received in fiscal year 2021 from the State of Utah for the Allied Health Building which was not repeated in fiscal year 2022. State Grants and Contracts decreased \$2,355,946 related to a decrease in CARES funding the College received from other state entities in fiscal year 2021 for IT infrastructure projects. Local Grants declined \$474,282 due to Davis County single year pass-through CARES funding to the College that was received in fiscal year 2021 but was not repeated in fiscal year 2022.

State Appropriations increased by \$2,531,300 as the State provided \$684,600 for the Custom Fit Program, \$623,000 towards training program expansion, \$599,200 for employee compensation, \$361,000 in new equipment funding and \$90,000 towards operations and maintenance for the Allied

**DAVIS TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2022**

Health Building. Gift income to the Foundation increased by \$538,481 and Federal CARES Act funding increased \$352,489.

Investment Income decreased \$97,899 from the previous fiscal year. Although actual interest earned was \$70,439, a GASB 31 fair market value decrease adjustment of \$89,076 for the College's Public Treasurers' Investment Fund (PTIF) resulted in a net investment loss of \$18,637.



DAVIS TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2022

Expenses. The following schedule presents a summary of College expenses for the fiscal years ended June 30, 2022 and 2021:

Expenses	Year Ended June 30, 2022 Amount	Percent of Total	Year Ended June 30, 2021 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Operating Expenses:					
Salaries and Wages	\$ 16,362,478	44.78%	\$ 15,401,755	\$ 960,723	6.24%
Benefits	6,058,075	16.58%	5,606,739	451,336	8.05%
Actuarial Calculated Pension Expense	(311,140)	(0.85%)	716,817	(1,027,957)	(143.41%)
Scholarships	2,716,005	7.43%	1,272,246	1,443,759	113.48%
Utilities	686,611	1.88%	580,826	105,785	18.21%
Supplies and Other Services	6,927,388	18.96%	6,359,393	567,995	8.93%
Depreciation	4,079,898	11.17%	2,980,254	1,099,644	36.90%
Total Operating Expenses	<u>36,519,315</u>	<u>99.95%</u>	<u>32,918,030</u>	<u>3,601,285</u>	<u>10.94%</u>
Nonoperating Expenses:					
Investment Loss	<u>18,637</u>	<u>0.05%</u>	<u>-</u>	<u>18,637</u>	<u>100.00%</u>
Total Nonoperating Expenses	<u>18,637</u>	<u>0.05%</u>	<u>-</u>	<u>18,637</u>	
Total Expenses	<u>\$ 36,537,952</u>	<u>100.00%</u>	<u>\$ 32,918,030</u>	<u>\$ 3,619,922</u>	<u>11.00%</u>

Total Operating Expenses for the year increased by \$3,601,285 from the prior year. Salaries and Wages expenses increased by \$960,723. Full time instructors were added in Welding Technology, Heating and Air Conditioning, Building Construction Technology, Medical Assisting, Manufacturing, and Heavy Equipment Operator. New full-time staff positions included an associate vice president, system information systems analyst, and receptionist.

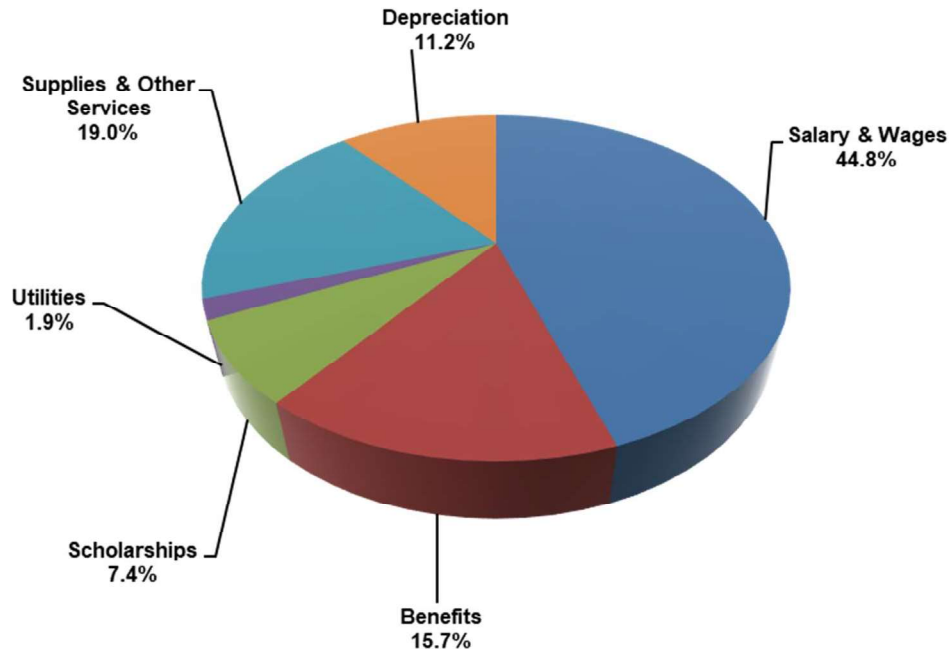
Benefits expenses increased by \$451,336 from the prior year, with \$352,681 in additional health insurance premiums. Actuarial Calculated Pension Expense decreased by \$1,027,957 as required by the reporting requirements of GASB 68. Additional information on this standard can be found in Note 7 of the Notes to the Financial Statements.

Scholarship expenses increased by \$1,443,759 with an increase of \$1,403,529 in CARES related scholarships with minor increases in other areas.

Depreciation expense increased by \$1,099,644 to \$4,079,898. Depreciation of buildings increased by \$812,549 due to there being a full year of depreciation of the Allied Health Building in fiscal year 2022. Depreciation for building improvements increased by \$132,581 and Equipment depreciation increased by \$102,903 from the prior year.

**DAVIS TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2022**

**Total Operating Expenses
FY2022**



Capital Asset Administration

Capital Assets. The College's investment in capital assets as of June 30, 2022 amounts to \$61,907,142 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and equipment. There were additions of \$5,726,193 before depreciation during the fiscal year. Of this amount \$2,862,360 was for projects completed at the College by the State Division of Facilities Construction and Management (DFCM). DFCM projects completed in fiscal year 2022 include \$984,450 for the purchase of the North Building, consisting of \$390,000 for land and \$594,450 for the building and improvements, \$904,500 for roofing replacement projects, \$461,507 for paving and parking projects, \$255,383 for a fire panel replacement and \$256,520 for the Student Service department and other remodel projects.

The College retired \$571,911 in assets during the year, all of which had been fully depreciated. Depreciation for the year was \$4,079,898. Additional information on the College's capital assets can be found in Note 4 of the Notes to the Financial Statements.

**DAVIS TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2022**

The following schedule presents a summary of College Capital Assets for the fiscal years ended June 30, 2022 and 2021:

Capital Assets (net of depreciation)	Year Ended June 30, 2022 Amount	Year Ended June 30, 2021 Amount	Amount of Increase (Decrease)
Land	\$ 1,989,080	\$ 1,599,080	\$ 390,000
Buildings and Improvements	56,939,940	54,946,732	1,993,208
Equipment	2,978,122	3,215,101	(236,979)
Construction in Progress	-	499,934	(499,934)
Total Capital Assets, net	<u>\$ 61,907,142</u>	<u>\$ 60,260,847</u>	<u>\$ 1,646,295</u>

Factors Effecting Net Position or Operations

Utah Department of Corrections Contract. Since 2010, the College has provided technical training to the inmates at the Utah State Prison in Draper, Utah, under a contract with the Utah Department of Corrections. The training includes automotive technology, machining, welding technology, culinary arts, and office technologies. This contract was renewed in June 2018 and will expire on June 30, 2023.

State Economic Outlook. The College receives a significant portion of its funding through legislative appropriations from the State of Utah; therefore, the general economic condition of the State has a direct impact on the College's ability to provide services to students and employers in the Davis and Morgan County service areas. Utah's economic position is one of the strongest in the nation with annual employment growth as of June 30, 2022 of 3.5% and a low unemployment rate of 2.0%. This position has allowed the State to increase funding to the College through the legislative process to accommodate the growing needs of students and employers. It is anticipated that these annual increases in funding will continue as the State of Utah continues to experience both population and revenue growth.

Requests for Information

This financial report is designed to provide a general overview of the Davis Technical College's finances for all those with an interest in the College's finances and to show the accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Fiscal Services Office, Davis Technical College, 550 East 300 South, Kaysville, Utah 84037.

DAVIS TECHNICAL COLLEGE
STATEMENT OF NET POSITION
June 30, 2022

ASSETS

Current Assets:

Cash and Cash Equivalents (Note 2)	\$ 11,704,104
Receivables (Note 3)	
Due from the State of Utah	725,843
Other	374,963
Inventories	413,281
Prepaid Expenses and Other Assets	179,377
Total Current Assets	<u>13,397,568</u>

Noncurrent Assets:

Restricted Cash and Cash Equivalents (Note 2)	558,836
Net Pension Asset (Note 7)	929,165
Investments in Real Estate	836,416
Capital Assets, net (Note 4)	61,907,142
Total Noncurrent Assets	<u>64,231,560</u>
Total Assets	<u>77,629,128</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows Related to Pensions (Note 7)	<u>1,591,429</u>
--	------------------

LIABILITIES

Current Liabilities:

Accounts Payable (Note 3)	
Due to the State of Utah	65,349
Other	760,880
Accrued Compensation Liabilities	970,145
Unearned Revenue	162,261
Funds Held in Custody for Others	5,281
Accrued Termination Benefits (Note 6)	49,034
Total Current Liabilities	<u>2,012,950</u>

Noncurrent Liabilities:

Accrued Leave (Note 5)	932,027
Total Noncurrent Liabilities	<u>932,027</u>
Total Liabilities	<u>2,944,977</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows Related to Pensions (Note 7)	<u>3,976,252</u>
---	------------------

NET POSITION

Net Investment in Capital Assets (Note 4)	61,907,142
Restricted For (Note 14):	
Nonexpendable	836,416
Expendable:	
Scholarships	385,515
Grants, Contracts and Other	672,065
Unrestricted	8,498,190
Total Net Position	<u>\$ 72,299,328</u>

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

DAVIS TECHNICAL COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2022

REVENUES

Operating Revenues:

Student Tuition and Fees (net of scholarship allowances of \$1,186,163)	\$ 2,193,671
Federal Grants and Contracts	258,888
State Grants and Contracts	2,721,515
Local Grants and Contracts	30,311
Nongovernmental Grants and Contracts	1,015,712
Sales and Services of Educational Departments	62,854
Auxiliary Enterprises (net of scholarship allowances of \$69,730)	2,268,361
Other Operating Revenues	216,749
Independent Operations	908,468
Total Operating Revenues	<u>9,676,529</u>

EXPENSES

Operating Expenses (Note 9):

Salaries and Wages	16,362,478
Benefits (Notes 5,6,7,8)	6,058,075
Actuarial Calculated Pension Expense (Note 7)	(311,140)
Scholarships	2,716,005
Utilities	686,611
Supplies and Other Services	6,927,388
Depreciation (Note 4)	4,079,898
Total Operating Expenses	<u>36,519,315</u>
Operating Income (Loss)	<u>(26,842,786)</u>

NONOPERATING REVENUES (EXPENSES)

State Appropriations	21,733,100
Gifts	1,046,544
Investment Income (Loss)	(18,637)
Disposal of Capital Assets	13,768
Federal Pell Grants	983,465
Federal CARES Act: Higher Education Emergency Relief Funds	2,713,710
Other Nonoperating Revenues (Expenses)	112,673
Total Nonoperating Revenues (Expenses)	<u>26,584,623</u>
Income (Loss) Before Capital Grants and Contributions	(258,163)

Capital Grants and Contributions

Capital Grants	2,862,360
Capital Gifts	213,605
Total Capital Grants and Contributions	<u>3,075,965</u>

Change in Net Position	2,817,802
------------------------	-----------

NET POSITION

Net Position - Beginning of Year	<u>69,481,526</u>
Net Position - End of Year	<u>\$ 72,299,328</u>

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

DAVIS TECHNICAL COLLEGE
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Tuition and Fees	\$ 2,163,499
Receipts from Sponsors, Grants, and Contracts	3,707,234
Payments to Suppliers	(8,038,176)
Payments for Scholarships	(2,716,004)
Payments to Employees	(23,819,860)
Receipts from Auxiliary Enterprise Charges	2,268,361
Other Receipts	1,297,717
Net Cash Flow Provided (Used) by Operating Activities	<u>(25,137,229)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State Appropriations	21,733,100
Gifts and Grants Received for Other Than Capital Purposes:	
Private Gifts	1,125,370
Federal Cares Act Funds	2,713,710
Financial Aid Grants	983,465
Net Cash Flow Provided (Used) by Noncapital Financing Activities	<u>26,555,645</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds From Sale of Capital Assets	13,768
Purchases of Capital Assets	(2,650,228)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,636,460)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Dividend Received From Investment in Real Estate	70,013
Interest on Investments	(18,638)
Net Cash Provided (Used) by Investing Activities	<u>51,375</u>

Net Increase/(Decrease) in Cash	<u>\$ (1,166,669)</u>
---------------------------------	-----------------------

CASH - BEGINNING OF YEAR

Cash and Cash Equivalents	\$ 13,210,812
Restricted Cash	218,797
Total Cash Beginning of Year	<u>13,429,609</u>

CASH - END OF YEAR

Cash and Cash Equivalents	\$ 11,704,104
Restricted Cash	558,836
Total Cash End of Year	<u>\$ 12,262,940</u>

(continued)

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

DAVIS TECHNICAL COLLEGE
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2022
(continued)

RECONCILIATION OF NET OPERATING INCOME (LOSS) TO:

Net Cash Provided (Used) by Operating Activities:

Operating Income (Loss)	\$ (26,842,786)
Difference between Actuarial Calculated Pension Expense and Actual Contributions	(1,380,834)
Other Nonoperating Revenues (Expenses)	112,673
Adjustments to Reconcile Net Position (Loss) to	
Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	4,079,898
In-Kind Gifts Received and Expensed	(148,838)
Change in Assets and Liabilities:	
Receivables	(319,192)
Inventories	(128,619)
Prepaid Expenses and Other Assets	24,640
Accounts Payable	(171,360)
Accrued Compensation Liabilities	(343,877)
Unearned Revenue	(30,172)
Funds Held in Custody for Others	(3,027)
Accrued Leave	76,237
Accrued Early Termination Benefits	(61,972)
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (25,137,229)</u></u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Construction projects transferred from State of Utah (DFCM)	\$ 2,862,360
Donated Equipment or Other Assets	213,605
Total Noncash Investing, Capital, and Financing Activities	<u><u>\$ 3,075,965</u></u>

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

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Reporting Entity

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

The College was established July 1, 1978, by the Utah State Legislature to offer vocational and related instruction to secondary and adult students. The College operates in accordance with Section 53B-2-101 of the Utah Code Annotated 1953, as amended, as a member of the Utah System of Higher Education and is governed by the Utah Board of Higher Education with appropriate responsibilities and authority delegated to the College Board of Trustees.

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

Blended Presentation Component Unit

The Davis Technical College Foundation, Inc. (Foundation) is a legally separate and tax-exempt organization that was formed to exclusively benefit the College and its students. The College provides administrative resources for the daily operations of the Foundation. The nature of the relationship between the Foundation and College meets the requirements for the Foundation to be presented in the College's financial statements as a blended component unit. Further information, as well as condensed financials for the Foundation, can be found in Note 10.

Measurement Focus and Basis of Accounting

For financial reporting purposes, the College is considered a special purpose government entity engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The College distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the College's principal mission of instruction. Certain grants and contracts that are aligned with College's principal mission are included in operating revenue and expenses. The revenues of the Utah Nursing Assistant Registry are reported as independent operations, which is a part of the operating revenues of the College. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is generally the College's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash & Cash Equivalents and Investments

The College's cash and cash equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Cash and investment management at the College is administered in accordance with the Utah Money Management Act (Section 51-7, Utah Code Annotated, 1953, as amended).

Investments are recorded at fair value in accordance with GASB Statement No. 72, Fair Value Measurement and Application. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Inventories

Inventories of supplies are recorded at cost. The Bookstore, Cosmetology Salon, and Print Center inventories held for resale are carried at the lower of cost or market utilizing an average cost basis.

Income Taxes

The component unit Foundation is a not-for-profit corporation that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code.

Equity Interest in Apartment Complex

On April 24, 2002, the Foundation was gifted an equity interest in an apartment complex. The gift was made with the understanding that at least 25% of the income each year would be used for needed scholarships and to keep existing students enrolled at the College.

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Interest in Apartment Complex (continued)

The apartments are HUD properties and are thus subject to significant governmental regulation and control. These regulations limit the control that the Foundation and other investors have over the apartments. The interest in the apartments is being accounted for using the cost method of accounting due to the limited control over the investment.

Capital Assets

Capital assets include property, buildings and equipment. Capital assets are defined by the College as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	1-30
Equipment	5-15
Vehicles	5-10
Furniture	10
Computer Equipment	3-5

Compensated Absences

It is the College's policy to permit eligible employees to accumulate earned but unused vacation benefits with a maximum accrual of 280 hours. All vacation leave is accrued when earned. Employees accumulate vacation leave balances based upon their years of service and employee group. There is no requirement to use vacation leave, but leave is no longer accrued once an employee has accumulated 280 hours. Vacation leave which has accrued and is yet unused, is paid to employees upon termination.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Leases

The College leases space to a charter school and other various entities mainly affiliated through the Business Resource Center and has determined that these leases are classified as short-term leases and do not meet the criteria for additional reporting required under the GASB 87 lease standard.

Deferred Outflows/Inflows of Resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources related to pension liabilities. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Prior Year's Presentation

The financial statement notes and Management's Discussion and Analysis include partial prior year information. Certain amounts presented in the prior year data may have been reclassified to be consistent with the current year's presentation.

NOTE 2 - DEPOSITS AND INVESTMENTS

The College follows the requirements of the Utah Money Management Act (the Act) (Section 51-7, Utah Code Annotated, 1953, as amended) in handling its depository and investment transactions. The Act requires the depositing of College funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the Act that relate to the deposit and investment of public funds.

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the College's deposits may not be returned to it. The College does not have a formal deposit policy for custodial credit risk. As of June 30, 2022, \$576,858 of the College's bank balances of \$826,858 was uninsured and uncollateralized. All of the Foundation's \$34,203 bank balances were insured.

Investments

The Utah Money Management Act defines the types of securities authorized as appropriate investments for the College's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the College to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac) and Federal National Mortgage Association (Fannie Mae), bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers Investment Fund (PTIF).

The Utah State Treasurer's Office operates the PTIF. The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (Section 51-7, Utah Code Annotated, 1953, as amended). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments (continued)

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

Fair Value of Investments

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

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

The debt and equity securities classified in Level 2 are valued using the application of the June 30, 2022 fair value factor, as calculated by the Utah State Treasurer, to the College's ending balance in the Fund.

At June 30, 2022, the College and Foundation had the following recurring fair value measurements.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
State of Utah Public Treasurers' Investment Fund	\$11,463,247	-	\$11,463,247	-

Interest Rate Risk

Interest rate risk is the risk that the value of an investment will be adversely affected by changes in market investment rates. The College manages exposure to declining value by investing primarily in the PTIF and by complying with the Act. The Act requires the remaining term to maturity of investments may not exceed the period of the availability of the funds to be invested. The Act further limits the remaining time to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 265 days or less.

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk (continued)

As of June 30, 2022, the College and Foundation had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
State of Utah Public Treasurers' Investment Fund	\$11,463,247	\$11,463,247	-	-	-

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act as previously discussed.

As of June 30, 2022, the College and Foundation had the following investments and quality ratings:

Investment Type	Fair Value	Quality Ratings	
		AAA	Unrated
State of Utah Public Treasurers' Investment Fund	\$11,463,247	-	\$11,463,247

Concentration of Credit Risk

Concentration of Credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College does not have a formal policy for custodial credit risk.

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 3 – ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

Schedule of Accounts Receivable

	<u>June 30, 2022</u>
Amounts due from the State of Utah	
Student Tuition and Fees	\$ 34,687
State Grants and Contracts	551,603
Operations	36,725
Independent Operations	<u>102,828</u>
Total due from the State of Utah	725,843
 Amounts due from Others	
Student Tuition and Fees	85,722
Federal Grants and Contracts	118,180
Operations	171,411
Independent Operations	<u>650</u>
Total due from Others	374,963
 Total Accounts Receivable	<u><u>\$ 1,100,807</u></u>

Schedule of Accounts Payable

	<u>June 30, 2022</u>
Amounts due to the State of Utah	<u>65,349</u>
Amounts due to Others:	
Students	42,772
Vendors	709,872
Employees	<u>8,236</u>
Total amounts due to Others	760,880
 Total Accounts Payable	<u><u>\$ 826,229</u></u>

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 4 – CAPITAL ASSETS

Additions to capital assets include amounts paid for by the College as well as additions paid for by the State Division of Facilities Construction and Management (DFCM).

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

	Balance June 30, 2021	Additions from College	Additions from DFCM	Reductions & Retirements	Balance June 30, 2022
Capital Assets					
Buildings & Improvements	\$ 83,735,040	\$ 2,394,340	\$ 2,456,810	\$ 264,901	\$ 88,321,289
Construction in Progress	499,934	-	-	499,934	-
Equipment	11,534,895	969,427	15,550	307,010	12,212,862
Land	1,599,080	-	390,000	-	1,989,080
Total	<u>97,368,949</u>	<u>3,363,767</u>	<u>2,862,360</u>	<u>1,071,845</u>	<u>\$ 102,523,231</u>
Less Accumulated Depreciation					
Buildings & Improvements	28,788,308	2,857,942	-	(264,901)	31,381,349
Equipment	<u>8,319,794</u>	<u>1,221,956</u>	<u>-</u>	<u>(307,010)</u>	<u>9,234,740</u>
Total Accumulated Depreciation	<u>37,108,102</u>	<u>4,079,898</u>	<u>-</u>	<u>(571,911)</u>	<u>40,616,089</u>
Net Capital Assets	<u>\$ 60,260,847</u>	<u>\$ (716,131)</u>	<u>\$ 2,862,360</u>	<u>\$ (499,934)</u>	<u>\$ 61,907,142</u>

NOTE 5 - ACCRUED LEAVE

The College accrues amounts for leave in the year in which the leave is earned. Accrued leave consists of only vacation leave. Employees earn leave based upon their employee group and years of service. Unused leave may be carried over into the next year, but the maximum accrual per employee at any time is 280 hours.

The following is a summary of changes in accrued leave during the fiscal year:

	<u>Accrued Leave</u>
Balance at June 30, 2021	\$ 855,791
Additions to Accrued Leave	1,069,280
Accrued Leave Used	<u>(993,044)</u>
Balance at June 30, 2022	<u>\$ 932,027</u>
Amount due through June 30, 2023	\$ -

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 6 - ACCRUED TERMINATION BENEFITS

The following is a summary of changes in accrued termination benefits during the fiscal year:

	<u>Stipends</u>	<u>Medical Insurance</u>	<u>Total</u>
Balance at June 30, 2021	\$ -	\$ 111,006	\$ 111,006
Additions	39,726	38,611	78,337
Deletions (Payments)	(39,726)	(100,582)	(140,309)
Balance at June 30, 2022	<u>\$ -</u>	<u>\$ 49,034</u>	<u>\$ 49,034</u>
Amount due through June 30, 2023	\$ -	\$ 49,034	\$ 49,034

In accordance with the College's Early Retirement Incentives Policy, employees who (1) Were hired into a full-time position with the College prior to December 1, 2004, (2) have ten years of service, (3) retire prior to the time they become eligible to receive unreduced social security benefits, and (4) are of the following age and service may apply for early retirement incentive benefits:

- A) Age 62 with at least 10 years of service
- B) Age 60 with at least 20 years of service
- C) Any age with at least 25 years of service

Administrative approval is required to participate in the incentive program. It is the intent of management that the incentive program is not to be considered an entitlement nor a right automatically available to employees who meet the eligibility criteria. Employees who retire under the incentive program receive a stipend of fifteen percent of their annual salary per year for three consecutive years, or until they become eligible to receive unreduced social security benefits, whichever occurs first.

Employees of the College earn sick leave at a rate of 96 hours per year and accumulate a maximum accrual of 800 hours. The College does not reimburse employees for unused sick leave upon termination, except those employees approved under the incentive program. Sick leave is expended when used. If approved under the incentive program, the College will pay eligible employees 20 percent of the employee's accumulated sick leave for leave accumulated prior to June 30, 2004. The employee may use the 20

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 6 - ACCRUED TERMINATION BENEFITS (Continued)

percent sick leave amount to acquire health insurance during retirement or apply the amount towards a retirement account.

Employees who retire under the incentive program continue to be enrolled in the College's group medical and dental programs until they become eligible for Medicare, or for the ten consecutive years following retirement, whichever occurs first. This enrollment is contingent upon the retirees contributing the balance of the premiums over that paid by the institution for the first three years, and the full premium the following seven years.

Nine former employees received benefits under this policy during the period. Discount and inflation adjustments were considered immaterial.

NOTE 7 - DEFINED BENEFIT PENSION PLANS

As required by state law, eligible non-exempt employees (as defined by the U.S. Fair Labor Standards Act) of the College are covered by the Utah State Retirement Systems (Systems or URS) and eligible exempt employees (as defined by the U.S. Fair Labor Standards Act) are covered by the Teachers Insurance and Annuity Association (TIAA). Eligible College Faculty and Professional/Administrative employees who were employed by the College and enrolled in the Systems on or before June 30, 2003 were allowed to elect to continue participation in the Systems or to begin to participate in TIAA.

Plan Description

The Systems are comprised of the following Pension Trust Funds which are multiple-employer, cost-sharing public employee retirement systems:

Public Employees Noncontributory Retirement System (Noncontributory System)

Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System)

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System. The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

Benefits Provided

Utah Retirement Systems provides retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System				
	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System				
	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* Actuarial reductions are applied.

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years

Funding Policy

As a condition of participation in the Systems, the College is 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 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.

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy (continued)

Contribution rates for the pension portion of the plans for the year were as follows:

	Employer Contribution <u>Rates</u>	Employer Rate for <u>401K Plan</u>
Noncontributory System	22.19%	1.50%
Noncontributory System, Post Retired Amortization	9.94%	0%
Tier 2 Public Employees System*	19.40%	0.62%
Tier 2 Public Employees System DC Only*	10.02%	10.00%

*Tier 2 rates include a 9.94% required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

Contributions recorded by the Systems are detailed in the following chart and were equal to the required contributions for each year. Due to timing differences between the College and the Systems' fiscal years, and the Systems' recognition policies, these amounts may not match the College's expenses for the period.

	Employer <u>Contributions</u>	Employee <u>Contributions</u>
Noncontributory System	\$ 685,963	N/A
Tier 2 Public Employees System*	306,618	-
Tier 2 Public Employees System DC Only*	<u>77,998</u>	N/A
Total Contributions	\$1,070,579	

*Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

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

At June 30, 2022, the College reported a net pension asset of \$929,165 and a net pension liability of \$0. The net pension asset increased \$929,165 from the June 30, 2021 balance of \$0 and the net pension liability decreased \$1,973,400 from the June 30, 2021 balance of \$1,973,400.

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions (continued)

	Measurement Date: December 31, 2021			December 31, 2020	Change
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share	(Decreases)
Noncontributory System	\$893,663	\$0	0.1307969%	0.1469770%	(0.0161801)%
Tier 2 Public Employees System	35,503	0	0.0838853%	0.0974641%	(0.0135788)%
	<u>\$929,166</u>	<u>\$0</u>			

The net pension asset and liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2021 and rolled forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the College's actual contributions to the Systems during the plan year over the total of all employer contributions to the Systems during the plan year.

For the Year Ended June 30, 2022, the College recognized a pension expense of (\$311,140).

As of June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 553,303	\$ 4,574
Changes in assumptions	381,570	336
Net difference between projected and actual earnings on pension plan investments	-	3,691,956
Changes in proportion and differences between contributions and proportionate share of contributions	135,426	279,386
Contributions subsequent to the measurement date	521,130	-
Total	<u>\$1,591,429</u>	<u>\$ 3,976,252</u>

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions (continued)

The College reported \$521,130 as deferred outflows of resources related to pensions results from contributions made prior to the fiscal year end, but subsequent to the measurement date of December 31, 2021. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2022	(\$478,838)
2023	(\$994,202)
2024	(\$865,593)
2025	(\$607,740)
2026	\$7,169
Thereafter	\$33,251

Actuarial assumptions: The total pension liability in the December 31, 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 % - 9.25 % average, including inflation
Investment rate of return	6.85 %, net of pension plan investment expense, including inflation

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 7 – DEFINED BENEFIT PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Mortality rates were developed from an actuarial experience study dated January 1, 2020 developed using URS retiree experience based on gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-210 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

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 ending December 31, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	37%	6.58%	2.43%
Debt securities	20%	(0.28)%	(0.06)%
Real assets	15%	5.77%	0.87%
Private equity	12%	9.85%	1.18%
Absolute return	16%	2.91%	0.47%
Cash and cash equivalents	0%	(1.01)%	0.00%
Totals	100%		4.89%
	Inflation		2.50%
	Expected arithmetic nominal return		7.39%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.5% and a real return of 4.35% that is net of investment expense.

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Discount rate

The discount rate used to measure the total pension liability 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 that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 6.95% to 6.85% from the prior measurement date.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85%, as well as what the 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%)
Proportionate share of Net Pension (asset)/liability			
Noncontributory System	\$3,209,450	\$(893,662)	\$(4,323,894)
Tier 2 Public Employees System	<u>211,537</u>	<u>(35,503)</u>	<u>(225,179)</u>
	\$3,420,987	\$(929,165)	\$(4,549,073)

Pension Plan Fiduciary Net Position

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

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 8 - DEFINED CONTRIBUTION PLANS

Utah Retirement Systems

The College participates in the 401(k) plan administered by the Utah Retirement Systems (Systems). This plan is a defined contribution plan. The plan is established and governed by Chapter 49 of the Utah Code Annotated, 1953, as amended. The 401(k) plan is a supplemental plan to basic retirement benefits of URS. The College is required by statute to contribute 1.5% of eligible employees' salaries which vests immediately. During the year ended June 30, 2022, the College contributed \$167,032.

For employees participating in the Tier 2 Public Employees defined contribution plan (Tier 2 DC), the College is required to contribute 20.05% of the employees' salaries, of which 10 percent is paid into a 401(k)/457 plan while the remainder is contributed to the Tier 2 Contributory Public Employee System, as required by law.

In September of 2011, eligible employees of the College voted to not participate in the Social Security system as allowed under the guidelines of Section 218 of the Social Security Act. As a result, beginning in October of 2011, the College began contributing 6.2% of these eligible employee's salaries into their respective URS 401(k) accounts in place of the Employer's Social Security contribution. These contributions totaled \$828,629 for the year ended June 30, 2022. Voluntary contributions may also be made into the plan by employees, subject to plan and internal revenue code limitations. During the year ended June 30, 2022, College employees made voluntary contributions to the plan of \$442,391.

Teachers Insurance and Annuity Association

Eligible Faculty and Professional/Administrative employees of the College participate in the Teachers Insurance and Annuity Association (TIAA). Eligible College Faculty and Professional/Administrative employees who were employed by the College and enrolled in the Utah State Retirement Systems on or before June 30, 2003 were allowed to elect to continue participation in the Systems or to begin participation in TIAA.

TIAA provides individual retirement fund contracts with each participating employee. The benefits provided to retired employees are based on the value of the individual contracts and the estimated life expectancy of the employee at retirement. Participation in TIAA is authorized by Chapter 49 of the Utah Code Annotated, 1953, as amended. Contributions by the College to the employee's contract become vested at the time the contribution is made. Employees are eligible to participate from the date of employment and are not required to contribute to the fund. For the year ended June 30, 2021, the College's contribution to this defined contribution retirement plan was 14.2% of the participating employees' annual salaries.

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 8 - DEFINED CONTRIBUTION PLANS (Continued)

Teachers Insurance and Annuity Association (continued)

The College has no further liability once contributions are made. During the year ended June 30, 2022, the College contributed \$1,188,367 to the plan, and employees made voluntary contributions to the plan of \$210,498.

NOTE 9 - NATURAL AND FUNCTIONAL EXPENSE CLASSIFICATIONS

The following is a summary of natural expense classifications with functional expense classifications for the year ended June 30, 2022

	Salary and Wages	Employee Benefits*	Scholarships	Utilities	Supplies & Other	Depreciation	Total
Instruction	\$ 7,962,286	\$ 2,895,358	\$ -	\$ -	\$ 2,829,764	\$ -	\$ 13,687,408
Academic Support	1,789,805	689,310	-	-	77,498	-	2,556,613
Student Services	1,806,693	663,804	-	-	551,462	-	3,021,959
Institutional Support	2,602,561	719,740	-	21,810	852,484	-	4,196,595
Operations and Maintenance	1,185,452	490,148	-	640,669	653,327	4,079,898	7,049,494
Scholarships	-	-	2,716,005	-	-	-	2,716,005
Auxiliary	827,681	253,991	-	24,132	1,558,140	-	2,663,944
Independent Operations	188,000	34,584	-	-	404,713	-	627,297
Total	\$ 16,362,478	\$ 5,746,935	\$ 2,716,005	\$ 686,611	6,927,388	\$ 4,079,898	\$ 36,519,315

* Employee Benefits includes the Actuarial Calculated Pension Expense

NOTE 10 – DAVIS TECH FOUNDATION -Blended Presentation Component Unit

The Davis Technical College Foundation, Inc. (Foundation) is a legally separate, tax-exempt component unit of the College. The Foundation acts exclusively as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The majority of the resources or income the Foundation holds and invests is restricted to the activities of the College by the donors. Additionally, the College Board of Trustees approves the individuals who are appointed to serve on the Foundation's separate Board of Trustees. With these limits on use of Foundation funds and the level of control of the Foundation Board, the Foundation is considered a component unit of the College and is presented in the College's financial statements as a blended component unit. During the year ended June 30, 2022, the Foundation distributed \$712,088 to the College for both restricted and unrestricted activities.

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 10 – DAVIS TECH FOUNDATION - Blended Presentation Component Unit (Continued)

The following is a condensed version of the Foundation's audited financial statements for the fiscal year. Separately issued audited financial statements for the Foundation can be obtained from the Foundation at 550 East 300 South, Kaysville, Utah 84037.

DAVIS TECHNICAL COLLEGE FOUNDATION CONDENSED FINANCIAL STATEMENTS For the Fiscal Year Ended June 30, 2022			
Statement of Net Position		Statement of Revenues, Expenses, and Changes in Net Position	
Assets		Operating Revenues:	
Current Assets		Gifts	\$ 949,976
Cash and Investments	\$ 639,031	Fund Raisers	89,594
Accounts Receivable	2,800	Total Operating Revenues	1,039,570
Noncurrent Assets		Operating Expenses:	
Restricted Cash and Investments	558,836	Staff Support	24,000
Other Non Current Assets	836,416	Scholarships	287,248
Total Assets	2,037,083	Equipment Donations	327,113
Liabilities and Net Assets		Other Expenses	130,540
Current Liabilities	26,394	Total Operating Expenses	768,901
Total Liabilities and Unearned Revenue	26,394	Operating Income	270,669
Net Position		Nonoperating Revenues:	
Nonexpendable	836,416	Interest & Other Income	74,597
Expendable	745,887	Change in Net Position	345,266
Unrestricted	428,386	Net Position at beginning of year	1,665,423
Total Net Position	\$ 2,010,689	Net Position at end of year	\$ 2,010,689
DAVIS TECHNICAL COLLEGE FOUNDATION Statement of Cash Flows			
Cash Flows From Operating Activities			
Cash received through contributions & fundraisers			\$ 675,127
Cash payments for operations			(107,457)
Cash payments for scholarships			(287,248)
Net Cash Provided by (Used in) Operating Activities			280,422
Cash Flows From Investing Activities			
Interest and Dividends			4,584
Real Estate income			70,013
Net Cash Provided by (Used in) Investing Activities			74,597
			355,019
			842,848
			\$ 1,197,867

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 11 - UTAH CAREER PATH HIGH CHARTER SCHOOL

The College is the Authorizer for Utah Career Path High (CPH) which is a legally separate, state-funded, early-college charter school located on the College campus that opened in the fall of 2013. As Authorizer, the College fills a limited oversight role in the operation of the charter school as outlined in the Utah State Code 53G-5-306(7). The relationship between the entities does not meet the requirements that would necessitate their inclusion in the College financial statements as a Component Unit or Related Organization according to GASB Statements 14 and 39, as amended by GASB Statement 61. The CPH Governing Board is separate from the College Board of Trustees, and the College may only appoint a minority of the members to that Governing Board.

NOTE 12 – CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenses that may be disallowed by the grantor cannot be determined at this time, although the College expects such amounts, if any, to be immaterial.

NOTE 13 – RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As part of a component unit of the State of Utah, the College participates in the State's Risk Management Fund along with other State funds, agencies, and public authorities of the State. The State Risk Management Fund allocates the cost of providing claims servicing, claims payment, and commercial insurance by charging a "premium" to each agency or public authority based on each organization's estimated current year liability and property values. The liability is determined using independent actuarial studies based on past, current, and estimated loss experience. The College has not had any losses or settlements that exceeded the risk management coverage for any of the last three years.

NOTE 14 - RESTRICTIONS ON NET POSITION

The restrictions on net position on June 30, 2022 relate to specific College appropriations, contracts and grants, Foundation donations of partnership interest, and various scholarships.

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2022

NOTE 14 - RESTRICTIONS ON NET POSITION (Continued)

Restricted net position is available for the following purposes:

Nonexpendable Assets:	
Interest in Skyline Apartments	\$ 836,416
Expendable Assets:	
Scholarships	385,515
Capital Projects (EMTC)	360,372
Contracts and Grants	311,693
Total Expendable:	<u>\$ 1,057,580</u>
Total Restricted Net Position	<u>\$1,893,966</u>

All contributions made to the Foundation are allocated to their restricted purpose, if restricted by a donor.

NOTE 15 – RELATED PARTY TRANSACTIONS

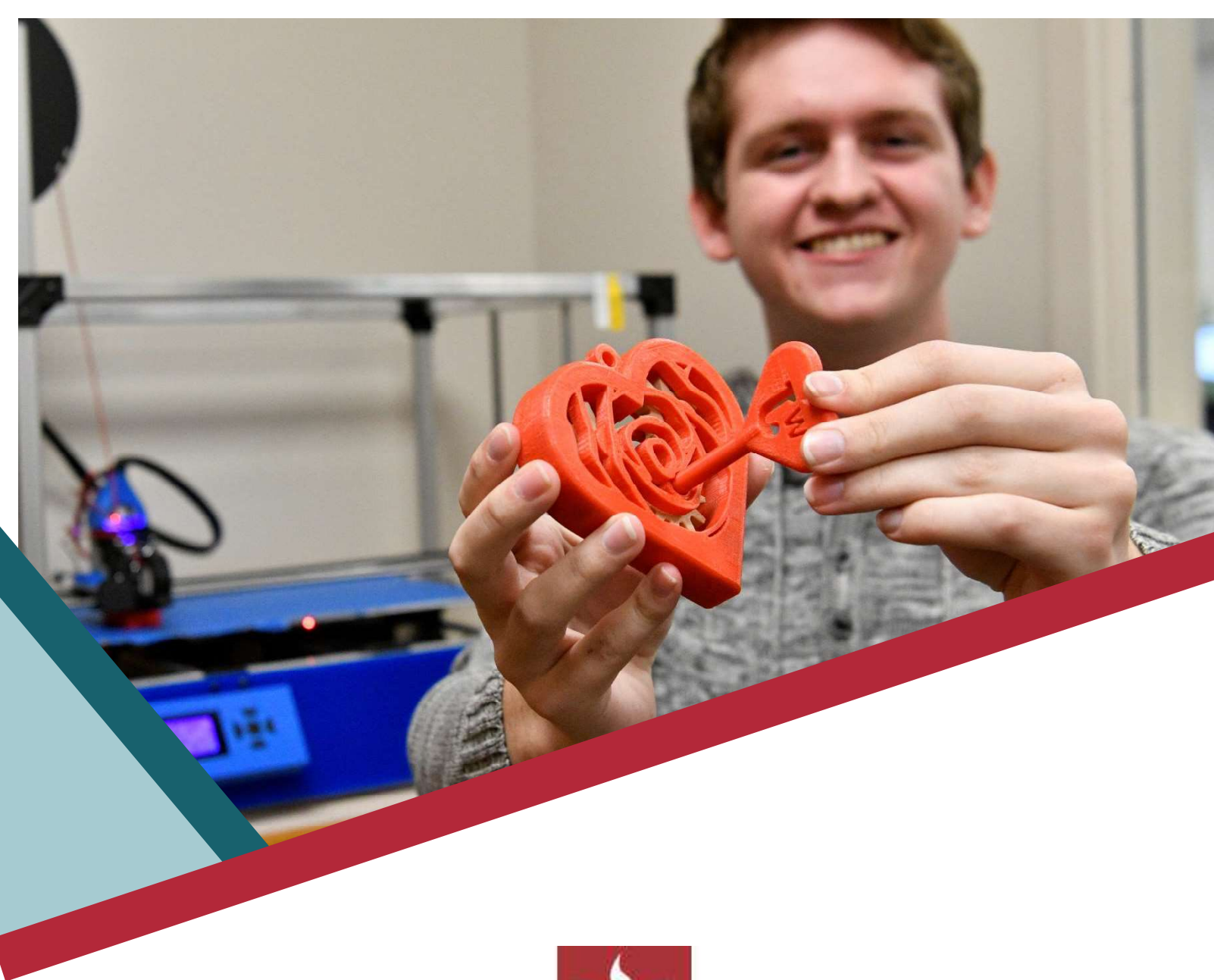
Results Group LLC employs Kristen Toone as a trainer and facilitator. She is the spouse of Adam Toone, who sits on the College Board of Trustees as a representative of the Morgan School District. During the fiscal year, the College contracted with Results Group LLC for training services totaling \$3,000. As of June 30, 2022, there were no outstanding amounts due to or from Results Group LLC to the College.

NOTE 16 – CORONAVIRUS RELATED FUNDING

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan Act (ARPA) provide budgetary relief to higher education institutions through numerous provisions. The College received a total of \$2,746,590 in relief related funding directly from the Department of Education as well as passed through the State of Utah, other state agencies and Davis County. The College does not foresee receiving amounts of this magnitude in future periods.

Coronavirus Relief Usage:	
Direct Payments to Students	\$ 2,071,450
Lost Revenue Recovery	417,642
Student Scholarships	16,500
Covid Testing Administration	16,380
HVAC Upgrades	196,357
Covid Related Wages and Cleaning Supplies	28,261
	<u>\$ 2,746,590</u>

This Page Intentionally Left Blank



DAVISTECH
DAVIS TECHNICAL COLLEGE

REQUIRED SUPPLEMENTARY INFORMATION

DAVIS TECHNICAL COLLEGE
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY*

	<u>Dec 31, 2021</u>	<u>Dec 31, 2020</u>	<u>Dec 31, 2019</u>
Noncontributory System			
Proportion of the net pension liability (asset)	0.1307969%	0.1469770%	0.1364194%
Proportionate share of the net pension liability (asset)	\$ (893,662)	\$ 1,959,382	\$ 3,030,832
Covered payroll	\$ 3,151,974	\$ 3,554,864	\$ 3,370,813
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-28.35%	55.12%	89.91%
Plan fiduciary net position as a percentage of the total pension liability	102.70%	94.30%	90.10%
Tier 2 Public Employees System			
Proportion of the net pension liability (asset)	0.0838853%	0.0974641%	0.0786608%
Proportionate share of the net pension liability (asset)	\$ (35,503)	\$ 14,018	\$ 17,691
Covered payroll	\$ 1,557,791	\$ 1,558,020	\$ 1,092,836
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-2.28%	0.90%	1.62%
Plan fiduciary net position as a percentage of the total pension liability	103.80%	98.30%	96.50%

The College implemented GASB Statements No. 68 and 71 in fiscal year 2015. Information on the College's portion of the plan's net pension liability (asset) is not available for periods prior to fiscal year 2015.

*Information provided by the Utah Retirement Systems, based on their fiscal year ending December 31.

<u>Dec 31, 2018</u>	<u>Dec 31, 2017</u>	<u>Dec 31, 2016</u>	<u>Dec 31, 2015</u>	<u>Dec 31, 2014</u>
0.1281333%	0.1247564%	0.1222902%	0.1157513%	0.1120223%
\$ 4,767,221	\$ 3,050,746	\$ 3,963,324	\$ 3,636,080	\$ 2,814,592
\$ 3,443,177	\$ 3,345,420	\$ 3,320,678	\$ 3,194,598	\$ 3,154,934
138.45%	91.19%	119.35%	113.82%	89.20%
84.10%	89.20%	84.90%	84.50%	87.20%
0.0721595%	0.0704864%	0.0645909%	0.0325978%	0.0218031%
\$ 30,904	\$ 6,215	\$ 7,205	\$ (71)	\$ (661)
\$ 843,444	\$ 689,162	\$ 529,700	\$ 210,680	\$ 106,918
3.66%	0.90%	1.36%	-0.03%	-0.60%
90.80%	97.40%	95.10%	100.20%	103.50%

DAVIS TECHNICAL COLLEGE
SCHEDULE OF PENSION CONTRIBUTIONS
Last Ten Fiscal Years

	<u>2022*</u>	<u>2021*</u>	<u>2020*</u>
Noncontributory System			
Actuarial determined contributions	\$ 685,963	\$ 708,898	\$ 788,198
Contributions in relation to the contractually required contribution	(685,963)	(708,898)	(788,198)
Contribution deficiency (excess)	-	-	-
 Covered payroll	 \$ 3,103,380	 \$ 3,228,541	 \$ 3,597,519
Contributions as a percentage of covered payroll ***	22.10%	21.96%	21.91%
 Tier 2 Public Employees System**			
Actuarial determined contributions	\$ 306,618	\$ 303,664	\$ 254,648
Contributions in relation to the contractually required contribution	(306,618)	(303,664)	(254,648)
Contribution deficiency (excess)	-	-	-
 Covered payroll	 \$ 1,580,510	 \$ 1,587,373	 \$ 1,340,960
Contributions as a percentage of covered payroll ***	19.40%	19.13%	18.99%
 Tier 2 Public Employees DC Only System			
Actuarial determined contributions	\$ 77,998	\$ 62,202	\$ 46,723
Contributions in relation to the contractually required contribution	(77,998)	(62,202)	(46,723)
Contribution deficiency (excess)	-	-	-
 Covered payroll	 \$ 778,418	 \$ 620,776	 \$ 466,297
Contributions as a percentage of covered payroll ***	10.02%	10.02%	10.02%

* Information provided by Utah Retirement Systems

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

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

2019*	2018*	2017*	2016*	2015*	2014*	2013
\$ 741,409	\$ 767,461	\$ 723,411	\$ 696,334	\$ 688,592	\$ 640,328	\$ 610,106
(741,409)	(767,461)	(723,411)	(696,334)	(688,592)	(640,328)	(610,106)
-	-	-	-	-	-	-
\$ 3,385,798	\$ 3,497,896	\$ 3,288,343	\$ 3,171,667	\$ 3,138,607	\$ 3,250,820	\$ 3,242,164
21.90%	21.94%	22.00%	21.95%	21.94%	19.70%	18.81%
\$ 173,523	\$ 151,029	\$ 107,799	\$ 66,622	\$ 24,537	\$ 20,541	\$ 24,078
(173,523)	(151,029)	(107,799)	(66,622)	(24,537)	(20,541)	(24,078)
-	-	-	-	-	-	-
\$ 919,565	\$ 819,032	\$ 591,005	\$ 365,251	\$ 134,302	\$ 122,633	\$ 159,880
18.87%	18.44%	18.24%	18.24%	18.27%	16.75%	15.06%
\$ 38,773	\$ 25,989	\$ 18,997	\$ 18,145	\$ 16,510	\$ 10,739	
(38,773)	(25,989)	(18,997)	(18,145)	(16,510)	(10,739)	
-	-	-	-	-	-	
\$ 386,958	\$ 259,374	\$ 189,588	\$ 181,088	\$ 164,283	\$ 128,764	
10.02%	10.02%	10.02%	10.02%	10.05%	8.34%	

DAVIS TECHNICAL COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2022

CHANGES IN ASSUMPTIONS

The investment return assumption was decreased by 0.10% to 6.85% for use in the January 1, 2021, actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a \$509 million increase in the Total Pension Liability, which is about 1.3% of the Total Pension Liability of as December 31, 2020, for all systems combined. The demographic assumptions were reviewed and updated in the January 1, 2020, actuarial valuation and are currently scheduled to be reviewed in the year 2023.



DAVISTECH
DAVIS TECHNICAL COLLEGE

STATISTICS

DAVIS TECHNICAL COLLEGE
SCHEDULE OF NET POSITION
Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Investment in Capital Assets	\$ 61,907,142	\$ 60,260,847	\$ 26,314,818	\$ 26,465,459
Restricted for:				
Scholarships	385,515	481,889	382,697	383,273
Grants, Contracts and Other	1,508,481	1,037,438	1,719,451	2,204,534
Unrestricted	<u>8,498,190</u>	<u>7,701,352</u>	<u>4,893,318</u>	<u>4,216,233</u>
Total Net Position	<u>\$ 72,299,328</u>	<u>\$ 69,481,526</u>	<u>\$ 33,310,284</u>	<u>\$ 33,269,499</u>

Source: Annual Reports on Financial Statements for years presented.

2018	2017	2016	2015	2014	2013
\$ 28,191,599	\$ 28,090,605	\$ 27,246,745	\$ 28,313,502	\$ 29,216,171	\$ 29,015,988
385,332	382,003	395,324	318,799	285,400	152,080
2,048,096	1,259,911	1,099,471	915,990	1,340,800	1,384,440
3,027,000	3,208,622	2,903,431	2,928,900	4,482,337	4,488,850
<u>\$ 33,652,027</u>	<u>\$ 32,941,141</u>	<u>\$ 31,644,971</u>	<u>\$ 32,477,191</u>	<u>\$ 35,324,708</u>	<u>\$ 35,041,358</u>

DAVIS TECHNICAL COLLEGE
CHANGES IN NET POSITION
Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
REVENUES				
Operating Revenues:				
Student Tuition and Fees (net of scholarship allowances)	\$ 2,193,671	\$ 2,260,307	\$ 2,175,573	\$ 2,326,290
Federal Grants and Contracts	258,888	255,318	272,312	377,681
State Grants and Contracts	2,721,515	5,077,461	2,984,580	2,920,834
Local Grants and Contracts	30,311	504,593	11,791	11,373
Nongovernmental Grants and Contracts	1,015,712	904,969	933,406	708,445
Sales and Services of Educational Departments	62,854	11,083	13,466	26,553
Auxiliary Enterprises (net of scholarship allowances)	2,268,361	2,001,938	1,984,414	2,116,893
Other Operating Revenues	216,749	164,465	88,104	133,036
Independent Operations	908,468	927,201	816,334	834,807
Total Operating Revenues	<u>9,676,529</u>	<u>12,107,335</u>	<u>9,279,980</u>	<u>9,455,912</u>
EXPENSES				
Operating Expenses:				
Salaries and Wages	16,362,478	15,401,755	14,449,285	12,770,403
Benefits	6,058,075	5,606,739	5,459,677	4,662,407
Actuarial Calculated Pension Expense	(311,140)	716,817	1,352,363	1,247,878
Scholarships	2,716,005	1,272,246	520,691	423,753
Utilities	686,611	580,826	558,204	576,830
Supplies and Other Services	6,927,388	6,359,393	5,945,718	5,544,415
Depreciation	4,079,898	2,980,254	2,638,348	2,775,703
Total Operating Expenses	<u>36,519,315</u>	<u>32,918,030</u>	<u>30,924,286</u>	<u>28,001,389</u>
Operating Income (Loss)	<u>(26,842,786)</u>	<u>(20,810,695)</u>	<u>(21,644,306)</u>	<u>(18,545,477)</u>
NONOPERATING REVENUES (EXPENSES)				
State Appropriations	21,733,100	19,201,800	18,822,800	16,164,800
Gifts	1,046,544	508,063	568,955	707,953
Investment Income	(18,637)	79,262	238,834	309,147
Unrealized Loss on FMV of Investment	-	-	(3,998)	(2,966)
Disposal of Capital Assets	13,768	56,346	-	(93,613)
Federal Pell Grants	983,465	1,073,179	939,712	943,324
Federal CARES Act: Higher Education Emergency Relief Fun	2,713,710	2,361,221	57,752	-
Other Nonoperating Revenues (Expenses)	112,673	186,664	299,058	78,368
Net Nonoperating Revenues	<u>26,584,623</u>	<u>23,466,535</u>	<u>20,923,113</u>	<u>18,107,013</u>
(Loss) Before Other Revenues and Expenses	<u>(258,163)</u>	<u>2,655,840</u>	<u>(721,193)</u>	<u>(438,464)</u>
Capital Grants	2,862,360	33,491,057	586,978	55,936
Capital Gifts	213,605	24,345	175,000	-
Extraordinary Items	-	-	-	-
Increase/(Decrease) in Net Position	<u><u>\$ 2,817,802</u></u>	<u><u>\$ 36,171,242</u></u>	<u><u>\$ 40,785</u></u>	<u><u>\$ (382,528)</u></u>

Source: Annual Reports on Financial Statements for years presented.

2018	2017	2016	2015	2014	2013
\$ 2,229,088	\$ 2,119,972	\$ 2,217,755	\$ 2,453,525	\$ 2,373,117	\$ 2,613,125
343,463	335,954	338,165	272,487	282,956	364,541
1,602,973	2,002,345	1,607,378	1,586,187	1,640,045	1,319,735
13,255	13,461	6,511	63,444	43,178	-
660,439	635,743	468,177	499,071	323,331	260,008
15,215	13,054	17,914	19,913	16,597	11,305
1,967,093	1,899,262	1,849,584	1,624,744	1,468,241	1,531,938
186,761	168,681	91,737	92,370	84,176	68,435
835,394	753,778	621,601	583,756	592,092	588,888
7,853,681	7,942,250	7,218,822	7,195,497	6,823,733	6,757,975
11,735,925	10,998,624	10,527,131	9,919,412	9,262,757	8,974,269
4,101,567	3,889,530	3,540,069	3,402,631	3,725,521	3,422,634
880,599	971,235	704,293	716,817	-	-
589,718	494,747	491,318	489,401	476,781	539,251
594,620	604,269	593,245	582,174	612,831	553,906
5,592,083	5,055,197	4,507,499	4,142,065	3,656,003	3,682,578
2,766,424	2,601,821	2,455,459	2,565,252	2,062,220	1,877,235
26,260,936	24,615,423	22,819,014	21,589,225	19,796,113	19,049,873
(18,407,255)	(16,673,173)	(15,600,192)	(14,393,728)	(12,972,380)	(12,291,898)
15,405,100	14,197,000	13,057,900	12,183,800	10,963,000	9,947,800
819,276	589,322	294,912	300,797	432,660	321,971
161,738	96,584	88,136	37,134	37,294	44,141
(2,221)	(1,655)	(1,189)	(857)	(884)	-
14,007	(2,453)	5,000	4,200	-	-
1,181,163	994,082	1,043,185	1,017,606	997,980	1,093,603
-	-	-	-	-	-
122,328	80,711	18,233	24,068	50,511	11,512
17,701,391	15,953,591	14,506,177	13,566,748	12,480,561	11,419,027
(705,864)	(719,582)	(1,094,015)	(826,980)	(491,819)	(872,871)
1,336,689	1,947,752	117,482	707,292	735,169	930,036
80,061	68,000	144,313	59,173	40,000	26,000
-	-	-	117,336	-	-
\$ 710,886	\$ 1,296,170	\$ (832,220)	\$ 56,821	\$ 283,350	\$ 83,165

DAVIS TECHNICAL COLLEGE
EXPENSES BY FUNCTION
Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Instruction	\$ 13,687,408	\$ 11,813,406	\$ 11,915,263	\$ 10,362,149
Academic Support	2,556,613	2,826,124	2,841,866	2,394,963
Student Services	3,021,959	3,256,832	3,424,813	3,003,448
Institutional Support	4,196,595	5,144,369	3,852,416	3,575,514
Operation and Maintenance of Plant	7,049,494	5,616,475	5,127,677	5,003,168
Scholarships	2,716,005	1,261,727	520,691	423,753
Auxiliary Enterprises	2,663,944	2,291,984	2,529,997	2,503,049
Independent Operations	627,297	707,113	711,563	735,345
Total Expenses	<u>\$ 36,519,315</u>	<u>\$ 32,918,030</u>	<u>\$ 30,924,286</u>	<u>\$ 28,001,389</u>

(Percent of Total Expenses)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Instruction	37.48%	35.89%	38.53%	37.01%
Academic Support	7.00%	8.59%	9.19%	8.55%
Student Services	8.27%	9.89%	11.07%	10.73%
Institutional Support	11.49%	15.63%	12.46%	12.77%
Operation and Maintenance of Plant	19.30%	17.06%	16.58%	17.87%
Scholarships	7.44%	3.83%	1.68%	1.51%
Auxiliary Enterprises	7.30%	6.96%	8.18%	8.94%
Independent Operations	1.72%	2.15%	2.31%	2.62%
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Annual Reports on Financial Statements for years presented.

2018	2017	2016	2015	2014	2013
\$ 9,625,903	\$ 9,118,888	\$ 8,441,434	\$ 8,343,883	\$ 7,324,428	\$ 7,180,417
2,081,348	1,861,234	1,832,580	1,569,816	1,453,835	1,584,102
2,619,788	2,306,475	2,145,745	1,828,804	1,909,263	1,803,791
3,544,327	3,276,783	3,278,226	2,646,253	2,488,202	2,288,556
4,842,920	4,696,769	3,934,867	4,356,732	3,827,354	3,390,378
589,718	494,747	491,318	489,401	476,781	539,251
2,280,343	2,225,179	2,153,987	1,821,343	1,819,534	1,767,634
676,589	635,348	540,857	532,993	496,716	495,744
<u>\$ 26,260,936</u>	<u>\$ 24,615,423</u>	<u>\$ 22,819,014</u>	<u>\$ 21,589,225</u>	<u>\$ 19,796,113</u>	<u>\$ 19,049,873</u>

2018	2017	2016	2015	2014	2013
36.65%	37.05%	36.99%	38.65%	37.00%	37.69%
7.93%	7.56%	8.03%	7.27%	7.34%	8.32%
9.98%	9.37%	9.40%	8.47%	9.64%	9.47%
13.50%	13.31%	14.37%	12.26%	12.57%	12.01%
18.44%	19.08%	17.24%	20.18%	19.33%	17.80%
2.25%	2.01%	2.15%	2.27%	2.41%	2.83%
8.68%	9.04%	9.44%	8.44%	9.19%	9.28%
2.57%	2.58%	2.38%	2.46%	2.52%	2.60%
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

DAVIS TECHNICAL COLLEGE
EXPENSES BY NATURAL CLASSIFICATION
Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Salaries and Wages	\$ 16,362,478	\$ 15,401,755	\$ 14,449,285	\$ 12,770,403
Benefits	6,058,075	5,606,739	5,459,677	4,662,407
Actuarial Calculated Pension Expense	(311,140)	716,817	1,352,363	1,247,878
Scholarships	2,716,005	1,272,246	520,691	423,753
Utilities	686,611	580,826	558,204	576,830
Supplies and Other Services	6,927,388	6,359,393	5,945,718	5,544,415
Depreciation	4,079,898	2,980,254	2,638,348	2,775,703
Total Expenses	<u>\$ 36,519,315</u>	<u>\$ 32,918,030</u>	<u>\$ 30,924,286</u>	<u>\$ 28,001,389</u>

(Percent of Total Expenses)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Salaries and Wages	44.79%	46.79%	46.72%	45.61%
Benefits	16.59%	17.03%	17.65%	16.65%
Actuarial Calculated Pension Expense	-0.85%	2.18%	4.37%	4.46%
Scholarships	7.44%	3.86%	1.68%	1.51%
Utilities	1.88%	1.76%	1.81%	2.06%
Supplies and Other Services	18.97%	19.32%	19.23%	19.80%
Depreciation	11.18%	9.06%	8.54%	9.91%
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Annual Reports on Financial Statements for years presented.

2018	2017	2016	2015	2014	2013
\$ 11,735,925	\$ 10,998,624	\$ 10,527,131	\$ 9,919,412	\$ 9,262,757	\$ 8,974,269
4,101,567	3,889,530	3,540,069	3,402,631	3,725,521	3,422,634
880,599	971,235	704,293	488,290	-	-
589,718	494,747	491,318	489,401	476,781	539,251
594,620	604,269	593,245	582,174	612,831	553,906
5,592,083	5,055,197	4,507,499	4,142,065	3,656,003	3,682,578
2,766,424	2,601,821	2,455,459	2,565,252	2,062,220	1,877,235
<u>\$ 26,260,936</u>	<u>\$ 24,615,423</u>	<u>\$ 22,819,014</u>	<u>\$ 21,589,225</u>	<u>\$ 19,796,113</u>	<u>\$ 19,049,873</u>

2018	2017	2016	2015	2014	2013
45.61%	44.69%	46.13%	46.15%	46.79%	47.11%
16.65%	15.62%	15.51%	15.51%	18.82%	17.97%
4.46%	3.35%	3.09%	3.09%	0.00%	0.00%
1.51%	2.25%	2.15%	2.15%	2.41%	2.83%
2.06%	2.26%	2.60%	2.60%	3.10%	2.91%
19.80%	21.29%	19.75%	19.75%	18.47%	19.33%
9.91%	10.54%	10.77%	10.75%	10.41%	9.85%
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

DAVIS TECHNICAL COLLEGE
REVENUES BY SOURCE
Last Ten Fiscal Years

	2022	2021	2020	2019
Operating Revenues:				
Student Tuition and Fees	\$ 2,193,671	\$ 2,260,307	\$ 2,175,573	\$ 2,326,290
Federal Grants and Contracts	258,888	255,318	272,312	377,681
State Grants and Contracts	2,721,515	5,077,461	2,984,580	2,920,834
Local Grants and Contracts	30,311	504,593	11,791	11,373
Nongovernmental Grants & Contracts	1,015,712	904,969	933,406	708,445
Sales & Services of Educational Departments	62,854	11,083	13,466	26,553
Auxiliary Enterprises	2,268,361	2,001,938	1,984,414	2,116,893
Other Operating Revenues	216,749	164,465	88,104	133,036
Independent Operations	908,468	927,201	816,334	834,807
Total Operating Revenues	<u>9,676,529</u>	<u>12,107,335</u>	<u>9,279,980</u>	<u>9,455,912</u>
Nonoperating Revenues:				
State Appropriations	21,733,100	19,201,800	18,822,800	16,164,800
Gifts	1,046,544	508,063	568,955	707,953
Investment Income	(18,637)	79,262	238,834	309,147
Federal Pell Grants	983,465	1,073,179	939,712	943,324
Federal CARES Act: HEERF Grants	2,713,710	2,361,221	57,752	
Other Nonoperating Revenues	126,441	243,010	299,058	78,368
Total Nonoperating Revenues	<u>26,584,623</u>	<u>23,466,535</u>	<u>20,927,111</u>	<u>18,203,592</u>
Other Revenues:				
Capital Grants	2,862,360	33,491,057	586,978	55,936
Capital Gifts	213,605	24,345	175,000	-
Total Other Revenues	<u>3,075,965</u>	<u>33,515,402</u>	<u>761,978</u>	<u>55,936</u>
Extraordinary Items:	-	-	-	-
Total Revenues	<u>\$ 39,337,118</u>	<u>\$ 69,089,272</u>	<u>\$ 30,969,069</u>	<u>\$ 27,715,440</u>

(Percent of Total Revenues)

	2022	2021	2020	2019
Operating Revenues:				
Student Tuition and Fees	5.58%	3.27%	7.02%	8.39%
Federal Grants and Contracts	0.66%	0.37%	0.88%	1.36%
State Grants and Contracts	6.92%	7.35%	9.64%	10.54%
Local Grants and Contracts	0.08%	0.73%	0.04%	0.04%
Nongovernmental Grants & Contracts	2.58%	1.31%	3.01%	2.56%
Sales & Services of Educational Departments	0.16%	0.02%	0.04%	0.10%
Auxiliary Enterprises	5.77%	2.90%	6.41%	7.64%
Other Operating Revenues	0.55%	0.24%	0.28%	0.48%
Independent Operations	2.31%	1.34%	2.64%	3.01%
Total Operating Revenues	<u>24.61%</u>	<u>17.53%</u>	<u>29.96%</u>	<u>34.12%</u>
Nonoperating Revenues:				
State Appropriations	55.25%	27.79%	60.78%	58.32%
Gifts	2.66%	0.74%	1.84%	2.55%
Investment Income	-0.05%	0.11%	0.77%	1.12%
Federal Pell Grants	2.50%	1.55%	3.03%	3.40%
Federal CARES Act: Higher Education Emergency	6.90%	3.42%	0.19%	0.00%
Other Nonoperating Revenues	0.32%	0.35%	0.97%	0.28%
Total Nonoperating Revenues	<u>67.58%</u>	<u>33.96%</u>	<u>67.58%</u>	<u>65.67%</u>
Other Revenues:				
Capital Grants	7.27%	48.47%	1.89%	0.21%
Capital Gifts	0.54%	0.04%	0.57%	0.00%
Total Other Revenues	<u>7.81%</u>	<u>48.51%</u>	<u>2.46%</u>	<u>0.21%</u>
Extraordinary Items:	0.00%	0.00%	0.00%	0.00%
Total Revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Annual Reports on Financial Statements for years presented.

2018	2017	2016	2015	2014	2013
\$ 2,229,088	\$ 2,119,972	\$ 2,217,755	\$ 2,453,525	\$ 2,373,117	\$ 2,613,125
343,463	335,954	338,165	272,487	282,956	364,541
1,602,973	2,002,345	1,607,378	1,586,187	1,640,045	1,319,735
13,255	13,461	6,511	63,444	43,178	-
660,439	635,743	468,177	499,071	323,331	260,008
15,215	13,054	17,914	19,913	16,597	11,305
1,967,093	1,899,262	1,849,584	1,624,744	1,468,241	1,531,938
186,761	168,681	91,737	92,370	84,176	68,435
835,394	753,778	621,601	583,756	592,092	588,888
7,853,681	7,942,250	7,218,822	7,195,497	6,823,733	6,757,975
15,405,100	14,197,000	13,057,900	12,183,800	10,963,000	9,947,800
819,276	589,322	294,912	300,797	432,660	321,971
161,738	96,584	88,136	37,134	37,294	44,141
1,181,163	994,082	1,043,185	1,017,606	997,980	1,093,603
136,335	80,711	23,233	24,068	50,511	11,512
17,703,612	15,957,699	14,507,366	13,563,405	12,481,445	11,419,028
1,336,689	1,947,752	117,482	707,292	735,169	930,036
80,061	68,000	144,313	59,173	40,000	26,000
1,416,750	2,015,752	261,795	766,465	775,169	956,036
-	-	-	117,336	-	-
\$ 26,974,043	\$ 25,915,700	\$ 21,987,983	\$ 21,642,703	\$ 20,080,347	\$ 19,133,039

2018	2017	2016	2015	2014	2013
8.26%	8.18%	10.09%	11.34%	11.82%	13.66%
1.27%	1.30%	1.54%	1.26%	1.41%	1.91%
5.94%	7.73%	7.31%	7.33%	8.17%	6.90%
0.05%	0.05%	0.03%	0.29%	0.22%	0.00%
2.45%	2.45%	2.13%	2.31%	1.61%	1.36%
0.06%	0.05%	0.08%	0.09%	0.08%	0.06%
7.29%	7.33%	8.41%	7.51%	7.31%	8.01%
0.69%	0.65%	0.42%	0.43%	0.42%	0.36%
3.10%	2.91%	2.83%	2.70%	2.95%	3.08%
29.11%	30.65%	32.84%	33.26%	33.99%	35.34%
57.11%	54.78%	59.39%	56.30%	54.60%	51.99%
3.04%	2.27%	1.34%	1.39%	2.15%	1.68%
0.60%	0.37%	0.40%	0.17%	0.19%	0.23%
4.38%	3.84%	4.74%	4.70%	4.97%	5.72%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.51%	0.31%	0.11%	0.11%	0.25%	0.06%
65.64%	61.57%	65.98%	62.67%	62.16%	59.68%
4.95%	7.52%	0.53%	3.27%	3.66%	4.86%
0.30%	0.26%	0.65%	0.27%	0.19%	0.12%
5.25%	7.78%	1.18%	3.54%	3.85%	4.98%
0.00%	0.00%	0.00%	0.54%	0.00%	0.00%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**DAVIS TECHNICAL COLLEGE
TUITION AND FEES BY SOURCE
Last Ten Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
External Sources of Tuition and Fees				
Self Pay	\$ 1,863,449	\$ 2,025,116	\$ 1,635,887	\$ 1,951,270
Weber State University Contracts ¹	-	-	-	-
Utah State Office of Rehabilitation	10,474	26,771	33,811	33,619
Other Sponsorships	319,748	208,420	505,875	341,401
Total External Tuition and Fees	<u>2,193,671</u>	<u>2,260,307</u>	<u>2,175,573</u>	<u>2,326,290</u>
 Internal Sources of Tuition and Fees ²				
Davis Tech Foundation Scholarships	254,472	153,088	213,812	173,608
Pell Grants used for Tuition & Fees	878,067	833,301	467,544	543,121
Other Internal Sponsorships	335,830	343,915	622,408	524,718
Total Internal Tuition and Fees	<u>1,468,369</u>	<u>1,330,304</u>	<u>1,303,764</u>	<u>1,241,447</u>
 Total External/Internal Tuition & Fees	<u>\$ 3,662,040</u>	<u>\$ 3,590,611</u>	<u>\$ 3,479,337</u>	<u>\$ 3,567,737</u>

(Percent of Total Tuition and Fees)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Self Pay	50.89%	56.40%	47.02%	54.69%
Weber State University Contracts	0.00%	0.00%	0.00%	0.00%
Office of Rehabilitation	0.29%	0.75%	0.97%	0.94%
Other Sponsorships	8.73%	5.80%	14.54%	9.57%
Internal Sources:				
Scholarships	6.95%	4.26%	6.15%	4.87%
Pell Grants	23.98%	23.21%	13.44%	15.22%
Other Sponsorships	9.17%	9.58%	17.88%	14.71%
Total Tuition and Fees	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Annual Reports on Financial Statements for years presented and accounting records

Note 1: The contract with Weber State University related to the Registered Nursing Program expired June 30, 2015.

Note 2: Internal Sources of Tuition and Fees represent transfers within the College which are eliminated in the preparation of the comprehensive financial statements.

2018	2017	2016	2015	2014	2013
\$ 2,038,909	\$ 1,809,546	\$ 1,856,740	\$ 1,871,807	\$ 1,797,449	\$ 1,821,026
-	-	-	307,011	228,935	252,154
20,321	26,660	17,162	47,688	76,046	88,740
169,858	283,766	343,853	227,019	270,687	451,205
<u>2,229,088</u>	<u>2,119,972</u>	<u>2,217,755</u>	<u>2,453,525</u>	<u>2,373,117</u>	<u>2,613,125</u>
145,148	138,025	125,163	107,277	113,968	108,544
577,578	483,068	529,131	513,987	510,102	537,767
523,103	417,143	308,253	348,069	297,090	177,664
<u>1,245,829</u>	<u>1,038,236</u>	<u>962,547</u>	<u>969,333</u>	<u>921,160</u>	<u>823,975</u>
<u>\$ 3,474,917</u>	<u>\$ 3,158,208</u>	<u>\$ 3,180,302</u>	<u>\$ 3,422,858</u>	<u>\$ 3,294,277</u>	<u>\$ 3,437,100</u>

2018	2017	2016	2015	2014	2013
58.68%	57.30%	58.38%	54.69%	54.56%	52.98%
0.00%	0.00%	0.00%	8.97%	6.95%	7.34%
0.58%	0.84%	0.54%	1.39%	2.31%	2.58%
4.89%	8.99%	10.81%	6.63%	8.22%	13.13%
4.18%	4.37%	3.94%	3.13%	3.46%	3.16%
16.62%	15.30%	16.64%	15.02%	15.48%	15.65%
15.05%	13.20%	9.69%	10.17%	9.02%	5.16%
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

**DAVIS TECHNICAL COLLEGE
HISTORIC ENROLLMENT
Last Ten Fiscal Years**

HISTORIC STUDENT MEMBERSHIP HOURS

Fiscal Year	High School Student Hours	%	Adult Student Hours	%	Total Student Hours	Annual Growth	Weighted Average Tuition Rate
2022	468,380	31%	1,067,288	69%	1,535,669	6.57%	\$1.91
2021	403,629	28%	1,037,409	72%	1,441,037	-3.32%	\$1.97
2020	399,819	27%	1,090,704	73%	1,490,523	-0.56%	1.89
2019	409,735	27%	1,089,183	73%	1,498,918	-0.04%	1.83
2018	395,295	26%	1,104,218	74%	1,499,513	5.77%	1.82
2017	368,834	26%	1,048,844	74%	1,417,678	-2.33%	1.75
2016	355,730	25%	1,095,761	75%	1,451,491	2.39%	1.80
2015	251,798	18%	1,165,779	82%	1,417,577	7.19%	2.00
2014	229,301	17%	1,093,240	83%	1,322,541	-5.83%	1.81
2013	206,592	15%	1,197,770	85%	1,404,362	-8.46%	1.65

Source: Membership hour reports are certified by the Davis Technical College President, the Davis Technical College Board of Trustees, and the Utah Sytem of Higher Education Board of Trustees.

**DAVIS TECHNICAL COLLEGE
HISTORIC TUITION RATES
Last Ten Fiscal Years**

HISTORIC TUITION RATES

Fiscal Year	Base Rate Per Hour	Tuition including Campus Fees	Full-time Annual Tuition	Annual Tuition Increase	
				Dollars	Percent
2022	\$ 2.10	\$ 3,469	\$ 2,974	\$ -	0.00%
2021	2.10	3,469	2,974	-	0.00%
2020	2.10	3,469	2,974	-	0.00%
2019	2.10	3,767	2,974	-	0.00%
2018	2.10	3,696	2,974	71	2.50%
2017	2.05	3,540	2,903	71	2.50%
2016	2.00	3,441	2,832	-	0.00%
2015	2.00	3,441	2,832	142	5.28%
2014	1.90	3,441	2,690	283	11.76%
2013	1.70	3,328	2,407	212	9.68%

Source: College Annual Catalogs

Note 1: The amounts shown above reflect tuition and campus fees only and do not include any student course fees.

**DAVIS TECHNICAL COLLEGE
DEMOGRAPHIC AND ECONOMIC INFORMATION
DAVIS AND MORGAN COUNTIES
Ten Calendar Years**

Davis County

Year	Population	Personal Income (\$Millions)	Per Capita Personal Income	Unemployment Rate
2021	362,679	n/a	n/a	2.2%
2020	356,625	\$18,626	\$51,300	4.1%
2019	355,481	\$17,213	\$48,778	2.4%
2018	351,713	\$16,279	\$46,123	2.9%
2017	347,637	\$15,332	\$44,106	3.1%
2016	342,281	\$14,149	\$41,339	3.3%
2015	336,043	\$13,441	\$40,000	3.3%
2014	329,692	\$12,782	\$38,770	3.6%
2013	322,094	\$12,359	\$38,372	4.2%
2012	315,809	\$11,724	\$37,124	5.0%

Morgan County

Year	Population	Personal Income (\$Millions)	Per Capita Personal Income	Unemployment Rate
2021	12,657	n/a	n/a	3.5%
2020	12,295	\$730	\$58,631	3.3%
2019	12,124	\$679	\$56,156	2.5%
2018	12,045	\$631	\$53,152	2.8%
2017	11,873	\$583	\$49,013	2.9%
2016	11,437	\$523	\$45,755	3.1%
2015	11,065	\$496	\$44,916	3.1%
2014	10,608	\$457	\$43,111	3.4%
2013	10,198	\$430	\$42,187	4.1%
2012	9,913	\$403	\$41,160	5.0%

Sources:

Department of Workforce Services Website - Quick Facts; Utah Economic Data Viewer; Wages & Income

Federal Reserve Bank of St. Louis Website <https://fred.stlouisfed.org/>

U.S Census Bureau QuickFacts Morgan population

* Note: 2021 Personal Income and Per Capita Income information were not available at the time the ACFR and Workforce Services reports were released.

**DAVIS TECHNICAL COLLEGE
SCHEDULE OF PRINCIPLE EMPLOYERS
DAVIS AND MORGAN COUNTIES**

Davis 2021

Employer	Employees	Rank	Percentage of Total
			County Employment
Hill Air Force Base	10000-14999	1	8.5%
Davis County School District	7000-9999	2	5.7%
Wal-Mart Associates	2000-2999	3	1.7%
Kroger Group Cooperative	2000-2999	4	1.7%
Lifetime Products	1000-1999	5	1.1%
ATK Space Systems	1000-1999	6	1.1%
Progrexion Teleservices	1000-1999	7	1.1%
Lagoon Corporation	1000-1999	8	1.1%
ATK Launch Systems	1000-1999	9	1.1%
Northrop Grumman	500-999	10	0.6%

Morgan 2021

Employer	Employees	Rank	Percentage of Total
			County Employment
Morgan County School District	250-499	1	9.7%
Morgan County	100-249	2	4.5%
Browning	100-249	3	4.5%
Holcim US	100-249	4	4.5%
Wardell Brothers Construction	50-99	5	1.9%
Ridley's Family Markets	50-99	6	1.9%
Skylake Enterprises	20-49	7	0.9%
Durrant Slate PLumbing	20-49	8	0.9%
Geneva Rock Products	20-49	9	0.9%
Taggarts Grill	20-49	10	0.9%

Source: Department of Workforce Services Website - Annual Profiles

DAVIS TECHNICAL COLLEGE
OPERATING INDICATORS AND EMPLOYEES
Fiscal Years 2021 and 2022

Enrollment Objective	2021	2022
Certificate Seeking	1,037	1,238
Secondary	404	283
Total	1,441	1,521
Student Headcount**	6,709	5,975
Faculty		
Full Time*	86	90
Part Time*	161	163
Total Faculty	247	253
Average Annual Faculty Salary	\$70,020	\$73,125
Staff		
Full Time*	115	110
Part Time*	69	73
Total Staff	184	183
Membership Hours per Faculty/Staff		
Membership Hours per Faculty	5,833	6,070
Membership Hours per Staff	7,830	8,392
Students per Faculty/Staff		
Students per Faculty	27	24
Students per Staff	36	33

Source: College Campus Statistics from Quality & Development and Human Resource Divisions

*Numbers for full and part time staff and faculty are as of June 30 and include Executives and Workstudies

**Unduplicated headcount

**DAVIS TECHNICAL COLLEGE
BUILDING INFORMATION
Fiscal Years 2021 and 2022**

<u>Location</u>	<u>2021</u>	<u>2022</u>
Main Campus	389,882	393,602
Freeport West Extension (D-5)	32,000	32,000
Warehouse Space Freeport West Extension	88,000	88,000
Morgan Business Resource Center	2,592	2,592
Utah Department of Corrections Instructional Service Center	17,260	17,260
Clearfield Job Corps Instructional Service Center	1,969	1,969
Total Gross Square Feet	531,703	535,423
 Total Acres Main Campus	 65	 67

Partnerships with the Following Schools

Clearfield High School
Davis High School
Farmington High School
Layton High School
Morgan High School
Northridge High School
Syracuse High School
Woods Cross High School

Source: Physical Facilities Morgan School District/Davis Tech Space FY 2022
All amounts reported in Gross Square Feet

This Page Intentionally Left Blank



DAVISTECH
DAVIS TECHNICAL COLLEGE

GOVERNMENT AUDIT



OFFICE OF THE
STATE AUDITOR

Independent Auditor's Report

On Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees, Audit Committee
and
Darin Brush, President
Davis Technical College

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Davis Technical College (the College), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's financial statements, and have issued our report thereon dated September 21, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to

be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to *Utah Code* Title 63G Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.

A handwritten signature in cursive script that reads "Office of the State Auditor".

Office of the State Auditor
Salt Lake City, Utah
September 21, 2022

This Page Intentionally Left Blank