

# DAVIS APPLIED TECHNOLOGY COLLEGE A UTAH COLLEGE OF APPLIED TECHNOLOGY CAMPUS

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2015

KAYSVILLE, UTAH



# DAVIS APPLIED TECHNOLOGY COLLEGE

A UTAH COLLEGE OF APPLIED TECHNOLOGY CAMPUS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

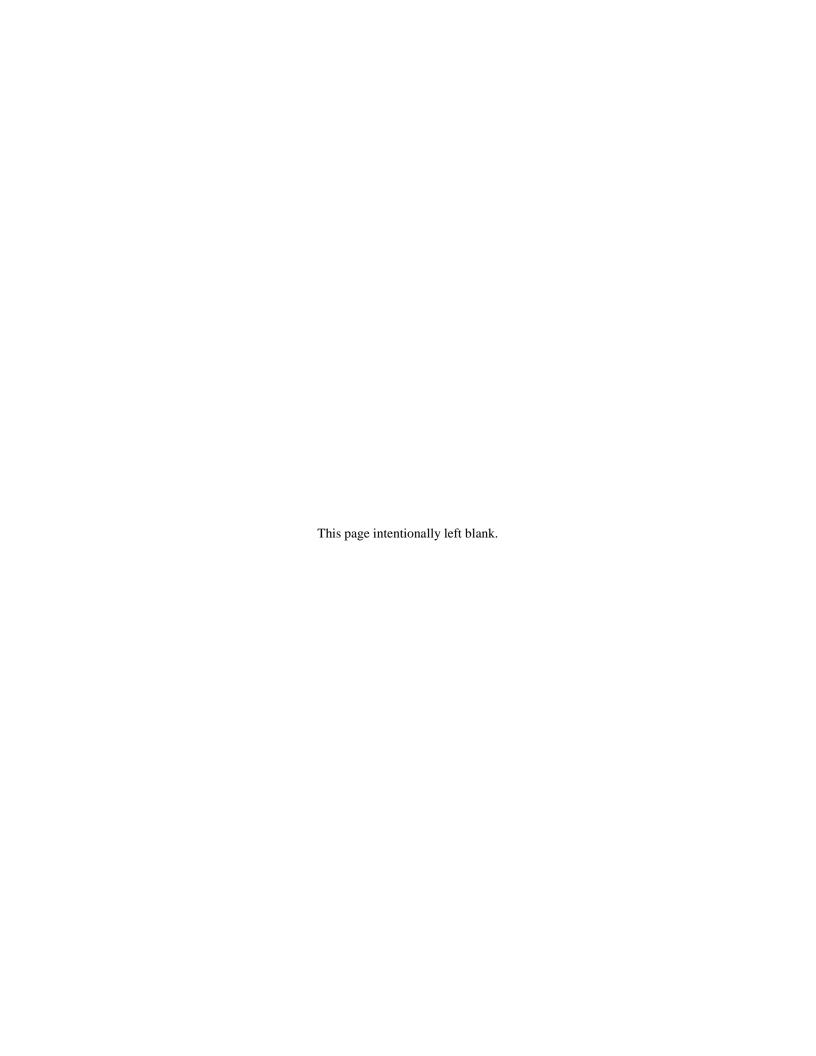
For the Fiscal Year Ended June 30, 2015

KAYSVILLE, UTAH

Prepared by the Fiscal Services Office

Russell S. Galt, MBA, CPA, Vice President of Administrative Services

Jeff Lund, MBA, Controller



# DAVIS APPLIED TECHNOLOGY COLLEGE COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2015

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# DAVIS APPLIED TECHNOLOGY COLLEGE COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Fiscal Year Ended June 30, 2015

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# INTRODUCTORY SECTION





September 23, 2015

To the Members of the Campus Board of Directors Davis Applied Technology College: A Utah College of Applied Technology Campus

The management of the Davis Applied Technology College: A Utah College of Applied Technology Campus (College Campus) 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 of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Office of the Utah State Auditor has issued an unmodified ("clean") opinion on the College Campus' financial statements for the fiscal year ended June 30, 2015. The State 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 State Auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

#### **Profile of the College Campus**

The College Campus was established effective July 1, 1978 by the Utah State Legislature to offer vocational and related instruction to secondary and adult students. Effective September 1, 2001, the Utah Legislature created the Utah College of Applied Technology (UCAT) which is composed of eight regional applied technology college campuses. The existing Davis Applied Technology Center (DATC) became one of these regional applied technology college campuses and became known as the Davis Applied Technology College: A Utah College of Applied Technology Campus.

Additional information on the College Campus' relationship to UCAT can be found in Note 1 of the notes to the financial statements.

The institution offers individualized, open-entry/open-exit, competency based career and technical education on a year-round basis not tied to pre-set dates such as the traditional college quarter or semester. Instruction is available to both adult and secondary school students and is designed to provide appropriate licensing, certification, or other evidence of proficiency to qualify students for

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specific employment in business and industry. This instruction features short term, intensive, task-specific instruction closely aligned with the needs of business and industry with competencies and length of training determined following consultation with business representatives on employer advisory committees. The College Campus 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 Campus, this report includes information related to the legally separate Davis Applied Technology College Foundation, Inc. Because the resources held by the Foundation can only be used by, or for the benefit of, the College Campus, the Foundation is considered a component unit of the College Campus 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, 2, 11, and 16).

The Board of Directors is required to adopt an annual budget. The budget is developed based upon revenues appropriated by the Utah State Legislature. The budget is revised by the Board as the need arises throughout the year.

Revenues come primarily from appropriations from the State of Utah. Over 56% of revenues came from direct State appropriations in Fiscal Year 2015. Therefore, the total State economy is important to the future outlook of the College Campus.

# Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of Jeff Lund, the Controller, and the entire staff of the Fiscal Services Department. We wish to express appreciation to all members of the Fiscal Services Department who assisted and contributed to the preparation of this report. Credit also must be given to Campus Board Chair, Michael E. Jensen, and other members of the Board of Directors for their unfailing support for maintaining the highest standards of professionalism in the management of the College Campus' finances.

Respectfully submitted,

Michael J. Bouwhuis

**Campus President** 

Russell S. Galt, MBA, CPA

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Vice President of Administrative Services



# Utah College of Applied Technology Board of Trustees

Utah College of Applied Technology President

Davis Applied Technology College Campus Board of Directors

Davis Applied Technology College Campus President

Vice President of Instruction and Entrepreneurial Development

Vice President of Administrative Services Vice President of Quality and Development

# DAVIS APPLIED TECHNOLOGY COLLEGE PRINCIPAL OFFICERS

# **Campus Governing Board of Directors**

Michael E. Jensen, Chair Michael Blair, Vice-Chair Larry W. Smith Neil Carrigan Karen Fairbanks K.O. Murdock Brad Walters Stuart Eyring David S. Hansen Bart Warner

# **Administration**

Michael J. Bouwhuis, M.Ed., Campus President and Chief Executive Officer Ann Mackin, Ed.D., Vice President of Instruction and Entrepreneurial Development Russell S. Galt, MBA, CPA, Vice President of Administrative Services Kimberly Ziebarth, M.Ed., Vice President of Quality and Development

# FINANCIAL SECTION



#### INDEPENDENT STATE AUDITOR'S REPORT

To the Board of Directors, Audit Committee and Michael J. Bouwhuis, President Davis Applied Technology College

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Davis Applied Technology College (the College), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the College's financial statements, as listed in the table of contents. The College is a regional college within the Utah College of Applied Technology (UCAT) which is a component unit of the State of Utah.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College as of June 30, 2015, and the 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.

#### **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Davis Applied Technology College and do not purport to, and do not, present fairly the financial position of UCAT, as of June 30, 2015, the changes in its financial position, or, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

The College implemented Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions, in fiscal year 2015. As a result of this required change in accounting principle, the College recorded a \$2,904,338 reduction in beginning net position. The College's ending net position also reflects the newly required net pension liability related to its participation in defined benefit retirement systems. See Notes 1 and 8 for further information. Our opinion for the College is not modified with respect to this matter.

#### Other Matters

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 17 and the College's Schedule of Proportionate Share of Net Pension Liability and Schedule of Pension Contributions on pages 45 through 47 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's financial statements. The other information, such as the introductory section on pages 1 through 4 and the supplementary information on pages 50 through 67, is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2015 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 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 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 Utah State Auditor
Office of the Utah State Auditor

September 23, 2015

As management of the Davis Applied Technology College: A Utah College of Applied Technology Campus (College Campus), we offer readers of the College Campus' financial statements this narrative overview and analysis of the financial activities of the College Campus for the fiscal year ended June 30, 2015. 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 Campus' 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 Campus' 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 Campus' 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 Campus and the effects of nonoperating transactions and events that change the amount of net position of the College Campus. 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 Campus' 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 Campus 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 Campus' 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 Campus' 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.

### **Financial Analysis**

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position. The following schedule presents a summary of the College Campus' assets, deferred outflows, liabilities, deferred inflows, and net position as of June 30, 2015, and 2014:

Davis Applied Technology College  Net Position	Year Ended June 30, 2015 Amount	Year Ended June 30, 2014 Amount*	Amount of Increase (Decrease)
Current Assets	\$ 7,928,052	\$ 7,119,207	\$ 808,845
Noncurrent Assets	900,590	900,786	(196)
Capital Assets, net	28,313,502	29,216,171	(902,669)
Total Assets	37,142,144	37,236,164	(94,020
Deferred Outflows of Resources	421,249		421,249
Current Liabilities	1,507,281	1,467,779	39,502
Noncurrent Liabilities	3,316,384	443,677	2,872,707
Total Liabilities	4,823,665	1,911,456	2,912,209
Deferred Inflows of Resources	262,537		262,537
Net Position:			
Net Investment in Capital Assets	28,313,502	29,216,171	(902,669
Restricted	1,234,789	1,626,200	(391,411
Unrestricted	2,928,900	4,482,337	(1,553,437
Total Net Position	\$ 32,477,191	\$ 35,324,708	\$ (2,847,517

<sup>\*</sup>The 2014 amounts presented here do not include the prior period adjustment discussed in Note 1.

The Total Assets of the College Campus decreased by \$94,020 during the fiscal year. Current Assets increased as an increase in Cash and Cash Equivalents was offset by reductions in Accounts Receivable of \$146,424. Of that decrease in Accounts Receivable, \$104,657 was the result of decreased outstanding amounts for Federal Student Financial Aid.

Inventories on the College Campus for the fiscal year decreased by \$25,454 as a \$61,827 reduction in Motorsports supplies was offset by increased inventory in the Bookstore and the Cosmetology Salon. The decrease in net Capital Assets for the year is the result of additions in assets and campus improvements being offset by the depreciation expense of \$2,565,252.

The Governmental Accounting Standards Board (GASB) has instituted new standards for how state and local governments in the United States report the financial obligations of their employee pension

benefits. These standards are contained in GASB Statement Number 68 (GASB 68), *Accounting and Financial Reporting for Pensions*, and are effective for fiscal years that begin after June 15, 2014. The standards require an entity to record either assets or liabilities for "the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee services ...". Consequently, the College Campus has made these entries resulting in changes to the Financial Statements in the following categories: Net Pension Assets, Deferred Outflow of Resources, Net Pension Liability, Deferred Inflow of Resources, and the Actuarial Calculated Pension Expense. Detailed information regarding these changes are found in the Notes to the Financial Statements.

Deferred Outflows increased \$421,249 and represent \$372,868 in contributions made by the College Campus to the Utah Retirement Systems Pension Plan subsequent to their measurement date of December 31, 2014 and \$48,381 as the net difference between projected and actual earnings on pension plan investments.

The Liabilities of the College Campus increased by \$2,912,209 during the fiscal year. Current liabilities increased by \$39,502 where decreases in Accounts Payable of \$98,985 and Funds Held in Custody for Others of \$40,920 were offset by an increase of \$161,735 in Accrued Compensation Liabilities.

Noncurrent Liabilities increased \$2,872,707 as the College Campus recorded \$2,814,592 in Net Pension Liabilities due to the implementation of the GASB 68 standards. Accrued Leave also increased by \$36,273 and Accrued Termination Benefits by \$25,842.

Deferred Inflows related to pensions increased \$262,537 and represent \$168,812 in the differences between expected and actual investments by the plans participants and \$93,725 due to changes in assumptions used by the actuaries.

Subsequent to the effects of the \$2,904,338 prior period adjustment discussed in the Notes to the Financial Statements, the Total Net Position of the College Campus increased by \$56,821 from the previous year. The College Campus' net position at year end was \$32,477,191.

**Changes in Net Position.** The following schedule presents a summary of changes in Net Position for the College Campus for the fiscal years ended June 30, 2015, and 2014:

Davis Applied Technology College  Changes in Net Position	Year Ended June 30, 2015 Amount	Year Ended June 30, 2014 Amount*	Amount of Increase (Decrease)
Operating Revenues	\$ 7,195,497	\$ 6,823,733	\$ 371,764
Operating Expenses	(21,589,225)	(19,796,113)	(1,793,112)
Operating Income (Loss)	(14,393,728)	(12,972,380)	(1,421,348)
Nonoperating Revenues	13,626,778	12,521,445	1,105,333
Nonoperating Expenses	(857)	(884)	27
Nonoperating Income (Loss)	13,625,921	12,520,561	1,105,360
Income Before Other Items	(767,807)	(451,819)	(315,988)
Other Revenues and Expenses	707,292	735,169	(27,877)
Increase (Decrease) in Net Position			
before Extraordinary Item	(60,515)	283,350	(343,865)
Extraordinary Item	117,336	-	117,336
Increase (Decrease) in Net Position	56,821	283,350	(226,529)
Net Position - Beginning of Year	35,324,708	35,041,358	283,350
Prior Period Adjustment	(2,904,338)	-	\$ (2,904,338)
Net Position - Beginning of Year Restated		35,041,358	\$ (2,620,988)
Total Net Position - End of Year	\$ 32,477,191	\$ 35,324,708	\$ (2,847,517)

The College Campus experienced a net operating loss of \$14,393,768. The College Campus 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 Campus as nonoperating revenues. The State Appropriation is anticipated as a means of covering a majority of the costs of operating the College Campus. During Fiscal Year 2015, the State appropriation of \$12,183,800 was sufficient to offset all but \$2,209,928 of the amount shown on the financial statements as an operating loss.

After considering nonoperating revenues and expenses, and other items, the College Campus had an increase in net position of \$56,821. Prior to recording depreciation expenses of \$2,565,252 the College had an increase in net position of \$2,622,073. The Other Revenues of the College consisted of \$707,292 in capital projects on the campus completed by the State of Utah's Department of

Facilities Construction and Management and \$117,336 received as a refund of Medical Insurance Reserves from the Public Employees Health Plan.

The Prior Period Adjustment of \$2,904,338 was due to the implementation of GASB 68 where an adjustment to the prior year's Net Position was made, reflecting the amount of the College Campus' pension liability at the end of the prior year.

The following charts summarize total College Campus Revenues and total College Campus Expenses for Fiscal Years 2015 and 2014.

**Revenues.** The following schedule presents a summary of College Campus revenues for the fiscal years ended June 30, 2015 and 2014:

Davis Applied Technology College Revenues	Year Ended June 30, 2015 Amount	Percent of Total	Year Ended June 30, 2014 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Operating Revenues:					
Student Tuition and Fees	\$ 2,453,525	11.33%	\$ 2,373,117	\$ 80,408	3.39%
Federal Grants and Contracts	272,487	1.26%	282,956	(10,469)	(3.70%)
State Grants and Contracts	1,586,187	7.33%	1,640,045	(53,858)	(3.28%)
Local Grants and Contracts	63,444	0.29%	43,178	20,266	46.94%
Nongov Grants & Contracts	499,071	2.31%	323,331	175,740	54.35%
Sales & Services of Ed Depts	19,913	0.09%	16,597	3,316	19.98%
Auxiliary Enterprises	1,624,744	7.51%	1,468,241	156,503	10.66%
Other Operating Revenues	92,370	0.43%	84,176	8,194	9.73%
Independent Operations	583,756	2.70%	592,092	(8,336)	(1.41%)
Total Operating Revenues	7,195,497	33.24%	6,823,733	371,764	5.45%
Nonoperating Revenues:					
State Appropriations	12,183,800	56.28%	10,963,000	1,220,800	11.14%
Gifts	359,970	1.66%	472,660	(112,690)	(23.84%)
Investment Income	37,134	0.17%	37,294	(160)	(0.43%)
Disposal of Capital Assets	4,200	0.02%	-	4,200	100.00%
Federal Pell Grants	1,017,606	4.70%	997,980	19,626	1.97%
Other Nonoperating Revenues	24,068	0.11%	50,511	(26,443)	(52.35%)
Total Nonoperating Revenues	13,626,778	62.94%	12,521,445	1,105,333	8.83%
Other Revenues:					
Capital Grants	707,292	3.28%	735,169	(27,877)	(3.79%)
Total Other Revenues	707,292	3.28%	735,169	(27,877)	(3.79%)
Extraordinary Item:					
Refund of Insurance Reserves	117,336	0.54%		117,336	100.00%
Total Revenues	\$ 21,646,903	100.00%	\$ 20,080,347	\$1,566,556	7.80%

The revenue comparison between Fiscal Year 2015 and Fiscal Year 2014 shows an increase in total revenues of \$1,566,556 or 7.8% over the prior year. The largest factors in this increase were increases in State Appropriations of \$1,220,800, Nongovernmental Grants and Contracts of \$175,740, and Auxiliary Enterprises of \$156,503.

Student Tuition and Fee Revenues increased \$80,408 (net of scholarship allowances) as the College Campus experienced growth in several training programs.

Federal Grants and Contracts decreased by \$10,469 as the campus received less Carl D. Perkins Grant funds than the prior year.

State Grants and Contracts decreased this year by \$53,858. A reduction of \$188,835 in UCAP grants for the Injection Molding program was partially offset by increases in State Custom Fit of \$83,800 and \$41,855 from the Utah Department of Corrections.

Local Grants and Contracts increased by \$20,266 as the College Campus received increased fees from the Career Path High Charter School.

Nongovernmental Grants and Contracts increased \$175,740 with an increase of \$142,234 in Private Company match funds related to the Custom Fit Program, \$17,016 in courses offered through the College Campus' Private Training Department and \$16,800 in custom Diesel Mechanic training.

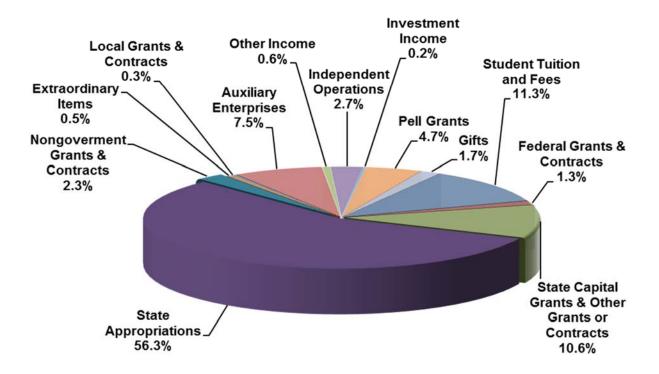
Auxiliary Enterprises revenues increased \$156,503 as the Salon increased sales of services by \$66,097, Facility Rental Revenues increased \$51,467, and the Food Services Department's sales increased by \$30,204.

Direct State Appropriations were increased by \$1,220,800 from the prior year with \$488,200 for capacity building, \$502,800 for campus equity, and \$229,800 towards employee compensation.

The decrease in Gifts of \$112,690 was related to a reduction in donations of supplies and equipment to Campus programs.

The extraordinary item that the College Campus received was a one-time disbursement of excess accumulated reserves for its medical insurance from the Public Employees Health Plan (PEHP) of \$117,336.

# Total Revenues FY2015



**Expenses.** The following schedule presents a summary of College Campus expenses for the fiscal years ended June 30, 2015, and 2014:

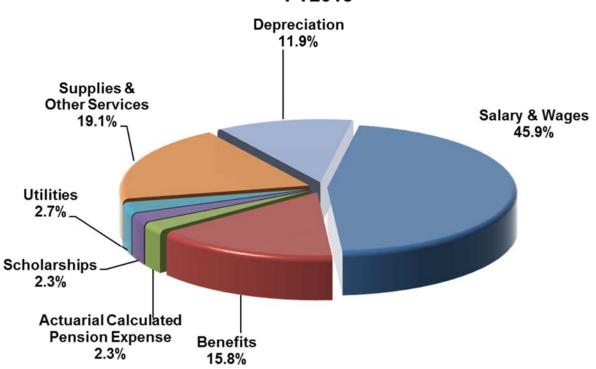
Davis Applied Technology College Expenses	Year Ended 30-Jun-2015 Amount	Percent of Total	Year Ended 30-Jun-2014 Amount*	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Operating Expenses:					
Salaries and Wages	9,919,412	45.94%	9,262,757	\$ 656,655	7.09%
Benefits	3,402,631	15.76%	3,725,521	(322,890)	(8.67%)
Actuarial Calculated Pension Expense	488,290	2.26%	_	488,290	100.00%
Scholarships	489,401	2.27%	476,781	12,620	2.65%
Utilities	582,174	2.70%	612,831	(30,657)	(5.00%)
Supplies and Other Services	4,142,065	19.19%	3,656,003	486,062	13.29%
Depreciation	2,565,252	11.88%	2,062,220	503,032	24.39%
<b>Total Operating Expenses</b>	21,589,225	100.00%	19,796,113	1,793,112	9.06%
Nonoperating Expenses:					
Unrealized Loss on FMV of Investment	857	0.00%	884	(27)	0.00%
Total Nonoperating Expenses	857	0.00%	884	(27)	-
Total Expenses	\$ 21,590,082	100.00%	\$ 19,796,997	\$ 1,793,085	9.06%

Operating Expenses for the year increased by \$1,793,112 from the prior year. Salaries and Wages expenses increased by \$656,655 due to Campus-wide cost-of-living adjustments and other increases in Nursing, Diesel, Injection Molding, Facilities, and Risk Management offset by decreases in Campus Information Technology and Academic Support.

Benefits expense decreased by \$322,890 from the prior year as a result of the implementation of the GASB 68 standard offset by increases in health insurance and retirement contribution rates. The Actuarial Calculated Pension Expense increased \$488,290 as the College Campus implemented the reporting requirements of GASB 68.

Supplies and Other Services increased \$486,062. Of this amount, \$253,798 was for training services related to the Custom Fit Program, \$62,236 was for noncapital equipment purchased with Federal Career and Technical Education grant funds, and \$159,234 was spread over multiple departments as their budgets were increased with additional appropriations from the State of Utah. The Depreciation Expense for the campus increased as multiple building improvements and equipment purchases completed at the very end of the prior year began to depreciate.

# Total Operating Expenses FY2015



# **Capital Asset Administration**

Capital Assets. The College Campus' investment in capital assets as of June 30, 2015, amounts to \$28,313,502 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and equipment. There were additions of \$1,662,583 before depreciation during the fiscal year. Of this amount, \$707,292 was for projects completed by the Division of Facilities Construction and Management (DFCM) on the Campus, the largest of which were an air handler upgrade for \$591,741 and a boiler replacement for \$68,725. The Campus also retired \$1,272,551 worth of assets that had been fully depreciated and were no longer in service. Depreciation for the year was \$2,565,252. This resulted in a net decrease in capital assets of \$902,669 for the fiscal year. Additional information on the College Campus' capital assets can be found in Note 4 of the Notes to the Financial Statements.

The following schedule presents a summary of College Campus Capital Assets for the fiscal years ended June 30, 2015, and 2014:

Davis Applied Technology College Capital Assets (net of depreciation)	Year Ended	Year Ended	Amount of
	June 30, 2015	June 30, 2014	Increase
	Amount	Amount	(Decrease)
Land Buildings and Improvements Equipment	\$ 1,599,080	\$ 1,599,080	\$ -
	24,806,748	25,738,864	(932,116)
	1,907,674	1,878,227	29,447
Total Capital Assets, net	\$ 28,313,502	\$ 29,216,171	\$ (902,669)

#### **Factors Effecting Net Position or Operations**

The Governmental Accounting Standards Board (GASB) Statement Number 68 (GASB 68) Accounting and Financial Reporting for Pensions. This accounting standard now requires the College Campus to record either assets or liabilities related to the College Campus Pension plans that are administered by the Utah Retirement Systems (URS). The College Campus has recorded these items using calculations provided by URS resulting in a reduction in Net Position. Detailed information regarding these changes are found in the Notes to the Financial Statements.

**Utah Career Path High.** 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 for students in the fall of 2013. As Authorizer, the College does fill a limited oversight role in the operation of the charter school as outlined in the Utah State Code 53A-1a-521(7). The relationship between the entities does not meet the requirements that would necessitate their

inclusion in the College Campus financial statements as a Component Unit or Related Organization according to GASB Statements 14 & 39, as amended by GASB Statement 61.

**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 repair, machining, industrial maintenance, welding, culinary arts, and office technologies. This contract will expire on June 30, 2018.

**Freeport West Training Facility.** In the 2011 legislative session, funds were appropriated for the partial renovation of a warehouse building acquired by the Division of Facilities Construction and Management from the Federal Government. Approximately twenty-five percent of the building has been sufficiently remodeled to be utilized for industrial training purposes. The remainder of the building will see renovations as funding becomes available.

**State Economic Outlook.** The College Campus 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 Campus' ability to provide services to students and employers in the Davis and Morgan County service areas. As Utah's economic activity has improved in recent years, the funds provided to the College Campus through the legislative process have been increased in order 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 revenue growth.

#### **Requests for Information**

This financial report is designed to provide a general overview of the Davis Applied Technology College's finances for all those with an interest in the College Campus' 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 Applied Technology College, 550 East 300 South, Kaysville, Utah 84037.

# DAVIS APPLIED TECHNOLOGY COLLEGE STATEMENT OF NET POSITION

## For the Fiscal Year Ended June 30, 2015

ASSETS		
Current Assets:	Φ.	
Cash and Cash Equivalents (Note 2)	\$	6,982,127
Receivables (Note 3)		1.00.70.4
Due from the State of Utah		160,724
Other		276,491
Inventories		451,644
Prepaid Expenses and Other Assets		57,066
Total Current Assets		7,928,052
Noncurrent Assets:		661
Net Pension Asset (Note 8)		661
Cash Value of Life Insurance		63,513
Investments in Real Estate		836,416
Capital Assets, net (Note 4) Total Noncurrent Assets		28,313,502
Total Assets		29,214,092
Total Assets		37,142,144
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pensions (Note 8)		421,249
		,
LIABILITIES		
Current Liabilities:		
Accounts Payable (Note 3)		
Due to the State of Utah		60,364
Other		827,235
Accrued Compensation Liabilities		440,524
Unearned Revenue		64,121
Funds Held in Custody for Others		16,788
Accrued Termination Benefits (Note 7)		98,249
Total Current Liabilities		1,507,281
Noncurrent Liabilities:		
Net Pension Liability (Note 8)		2,814,592
Notes Payable (Note 12)		3,000
Accrued Leave (Note 6)		391,619
Accrued Termination Benefits (Note 7)		107,173
Total Noncurrent Liabilities		3,316,384
Total Liabilities		4,823,665
DEFENDED INEL OWG OF DECOLDORS		
DEFERRED INFLOWS OF RESOURCES		262 527
Deferred Inflows Related to Pensions (Note 8)		262,537
NET POSITION		
Net Investment in Capital Assets (Note 4)		28,313,502
Restricted For: (Note 16)		20,313,302
Nonexpendable		836,416
Expendable:		020,110
Scholarships		318,799
Grants, Contracts and Other		79,574
Unrestricted		2,928,900
Total Net Position	\$	32,477,191
	-	, ,

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

# DAVIS APPLIED TECHNOLOGY COLLEGE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION For the Fiscal Year Ended June 30, 2015

Operating Revenues:         Student Tuition and Fees (net of scholarship allowances of \$766,814)         \$ 2,453,525           Federal Grants and Contracts         272,487           State Grants and Contracts         1,586,187           Local Grants and Contracts         63,444           Nongovernmental Grants and Contracts         499,071           Sales and Services of Educational Departments         19,913           Auxiliary Enterprises (net of scholarship allowances of \$80,053)         1,624,744           Other Operating Revenues         92,370           Independent Operations         583,756           Total Operating Revenues         7,195,497           EXPENSES           Operating Expenses (Note 10):         \$ 9,919,412           Salaries and Wages         9,919,412           Benefits (Notes 6,7,8,9)         3,402,631           Actuarial Calculated Pension Expense (Note 8)         488,290           Scholarships         488,290           Scholarships         489,401           Utilities         582,174           Supplies and Other Services         4,142,065           Depreciation (Note 4)         2,565,252           Total Operating Expenses         21,589,225           Operating Income (Loss)         (14,393,728)
Federal Grants and Contracts         272,487           State Grants and Contracts         1,586,187           Local Grants and Contracts         63,444           Nongovernmental Grants and Contracts         499,071           Sales and Services of Educational Departments         19,913           Auxiliary Enterprises (net of scholarship allowances of \$80,053)         1,624,744           Other Operating Revenues         92,370           Independent Operations         583,756           Total Operating Revenues         7,195,497           EXPENSES         Operating Expenses (Note 10):           Salaries and Wages         9,919,412           Benefits (Notes 6,7,8,9)         3,402,631           Actuarial Calculated Pension Expense (Note 8)         488,290           Scholarships         489,401           Utilities         582,174           Supplies and Other Services         4,142,065           Depreciation (Note 4)         2,565,252           Total Operating Expenses         21,589,225
State Grants and Contracts       1,586,187         Local Grants and Contracts       63,444         Nongovernmental Grants and Contracts       499,071         Sales and Services of Educational Departments       19,913         Auxiliary Enterprises (net of scholarship       19,913         Auxiliary Enterprises (net of scholarship       1,624,744         Other Operating Revenues       92,370         Independent Operations       583,756         Total Operating Revenues       7,195,497         EXPENSES         Operating Expenses (Note 10):       \$         Salaries and Wages       9,919,412         Benefits (Notes 6,7,8,9)       3,402,631         Actuarial Calculated Pension Expense (Note 8)       488,290         Scholarships       489,401         Utilities       582,174         Supplies and Other Services       4,142,065         Depreciation (Note 4)       2,565,252         Total Operating Expenses       21,589,225
Local Grants and Contracts       63,444         Nongovernmental Grants and Contracts       499,071         Sales and Services of Educational Departments       19,913         Auxiliary Enterprises (net of scholarship       1,624,744         Other Operating Revenues       92,370         Independent Operations       583,756         Total Operating Revenues       7,195,497         EXPENSES         Operating Expenses (Note 10):       \$9,919,412         Salaries and Wages       9,919,412         Benefits (Notes 6,7,8,9)       3,402,631         Actuarial Calculated Pension Expense (Note 8)       488,290         Scholarships       489,401         Utilities       582,174         Supplies and Other Services       4,142,065         Depreciation (Note 4)       2,565,252         Total Operating Expenses       21,589,225
Nongovernmental Grants and Contracts       499,071         Sales and Services of Educational Departments       19,913         Auxiliary Enterprises (net of scholarship       1,624,744         Other Operating Revenues       92,370         Independent Operations       583,756         Total Operating Revenues       7,195,497         EXPENSES         Operating Expenses (Note 10):       9,919,412         Salaries and Wages       9,919,412         Benefits (Notes 6,7,8,9)       3,402,631         Actuarial Calculated Pension Expense (Note 8)       488,290         Scholarships       489,401         Utilities       582,174         Supplies and Other Services       4,142,065         Depreciation (Note 4)       2,565,252         Total Operating Expenses       21,589,225
Sales and Services of Educational Departments       19,913         Auxiliary Enterprises (net of scholarship       1,624,744         Other Operating Revenues       92,370         Independent Operations       583,756         Total Operating Revenues       7,195,497         EXPENSES         Operating Expenses (Note 10):       \$\$\$         Salaries and Wages       9,919,412         Benefits (Notes 6,7,8,9)       3,402,631         Actuarial Calculated Pension Expense (Note 8)       488,290         Scholarships       489,401         Utilities       582,174         Supplies and Other Services       4,142,065         Depreciation (Note 4)       2,565,252         Total Operating Expenses       21,589,225
Auxiliary Enterprises (net of scholarship allowances of \$80,053)       1,624,744         Other Operating Revenues       92,370         Independent Operations       583,756         Total Operating Revenues       7,195,497         EXPENSES         Operating Expenses (Note 10):       9,919,412         Salaries and Wages       9,919,412         Benefits (Notes 6,7,8,9)       3,402,631         Actuarial Calculated Pension Expense (Note 8)       488,290         Scholarships       489,401         Utilities       582,174         Supplies and Other Services       4,142,065         Depreciation (Note 4)       2,565,252         Total Operating Expenses       21,589,225
allowances of \$80,053)       1,624,744         Other Operating Revenues       92,370         Independent Operations       583,756         Total Operating Revenues       7,195,497         EXPENSES         Operating Expenses (Note 10):       9,919,412         Benefits (Notes 6,7,8,9)       3,402,631         Actuarial Calculated Pension Expense (Note 8)       488,290         Scholarships       489,401         Utilities       582,174         Supplies and Other Services       4,142,065         Depreciation (Note 4)       2,565,252         Total Operating Expenses       21,589,225
Other Operating Revenues       92,370         Independent Operations       583,756         Total Operating Revenues       7,195,497         EXPENSES         Operating Expenses (Note 10):       9,919,412         Salaries and Wages       9,919,412         Benefits (Notes 6,7,8,9)       3,402,631         Actuarial Calculated Pension Expense (Note 8)       488,290         Scholarships       489,401         Utilities       582,174         Supplies and Other Services       4,142,065         Depreciation (Note 4)       2,565,252         Total Operating Expenses       21,589,225
Independent Operations       583,756         Total Operating Revenues       7,195,497         EXPENSES       Operating Expenses (Note 10):         Salaries and Wages       9,919,412         Benefits (Notes 6,7,8,9)       3,402,631         Actuarial Calculated Pension Expense (Note 8)       488,290         Scholarships       489,401         Utilities       582,174         Supplies and Other Services       4,142,065         Depreciation (Note 4)       2,565,252         Total Operating Expenses       21,589,225
Total Operating Revenues       7,195,497         EXPENSES       Substituting Expenses (Note 10):         Salaries and Wages       9,919,412         Benefits (Notes 6,7,8,9)       3,402,631         Actuarial Calculated Pension Expense (Note 8)       488,290         Scholarships       489,401         Utilities       582,174         Supplies and Other Services       4,142,065         Depreciation (Note 4)       2,565,252         Total Operating Expenses       21,589,225
EXPENSES         Operating Expenses (Note 10):         Salaries and Wages       9,919,412         Benefits (Notes 6,7,8,9)       3,402,631         Actuarial Calculated Pension Expense (Note 8)       488,290         Scholarships       489,401         Utilities       582,174         Supplies and Other Services       4,142,065         Depreciation (Note 4)       2,565,252         Total Operating Expenses       21,589,225
Operating Expenses (Note 10):       9,919,412         Balaries and Wages       9,919,412         Benefits (Notes 6,7,8,9)       3,402,631         Actuarial Calculated Pension Expense (Note 8)       488,290         Scholarships       489,401         Utilities       582,174         Supplies and Other Services       4,142,065         Depreciation (Note 4)       2,565,252         Total Operating Expenses       21,589,225
Salaries and Wages       9,919,412         Benefits (Notes 6,7,8,9)       3,402,631         Actuarial Calculated Pension Expense (Note 8)       488,290         Scholarships       489,401         Utilities       582,174         Supplies and Other Services       4,142,065         Depreciation (Note 4)       2,565,252         Total Operating Expenses       21,589,225
Benefits (Notes 6,7,8,9)       3,402,631         Actuarial Calculated Pension Expense (Note 8)       488,290         Scholarships       489,401         Utilities       582,174         Supplies and Other Services       4,142,065         Depreciation (Note 4)       2,565,252         Total Operating Expenses       21,589,225
Actuarial Calculated Pension Expense (Note 8)       488,290         Scholarships       489,401         Utilities       582,174         Supplies and Other Services       4,142,065         Depreciation (Note 4)       2,565,252         Total Operating Expenses       21,589,225
Scholarships       489,401         Utilities       582,174         Supplies and Other Services       4,142,065         Depreciation (Note 4)       2,565,252         Total Operating Expenses       21,589,225
Utilities       582,174         Supplies and Other Services       4,142,065         Depreciation (Note 4)       2,565,252         Total Operating Expenses       21,589,225
Supplies and Other Services       4,142,065         Depreciation (Note 4)       2,565,252         Total Operating Expenses       21,589,225
Depreciation (Note 4)         2,565,252           Total Operating Expenses         21,589,225
Total Operating Expenses 21,589,225
Operating Income (Loss) (14,393,728)
NONOPERATING REVENUES (EXPENSES)
State Appropriations 12,183,800
Gifts 359,970
Investment Income 37,134
Unrealized Loss on FMV of Investment (857)
Disposal of Capital Assets (Note 4) 4,200
Federal Pell Grants 1,017,606
Other Nonoperating Revenues (Expenses) 24,068
Net Nonoperating Revenues 13,625,921
(Loss) Before Other Revenues and Expenses (767,807)
OTHER REVENUES
Capital Grants 707,292
Increase/(Decrease) in Net Position Before Extraordinary Item (60,515)
Extraordinary Item
Refund of Medical Insurance Reserves (Note 17) 117,336
Increase/(Decrease) in Net Position After Extraordinary Item 56,821
NET POSITION
Net Position - Beginning of Year 35,324,708
Prior Period Adjustment (Note 1) (2,904,338)
Net Position - Beginning of Year, as Restated 32,420,370
Net Position - End of Year \$ 32,477,191

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

# DAVIS APPLIED TECHNOLOGY COLLEGE

# STATEMENT OF CASH FLOWS For the Fiscal Year Ended June 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Tuition and Fees	\$ 2,460,515
Receipts from Sponsors, Grants, and Contracts	2,567,613
Payments to Suppliers	(4,729,950)
Payments for Scholarships	(489,401)
Payments to Employees	(13,824,920)
Receipts from Auxiliary Enterprise Charges	1,624,744
Other Receipts	 655,119
Net Cash Flow Provided (Used) by Operating Activities	(11,736,280)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Appropriations	12,183,800
Private Gifts	180,628
Refund of Excess Reserves from Insurance Provider	117,336
Other Receipts	 1,041,673
Net Cash Flow Provided (Used) by Noncapital Financing Activities	13,523,437
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds From Sale of Capital Assets	4,200
Reduction in Note Payable	(4,000)
Purchases of Capital Assets	 (896,117)
Net Cash Provided (Used) by Capital and Related Financing Activities	(895,917)
CASH FLOWS FROM INVESTING ACTIVITIES	
Dividend Received From Investment in Real Estate	51,048
Interest on Investments	37,134
Net Cash Provided (Used) by Investing Activities	88,182
Net Increase/(Decrease) in Cash	979,422
Cash - Beginning of Year	 6,002,705
Cash - End of Year	\$ 6,982,127

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

#### DAVIS APPLIED TECHNOLOGY COLLEGE

#### STATEMENT OF CASH FLOWS

#### For the Fiscal Year Ended June 30, 2015 (continued)

# RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES Operating Income (Loss) Diffe Adju

Operating Income (Loss)	\$ (14,393,728)
Difference between Actuarial Calculated Pension Expense and Actual Contributions	(249,119)
Adjustments to Reconcile Net Position (Loss) to	
Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	2,565,252
In Kind Gifts Received and Expensed	69,121
Change in Assets and Liabilities:	
Receivables	146,424
Inventories	25,454
Prepaid Expenses and Other Assets	(1,301)
Accounts Payable	(98,985)
Accrued Compensation Liabilities	161,735
Unearned Revenue	6,990
Funds Held in Custody for Others	(40,920)
Accrued Leave	36,273
Accrued Early Termination Benefits	 36,524
Net Cash Provided (Used) by Operating Activities	\$ (11,736,280)

# NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Construction projects transferred from State of Utah (DFCM)	\$ 707,292
Increase (Decrease) in Cash Value of Life Insurance	(857)
Donated Equipment or Other Assets	 59,173
Total Noncash Investing, Capital, and Financing Activities	\$ 765,608

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Davis Applied Technology College: A Utah College of Applied Technology Campus (College Campus) 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 Campus is a campus within the Utah College of Applied Technology (UCAT). UCAT is considered a component unit of the State of Utah and is included in the State's *Comprehensive Annual Financial Report*.

The College Campus was established effective July 1, 1978, by the Utah State Legislature to offer vocational and related instruction to secondary and adult students. Effective September 1, 2001, the Legislature created the Utah College of Applied Technology which is composed of eight regional applied technology college campuses. The Davis Applied Technology College became one of these regional applied technology college campuses and became an institution within the Utah System of Higher Education. The College Campus is under the control of the UCAT Board of Trustees and is governed directly by the College Campus Board of Directors.

Funding for the College Campus 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 Applied Technology College Foundation, Inc. (Foundation) is a legally separate, tax-exempt component unit of the College Campus and, as such, it is presented in the College Campus' financial statements as a blended component unit. Further information, as well as condensed financials for the Foundation, can be found in Note 11.

### Measurement Focus and Basis of Accounting

The financial statements of the College Campus are reported 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.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### Measurement Focus and Basis of Accounting (continued)

The College Campus distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the College Campus' principal mission of instruction. The revenues of the Utah Nursing Assistant Registry are reported as Independent Operations, which are a part of the operating revenues of the College Campus. 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 Campus' policy to use restricted resources first, then unrestricted resources as they are needed.

#### **Deposits and Investments**

The College Campus' cash and cash equivalents are considered to be cash on hand, short-term investments with original maturities of three months or less from the date of acquisition, and amounts invested with the Utah Public Treasurers' Investment Fund.

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

Investments for the College Campus are reported at fair value.

#### **Inventories**

Bookstore, Cosmetology Salon, and Print Center inventories 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 Campus. 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

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### Equity Interest in Apartment Complex (continued)

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 Campus as assets with an initial, individual cost of more than \$3,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market 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
Portable Classrooms	25
Equipment	5-15
Vehicles	5-10
Furniture	10
Computer Equipment	3-5

#### Compensated Absences

It is the College Campus' 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. Unused vacation leave 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 (URS) Pension Plan and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### Pensions (continued)

refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Adjustment to Beginning Net Position

Effective July 1, 2014 the College Campus implemented GASB Statement Number 68 (GASB 68) *Accounting and Financial Reporting for Pensions*. This implementation resulted in the reduction of net position of the College Campus of \$2,904,338. The reduction represents the College Campus' \$3,236,298 share of the beginning net pension liability, and the College Campus' \$331,960 of contributions made between January 1 and June 30, 2014, for its current and former employees through its pension provider: the Utah Retirement Systems (URS). Of the \$3,236,298 beginning net pension liability, \$3,236,167 is attributable to the URS Noncontributory System and \$131 is attributable to the URS Tier 2 Public Employee System. Further information on pension reporting is found in Note 8.

#### Prior Year's Presentation

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

#### **NOTE 2 - DEPOSITS AND INVESTMENTS**

The College Campus 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 Campus 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.

## **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 Campus' deposits may not be returned to it. The College Campus does not have a formal deposit policy for custodial credit risk. As of June 30, 2015, \$368,478 of the College Campus' bank balances of \$818,655 was uninsured and uncollateralized and all of the Foundation's \$34,717 bank balances were insured.

#### Investments

The Utah Money Management Act defines the types of securities authorized as appropriate investments for the College Campus 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 Campus 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), 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 Utah Money Management Act; and the Utah State Public Treasurer's Investment Fund (PTIF).

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Utah Money Management Act. The Act established the Utah 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.

# **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 – net of administration fees, of the PTIF 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.

As of June 30, 2015, the College Campus and Foundation had the following investments and maturities:

		Investment Maturities (in Years)				
	Fair	Less			More	
Investment Type	Value	than 1	1-5	6-10	than 10	
State of Utah Public						
Treasurers' Investment Fund	\$6,187,063	\$6,187,063				

#### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College Campus' policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Utah Money Management Act (Act). Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days -15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of institutions of higher education to 10 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding three years.

# Credit Risk

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

#### **NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)**

#### Credit Risk (continued)

As of June 30, 2015, the College Campus and Foundation had the following investments and quality ratings:

	Fair	Quality Ratings			
Investment Type	Value	AAA	Unrated		
State of Utah Public		_			
Treasurers' Investment Fund	\$6,187,063		\$6,187,063		

#### 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 Campus' 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 Campus 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 Campus does not have a formal policy for custodial credit risk.

# NOTE 3 - ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

The following schedule presents the Accounts Receivable of the College as of June 30, 2015 and June 30, 2014:

	Jun	e 30,2015	Jun	e 30,2014
Amounts due from the State of Utah				
Student Tuition and Fees	\$	8,742	\$	11,259
State Grants and Contracts		108,428		125,448
Operations		10,035		30,303
Independent Operations		33,519		31,182
Total due from State of Utah		160,724		198,192
Amounts due from Others				
Student Tuition and Fees		54,779		17,732
Federal Grants and Contracts		139,541		263,532
Nongovernmental Grants and Contracts		26,155		17,601
Operations		55,397		84,017
Independent Operations		619		2,565
Total due from Others		276,491		385,447
Total Accounts Receivable	\$	437,215	\$	583,639

The following schedule presents the Accounts Payable of the College as of June 30, 2015 and June 30, 2014:

	June 30, 2015		June 30, 2014	
Amounts due to the State of Utah	\$	60,364	\$	105,990
Amounts due to Others:				
Students		298,895		195,843
Sponsors		2,916		8,837
Vendors		521,655		670,876
Employees		3,769		5,038
Total amounts due to Others		827,235		880,594
Total Accounts Payable	\$	887,599	\$	986,584

#### **NOTE 4 - CAPITAL ASSETS**

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

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Balance	Additions	A	dditions		Balance
	June 30,	from		from		June 30,
	2014	College		DFCM	Retirements	2015
Capital Assets						
<b>Buildings &amp; Improvements</b>	\$ 42,299,649	\$ 283,203	\$	707,292	\$ 192,211	43,097,933
Equipment	7,491,116	672,088		-	1,080,340	7,082,864
Land	1,599,080	-		-	-	1,599,080
Total	51,389,845	955,291		707,292	1,272,551	51,779,877
Less Accumulated Depreciation						
Buildings & Improvements	16,560,785	1,922,611		-	(192,211)	18,291,185
Equipment	5,612,889	642,641		-	(1,080,340)	5,175,190
Total Accumulated						
Depreciation	22,173,674	2,565,252		-	(1,272,551)	23,466,375
Net Capital Assets	\$ 29,216,171	(1,609,961)	\$	707,292	\$ -	28,313,502

#### NOTE 5 - OBLIGATIONS UNDER OPERATING LEASES

The College Campus has entered into an operating lease for a building used for instructional purposes away from the main College Campus facility. This lease expires on November 30, 2015 and it is anticipated that the lease will be renewed. Operating lease payments are recorded as expenses when paid or incurred. The total operating lease expense for the year ended June 30, 2015 was \$46,826. Future minimum rental payments required are as follows:

Fiscal Year	<u>Amount</u>
2016	\$19,575

#### **NOTE 6 - ACCRUED LEAVE**

The College Campus 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 at any time is 280 hours.

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

	Accrued Leave		
Balance at June 30, 2014 Additions to Accrued Leave Accrued Leave Used	\$	355,346 565,386 (529,113)	
Balance at June 30, 2015	\$	391,619	
Amount due through June 30, 2016	\$	-	

# **NOTE 7 - ACCRUED TERMINATION BENEFITS**

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

	Medical					
		Stipends	Insurance		Total	
Balance at June 30, 2014	\$	102,346	\$	66,552	\$	168,898
Additions Deletions (Payments)		42,311 (52,773)		79,191 (32,205)		121,502 (84,978)
Balance at June 30, 2015	\$	91,884	\$	113,538	\$	205,422
Amount due through June 30, 2016	\$	53,496	\$	44,753	\$	98,249

In accordance with the College Campus' Early Retirement Incentives Policy, employees who (1) have ten years of service, including five years of current service at the College Campus; (2) who retire prior to the time they become eligible to receive unreduced social security benefits; and (3) are of the following age and service may apply for early retirement incentive benefits:

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

#### **NOTE 7 - ACCRUED TERMINATION BENEFITS (Continued)**

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 Campus earn sick leave at a rate of 96 hours per year and accumulate a maximum accrual of 800 hours. The College Campus does not reimburse employees for unused sick leave upon termination except employees approved under the incentive program prior to age 65. Sick leave is expended when used. If approved under the incentive program, the College Campus 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 percent sick leave amount to acquire health insurance during retirement or apply the amount towards a retirement annuity account.

Employees who retire under the incentive program continue to be enrolled in the College Campus' 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.

Three former employees are currently receiving this benefit. Discount and inflation adjustments were considered immaterial.

#### **NOTE 8 - DEFINED BENEFIT PENSION PLANS**

All eligible classified employees of the College Campus participate in the defined benefit pension plans of the Utah Retirement Systems (Systems). Additionally, eligible Faculty and Professional/Administrative employees who were employed by the College Campus and enrolled in the Systems on or before June 30, 2003, were allowed to elect to continue their participation in the Systems.

The Systems are comprised of the following pension trust funds which are a 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)

#### **NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)**

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

#### Benefits Provided

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

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

<sup>\*</sup> with actuarial reductions

<sup>\*\*</sup> 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

#### **NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)**

#### **Funding Policy**

As a condition of participation in the Systems, the College Campus is required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS 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. Contribution rates for pension portion of the plans for the year were as follows:

	Employer Contribution Rates
Noncontributory System	22.19%
Noncontributory System, Post Retired Amortization	9.94%
Tier 2 Public Employees System	18.27%

College Campus contributions to the Systems are detailed in the following chart and were equal to the required contributions for each year.

	2015	2014	2013
Noncontributory System	\$ 705,933	\$ 632,111	\$ 610,106
Noncontributory System, Post Retirement Amortization	1,257	8,217	6,343
Tier 2 Public Employees System	24,031	20,541	24,078
	\$ 731,221	\$ 660,869	\$ 640,527

# <u>Pension Liabilities</u>, <u>Pension Expense</u>, and <u>Deferred Outflows of Resources and Deferred</u> Inflows of Resources Related to Pensions

At December 31, 2014, the College Campus reported a net pension asset of \$661 and a net pension liability of \$2,814,592.

		Net	Net
	Proportionate	Pension	Pension
	Share	Asset	Liability
Noncontributory System	0.1120223%	\$0	\$2,814,592
Tier 2 Public Employees System	0.0218031%	\$661	\$0
		\$661	\$2,814,592

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted

#### **NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)**

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

actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

For the year ended December 31, 2014, the College Campus recognized pension expense of \$488,290. At December 31, 2014, the reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred	Deferred
	Outflows of	Inflows of
	Resources	Resources
Differences between expected and actual experience	\$0	\$168,812
Changes in assumptions	\$0	93,725
Net difference between projected and actual earnings on pension plan investments	48,381	\$0
Changes in proportion and differences between contributions and		
proportionate share of contributions	\$0	\$0
Contributions subsequent to the measurement date	372,868	\$0
Total	\$421,249	\$262,537

The College Campus reported \$372,868 as deferred outflows of resources related to pensions results from contributions made prior to our fiscal year end, but subsequent to the measurement date of December 31, 2014. 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:

	Deferred Outflows
Year Ended December 31,	(Inflows) of Resources
2015	(\$55,728)
2016	(\$55,728)
2017	(\$55,728)
2018	(\$46,249)
2019	(\$116)
Thereafter	(\$607)

#### **NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)**

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

Actuarial assumptions: The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.75 %

Salary increases 3.50 % - 10.75 % average, including inflation

Investment rate of return 7.50 %, net of pension plan investment expense, including inflation

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience.

Retiree mortality assumptions are highlighted in the table below.

Retired Member Mortality	Class of Mer	nber
Educators	Men EDUM (90%)	Women EDUF (100%)
Local Government, Public Employees	Men RP 2000mWC (100%)	Women EDUF (120%)

EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage
EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage
RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five year period of January 1, 2008 - December 31, 2013.

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. 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.

#### **NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

	E	Expected Return Arithm	etic Basis
	Target		Long-Term
	Asset	Real Return	expected portfolio
Asset class	Allocation	Arithmetic Basis	real rate of return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
	Inflation		2.75%
	Expected arithm	netic nominal return	7.98%

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.50%. 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.

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 7.50%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that

#### **NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)**

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

is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1%	Discount	1%
	Decrease	Rate	Increase
	(6.50%)	(7.50%)	(8.50%)
Proportionate share of Net Pension (asset)/liability	\$5,612,470	\$2,813,931	\$470,611

#### Payables due to Pension Plan

As of June 30, 2015 the College Campus liabilities include \$20,104 from the final payroll of the year related to the Pension Plan.

#### **NOTE 9 - DEFINED CONTRIBUTION PLANS**

#### **Utah Retirement System**

The College Campus participates in the 401(k) plan administered by the Utah Retirement System (URS). 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 the Utah Retirement System. The College Campus is required by statute to contribute 1.5 percent of eligible employee's salaries which vests immediately. During the year ended June 30, 2015, the College Campus contributed \$66,298.

In September of 2011, eligible employees of the Utah College of Applied Technology (UCAT) voted to discontinue their participation in Social Security Administration as allowed under the guidelines of Section 218 of the Social Security Act.

As a result, beginning in October of 2011, the College began contributing 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 \$459,552 for the Fiscal Year ended June 30, 2015. Voluntary contributions may also be made into the plan by employees, subject to plan and internal revenue code limitations. During the Fiscal Year ended June 30, 2015, College Campus employees made voluntary contributions to the plan of \$232,217.

#### **NOTE 9 - DEFINED CONTRIBUTION PLANS (Continued)**

#### Utah Interlocal Educational Benefits Trust

The College Campus also participates in the 401(k) plan administered by the Utah Interlocal Educational Benefits Trust. This plan is a defined contribution plan. The section of Chapter 49 of the Utah Code Annotated, 1953, as amended which establishes and governs the Utah Retirement Systems 401(k) allows for employees of the College Campus to elect not to participate in the Utah Retirement Systems 401(k) if a qualified alternate 401(k) is selected. Certain employees of the College Campus have elected to participate in the Utah Interlocal Educational Benefits Trust rather than the URS 401(k) plan. The College Campus is required by statute to contribute 1.5 percent of eligible employee's salaries for employees who have elected this plan. These contributions vest immediately. Voluntary contributions may be made into the plan by employees, subject to plan and internal revenue code limitations. During the year ended June 30, 2015, the College Campus contributed \$1,281 to the plan and College Campus employees made voluntary contributions to the plan of \$990.

# Teachers Insurance and Annuity Association / College Retirement Equities Fund

Eligible faculty and professional/administrative employees of the College Campus participate in the Teachers Insurance and Annuity Association / College Retirement Equities Fund (TIAA/CREF). Eligible College faculty and professional/administrative employees who were employed by the College Campus and enrolled in URS on or before June 30, 2003, were allowed to elect to continue participation in the URS or to begin participation in TIAA/CREF.

TIAA/CREF 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/CREF is authorized by Chapter 49 of the Utah Code Annotated, 1953, as amended. Contributions by the College Campus 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, 2015, the College Campus' contribution to this defined contribution pension plan was 14.2% of the participating employees' annual salaries. The College Campus has no further liability once contributions are made. During the year ended June 30, 2015, the College Campus contributed \$553,942 to the plan and employees made voluntary contributions to the plan of \$73,063.

#### NOTE 10 - NATURAL AND FUNCTIONAL EXPENSE CLASSIFICATIONS

The following is a summary of natural expense classifications with functional expense classifications for the year ended June 30, 2015:

	Salaries	Employee			Supplies		
_	and Wages	Benefits	Scholarships	Utilities	& Other	Depreciation	Total
Instruction	\$5,037,181	\$1,833,890	\$ -	\$ 200	\$1,472,612	\$ -	\$ 8,343,883
Academic Support	1,014,210	447,564	-	8,460	99,582	-	1,569,816
Student Services	1,096,380	451,180	-	3,137	278,107	-	1,828,804
Institutional Support	1,538,502	649,730	-	90,021	368,000	-	2,646,253
Operations and Maintenance	601,026	253,039	-	451,874	485,541	2,565,252	4,356,732
Scholarships	-	-	489,401	-	-	-	489,401
Auxiliary	459,513	148,161	-	27,282	1,186,387	-	1,821,343
Independent Operations	172,600	107,357	-	1,200	251,836	-	532,993
Total	\$9,919,412	\$3,890,921	\$ 489,401	\$582,174	\$4,142,065	\$2,565,252	\$21,589,225

#### **NOTE 11 - DATC FOUNDATION -Blended Presentation Component Unit**

The Davis Applied Technology College Foundation, Inc. (Foundation) is a legally separate, tax-exempt component unit of the College Campus. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College Campus 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 Campus by the donors. Additionally, the College Campus Board of Directors approves the individuals who are appointed to serve on the Foundation's separate Board of Trustees.

The restricted resources held by the Foundation can only be used by, or for the benefit of, the College Campus. For these reasons the Foundation is considered a component unit of the College Campus and is presented in the College Campus' financial statements as a blended component unit. During the year ended June 30, 2015, the Foundation distributed \$262,397 to the College Campus for both restricted and unrestricted purposes.

# **NOTE 11 - DATC 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 APPLIED TECHNOLOGY COLLEGE FOUNDATION CONDENSED FINANCIAL STATEMENTS For the Fiscal Year Ended June 30, 2015								
Statement of Net Position	Statement of Revenues, Expenses, and Changes in Net Position							
Assets Current Assets Cash and Investments Noncurrent Assets Restricted Cash and Investments Other Non Current Assets Total Assets Liabilities and Net Assets Current Liabilities Unearned Revenue Total Liabilities and Unearned Revenue	\$ 197,228 511,400 899,929 1,608,557 6,409 27,800 34,209	Operating Revenues: Gifts Fund Raisers Total Operating Revenues  Operating Expenses: Staff Support Scholarships Equipment Donations Other Expenses Total Operating Expenses	\$ 249,748 68,537 318,285 12,000 109,889 136,562 42,842 301,293					
Net Position Restricted - Expendable Restricted - Nonexpendable Unrestricted Total Net Position  DAVIS APPLIED TI	583,160 836,416 154,772 \$1,574,348	Operating Income  Nonoperating Revenues:     Interest & Other Income     Change in Net Position     Net Position at beginning of year     Net Position at end of year  COLLEGE FOUNDATION	16,992 53,442 70,434 1,503,914 \$1,574,348					
Cash Flows From Operating Activities Cash received through contributions and Cash payments for operations Cash payments for scholarships Net Cash Provided by (Used i	fund raisers		\$ 165,466 (39,185) (109,889) 16,392					
Cash Flows From Investing Activities Interest and Dividends Real Estate Income Net Cash Provided by (Used i Increase in Cash and Cash Eq Cash and Cash Equivalents at Cash and Cash Equivalents at	uivalents Beginning of Ye		3,251 51,048 54,299 70,691 637,937 \$ 708,628					

#### **NOTE 12 - NOTES PAYABLE**

In conjunction with the establishment of the Morgan Business Resource Center (MBRC), the College Campus entered into a deferred loan/grant agreement in April 2011 with the Morgan City Redevelopment Agency (Agency) wherein the College Campus would receive \$20,000 to be used towards necessary improvements to the MBRC building. The terms of the deferred loan/grant are that the MBRC remain in operation for five (5) years, and at that time, the Note Payable will be terminated with no repayment necessary. Should operations cease prior to that time, only a prorated principle amount will be due to the Agency. The reduction in the amount due for the fiscal year was \$4,000. As of June 30, 2015, the amount of that principle that would be owed, had operations ceased, was \$3,000.

#### NOTE 13 - UTAH CAREER PATH HIGH CHARTER SCHOOL

The College Campus 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 53A-1a-521(7). The relationship between the entities does not meet the requirements that would necessitate their inclusion in the College Campus financial statements as a Component Unit or Related Organization according to GASB Statements 14 & 39, as amended by GASB Statement 61. The CPH Governing Board is separate from the College Board of Directors, and the College may only appoint a minority of the members to that Governing Board.

#### **NOTE 14 - 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 Campus expects such amounts, if any, to be immaterial.

#### **NOTE 15 - RISK MANAGEMENT**

The College Campus 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 Campus 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

# **NOTE 15 - RISK MANAGEMENT (Continued)**

actuarial studies based on past, current, and estimated loss experience. The College Campus has not had any losses or settlements that exceeded the risk management coverage for any of the last three years.

#### **NOTE 16 - RESTRICTIONS ON NET ASSETS**

#### Restrictions on Net Assets

The restrictions on net assets at June 30, 2015, relate to College contracts and grants or Foundation donations of partnership interest, cash value of life insurance, and various scholarships.

Restricted net assets are available for the following purposes:

Nonexpendable Assets: Interest in Skyline Apartments	\$ 836,416
Expendable Assets:	
Scholarships	318,799
Cash value of life insurance	63,513
Contracts and Grants	<u>16,061</u>
Total Expendable:	\$ 398,373
Total Restricted Net Assets	\$1,234,789

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

#### **NOTE 17 - EXTRAORDINARY ITEM**

The College Campus received a one-time disbursement of excess accumulated reserves for its medical insurance from the Public Employees Health Plan (PEHP) in June 2015 of \$117,336.

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# DAVIS APPLIED TECHNOLOGY COLLEGE SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	D	Dec 31, 2014
Noncontributory System Proportion of the net pension liability (asset)		0.1120223%
Proportionate share of the net pension liability (asset)	\$	2,814,592
Covered employee payroll	\$	3,154,934
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll  Plan fiduciary net position as a percentage of the total pension liability		89.20% 87.20%
<b>Tier 2 Public Employees System</b> Proportion of the net pension liability (asset)		(0.02%)
Proportionate share of the net pension liability (asset)	\$	(661)
Covered employee payroll	\$	106,918
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll  Plan fiduciary net position as a percentage of the total pension liability.		(0.60%)
Plan fiduciary net position as a percentage of the total pension liability		103.50%

Source: Utah Retirement Systems, based on their fiscal year ending December 31.

# DAVIS APPLIED TECHNOLOGY COLLEGE

# Schedule of Pension Contributions Last Ten Fiscal Years

	 2015	2014	 2013	2012
Noncontributory System Contractually required contribution	\$ 705,933	\$ 632,111	\$ 610,106	\$ 567,237
Contributions in relation to the contractually required contribution	\$ (705,933)	\$ (632,111)	\$ (610,106)	\$ (567,237)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 3,181,309	\$ 3,089,498	\$ 3,242,164	\$ 3,364,397
Contributions as a percentage of covered- employee payroll	22.19%	20.46%	18.81%	16.86%
Tier 2 Public Employees System* Contractually required contribution	\$ 24,032	\$ 20,541	\$ 24,078	\$ 4,033
Contributions in relation to the contractually required contribution	\$ (24,032)	\$ (20,541)	\$ (24,078)	\$ (4,033)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 131,537	\$ 122,633	\$ 159,880	\$ 31,657
Contributions as a percentage of covered- employee payroll	18.27%	16.75%	15.06%	12.74%

<sup>\*</sup> The Tier 2 Public Employee System began enrollments in 2012.

 2011		2010		2009		2008	 2007		2006	
\$ 557,874	\$	489,201	\$	555,938	\$	587,671	\$ 598,404	\$	576,031	
\$ (557,874)	\$	(489,201)	\$	(555,938)	\$	(587,671)	\$ (598,404)	\$	(576,031)	
\$ -	\$	-	\$	-	\$	-	\$ -	\$	-	
\$ 3,417,958	\$	3,440,226	\$	3,909,550	\$	4,132,707	\$ 4,208,183	\$	4,305,168	
16.32%		14.22%		14.22%		14.22%	14.22%		13.38%	

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# STATISTICAL SECTION

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# DAVIS APPLIED TECHNOLOGY COLLEGE SCHEDULE OF NET POSITION Last Ten Fiscal Years

	 2015	 2014	 2013	 2012
Net Investment in Capital Assets	\$ 28,313,502	\$ 29,216,171	\$ 29,015,988	\$ 29,419,452
Restricted for:				
Scholarships	318,799	285,400	152,080	167,204
Grants, Contracts and Other	915,990	1,340,800	1,384,440	1,514,378
Unrestricted	 2,928,900	 4,482,337	4,488,850	 3,857,159
Total Net Position	\$ 32,477,191	\$ 35,324,708	\$ 35,041,358	\$ 34,958,193

Source: Annual Reports on Financial Statements for years presented.

 2011	 2010	 2009		2008		2007		2006
\$ 29,865,486	\$ 30,982,477	\$ 31,223,742	\$	18,480,567	\$	17,504,128	\$	18,219,745
185,923	156,386	171,439		184,793		185,189		166,484
1,455,106	1,622,239	1,515,420		1,891,188		1,967,677		1,285,987
3,375,883	2,359,674	1,690,315		1,153,553		1,115,262		1,253,168
\$ 34,882,398	\$ 35,120,776	\$ 34,600,916	\$	21,710,101	\$	20,772,256	\$	20,925,384

#### DAVIS APPLIED TECHNOLOGY COLLEGE CHANGES IN NET POSITION Last Ten Fiscal Years

	2015	2014	2013
REVENUES			
Operating Revenues:			
Student Tuition and Fees (net of scholarship allowances)	\$ 2,453,525	\$ 2,373,117	\$ 2,613,125
Federal Grants and Contracts	272,487	282,956	364,541
State Grants and Contracts	1,586,187	1,640,045	1,319,735
Local Grants and Contracts	63,444	43,178	-
Nongovernmental Grants and Contracts	499,071	323,331	260,008
Sales and Services of Educational Departments	19,913	16,597	11,305
Auxiliary Enterprises (net of scholarship allowances)	1,624,744	1,468,241	1,531,938
Other Operating Revenues	92,370	84,176	68,435
Independent Operations	583,756	592,092	588,888
Total Operating Revenues	7,195,497	6,823,733	6,757,975
EXPENSES			
Operating Expenses:			
Salaries and Wages	9,919,412	9,262,757	8,974,269
Benefits	3,402,631	3,725,521	3,422,634
Actuarial Calculated Pension Expense	488,290	-	-
Scholarships	489,401	476,781	539,251
Utilities	582,174	612,831	553,906
Supplies and Other Services	4,142,065	3,656,003	3,682,578
Depreciation	2,565,252	2,062,220	1,877,235
Total Operating Expenses	21,589,225	19,796,113	19,049,873
Operating Income (Loss)	(14,393,728)	(12,972,380)	(12,291,898)
NONOPERATING REVENUES (EXPENSES)			
State Appropriations	12,183,800	10,963,000	9,947,800
Gifts	359,970	472,660	347,971
Investment Income	37,134	37,294	44,141
Unrealized Loss on FMV of Investment	(857)	(884)	-
Disposal of Capital Assets	4,200	-	-
Federal Pell Grants	1,017,606	997,980	1,093,603
Other Nonoperating Revenues (Expenses)	24,068	50,511	11,512
Net Nonoperating Revenues	13,625,921	12,520,561	11,445,027
(Loss) Before Other Revenues and Expenses	(767,807)	(451,819)	(846,871)
Capital Grants	707,292	735,169	930,036
Extraordinary Items	117,336	=	=
Increase/(Decrease) in Net Position	\$ 56,821	\$ 283,350	\$ 83,165

Source: Annual Reports on Financial Statements for years presented

	2012		2011		2010		2009	2008	 2007		2006
\$	2,695,973	\$	2,805,788	\$	2,646,854	\$	2,248,293	\$ 1,837,637	\$ 1,737,281	\$	1,454,446
	1,009,390		914,365		1,225,706		543,319	294,301	450,336		915,812
	1,250,380		1,326,648		1,133,529		919,182	1,307,512	846,199		1,003,646
	108,327		48,312		77,137		100,453	99,093	293,411		233,994
	323,620		417,836		561,364		693,625	543,296	596,742		543,211
	14,340		23,846		20,869		20,713	19,294	22,108		16,967
	1,548,885		1,616,622		1,506,588		1,292,174	986,770	930,029		790,173
	108,926		58,666		60,300		82,983	91,500	82,295		97,551
	616,739		653,760		707,813		621,144	525,280	 443,979		427,094
	7,676,580		7,865,843		7,940,160		6,521,886	 5,704,683	5,402,380		5,482,894
	9,097,443		9,002,281		8,836,231		8,526,538	7,912,806	7,629,887		7,272,040
	3,448,057		3,261,672		2,787,631		3,193,265	3,107,235	2,886,614		2,862,314
	-		-		-		-	-	-		-
	650,654		1,062,789		882,196		482,413	309,818	331,831		380,411
	455,902		486,862		467,607		435,733	382,612	372,272		376,798
	3,928,518		3,973,243		4,198,555		4,353,870	3,747,158	3,616,284		3,396,837
	1,885,489		1,845,523		1,821,106		1,508,994	1,160,657	1,124,543		1,062,034
	19,466,063		19,632,370		18,993,326		18,500,813	 16,620,286	15,961,431		15,350,434
	(11,789,483)		(11,766,527)		(11,053,167)		(11,978,928)	 (10,915,603)	 (10,559,051)		(9,867,540)
									 	'	
	9,177,700		9,256,200		9,466,100		9,677,200	9,765,300	8,997,400		8,211,600
	296,454		166,863		358,792		579,257	598,606	1,076,802		647,331
	263,298		34,770		43,902		77,933	148,470	160,781		159,291
	462		19,685		(220,252)		(24,248)	(5,431)	(145,875)		(10,801)
	1,233,371		1,576,204		1,144,642		494,061	302,472	302,472		(10,801)
	1,233,371							20,023	(18,674)		(22.474)
	10,989,114	_	34,343 11,088,065		17,119 10,810,302		15,171 10,819,374	 10,829,440	 10,372,906		(32,474) 8,974,947
	(800,369)		(678,462)		(242,864)		(1,159,553)	 (86,163)	 (186,145)		(892,593)
	876,164		440,084		762,724		14,050,368	1,122,921	1,122,921		191,773
	670,104		440,064		702,724		14,030,308	1,144,941	1,122,721		171,//3
\$	75,795	\$	(238,378)	\$	519,859	\$	12,890,815	\$ 1,036,758	\$ 936,776	\$	(700,820)
_	,	_	( /	_	,	_	,,-	 , ,	 	<u> </u>	( , )

# DAVIS APPLIED TECHNOLOGY COLLEGE EXPENSES BY FUNCTION Last Ten Fiscal Years

	 2015	 2014	 2013	 2012
Instruction	\$ 8,343,883	\$ 7,324,428	\$ 7,180,417	\$ 7,531,695
Academic Support	1,569,816	1,453,835	1,584,102	1,596,148
Student Services	1,828,804	1,909,263	1,803,791	1,749,448
Institutional Support	2,646,253	2,488,202	2,288,556	2,221,888
Operation and Maintenance of Plant	4,356,732	3,827,354	3,390,378	3,379,027
Scholarships	489,401	476,781	539,251	650,654
Auxiliary Enterprises	1,821,343	1,819,534	1,767,634	1,837,902
Independent Operations	532,993	496,716	495,744	499,301
Total Expenses	\$ 21,589,225	\$ 19,796,113	\$ 19,049,873	\$ 19,466,063

# (Percent of Total Expenses)

	2015	2014	2013	2012
Instruction	38.65%	37.00%	37.69%	38.69%
Academic Support	7.27%	7.34%	8.32%	8.20%
Student Services	8.47%	9.64%	9.47%	8.99%
Institutional Support	12.26%	12.57%	12.01%	11.41%
Operation and Maintenance of Plant	20.18%	19.33%	17.80%	17.36%
Scholarships	2.27%	2.41%	2.83%	3.34%
Auxiliary Enterprises	8.44%	9.19%	9.28%	9.44%
Independent Operations	2.46%	2.52%	2.60%	2.57%
Total Expenses	100.00%	100.00%	100.00%	100.00%

Source: Annual Reports on Financial Statements for years presented.

 2011	 2010	 2009		2008		2007		2006
\$ 7,481,871	\$ 7,743,952	\$ 7,278,910	\$	6,891,222	\$	6,575,231	\$	6,115,514
1,522,040	1,213,917	1,376,076		1,364,656		1,230,226		1,408,689
1,759,478	1,747,483	2,057,298		1,908,572		1,889,789		2,035,324
2,119,538	1,940,786	1,938,846		1,954,614		1,891,096		1,640,091
3,359,495	3,215,148	3,358,435		2,407,119		2,261,359		2,314,700
1,056,789	882,196	482,413		307,550		330,110		380,411
1,832,401	1,759,978	1,541,248		1,365,496		1,408,402		1,075,731
500,758	489,866	467,589		430,298		375,218		379,974
\$ 19,632,370	\$ 18,993,326	\$ 18,500,813	\$	16,629,527	\$	15,961,431	\$	15,350,434

2011	2010	2009	2008	2007	2006
38.11%	40.77%	39.06%	41.44%	41.19%	39.84%
7.75%	6.39%	7.38%	8.21%	7.71%	9.18%
8.96%	9.20%	11.04%	11.48%	11.84%	13.26%
10.80%	10.22%	10.40%	11.75%	11.85%	10.68%
17.11%	16.93%	18.02%	14.47%	14.17%	15.08%
5.38%	4.64%	3.30%	1.85%	2.07%	2.48%
9.33%	9.27%	8.27%	8.21%	8.82%	7.01%
2.56%	2.58%	2.52%	2.59%	2.35%	2.47%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

# DAVIS APPLIED TECHNOLOGY COLLEGE EXPENSES BY NATURAL CLASSIFICATION Last Ten Fiscal Years

	 2015	 2014	 2013	 2012
Salaries and Wages	\$ 9,919,412	\$ 9,262,757	\$ 8,974,269	\$ 9,097,443
Benefits	3,402,631	3,725,521	3,422,634	3,448,057
Actuarial Calculated Pension Expense	488,290	_	_	-
Scholarships	489,401	476,781	539,251	650,654
Utilities	582,174	612,831	553,906	455,902
Supplies and Other Services	4,142,065	3,656,003	3,682,578	3,928,518
Depreciation	2,565,252	2,062,220	1,877,235	1,885,489
Total Expenses	\$ 21,589,225	\$ 19,796,113	\$ 19,049,873	\$ 19,466,063

# (Percent of Total Expenses)

	2015	2014	2013	2012
Salaries and Wages	45.95%	46.79%	47.11%	46.73%
Benefits	15.76%	18.82%	17.97%	17.71%
Actuarial Calculated Pension Expense	2.26%	0.00%	0.00%	0.00%
Scholarships	2.27%	2.41%	2.83%	3.34%
Utilities	2.70%	3.10%	2.91%	2.34%
Supplies and Other Services	19.19%	18.47%	19.33%	20.18%
Depreciation	11.87%	10.41%	9.85%	9.70%
Total Expenses	100.00%	100.00%	100.00%	100.00%

Source: Annual Reports on Financial Statements for years presented.

 2011	_	2010		2009		2008		2007		2006	
\$ 9,002,281	\$	8,836,231	\$	8,526,538	\$	8,064,098	\$	7,629,887	\$	7,272,040	
3,261,672		2,787,631		3,193,265		3,165,894		2,886,614		2,862,314	
-		-		-		-		-		-	
1,062,789		882,196		482,413		309,818		331,831		380,411	
486,862		467,607		435,733		382,612		372,272		376,798	
3,973,243		4,198,555		4,353,870		3,546,448		3,616,284		3,396,837	
1,845,523		1,821,106		1,508,994		1,160,657		1,124,543		1,062,034	
\$ 19,632,370	\$	18,993,326	\$	18,500,813	\$	16,629,527	\$	15,961,431	\$	15,350,434	

2011	2010	2009	2008	2007	2006
45.85%	46.52%	45.75%	47.61%	47.80%	47.37%
16.61%	14.68%	17.14%	18.70%	18.08%	18.65%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5.41%	4.64%	3.31%	1.86%	2.08%	2.48%
2.48%	2.46%	2.34%	2.30%	2.33%	2.45%
20.25%	22.11%	23.36%	22.55%	22.66%	22.13%
9.40%	9.59%	8.10%	6.98%	7.05%	6.92%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

#### DAVIS APPLIED TECHNOLOGY COLLEGE REVENUES BY SOURCE Last Ten Fiscal Years

	2015	2014	2013	2012
Operating Revenues:				
Student Tuition and Fees	\$ 2,453,525	\$ 2,373,117	\$ 2,613,125	\$ 2,695,973
Federal Grants and Contracts	272,487	282,956	364,541	1,009,390
State Grants and Contracts	1,586,187	1,640,045	1,319,735	1,250,380
Local Grants and Contracts	63,444	43,178	-	108,327
Nongovernmental Grants & Contracts	499,071	323,331	260,008	323,620
Sales & Services of Educational Departments	19,913	16,597	11,305	14,340
Auxiliary Enterprises	1,624,744	1,468,241	1,531,938	1,548,885
Other Operating Revenues	92,370	84,176	68,435	108,926
Independent Operations	583,756	592,092	588,888	616,739
Total Operating Revenues	7,195,497	6,823,733	6,757,975	7,676,580
Nonoperating Revenues:				
State Appropriations	12,183,800	10,963,000	9,947,800	9,177,700
Gifts	359,970	472,660	347,971	296,454
Investment Income	37,134	37,294	44,141	263,298
Federal Pell Grants	1,017,606	997,980	1,093,603	1,233,371
Disposal of Capital Assets	4,200	-	-	462
Other Nonoperating Revenues	24,068	50,511	11,512	17,829
Total Nonoperating Revenues	13,626,778	12,521,445	11,445,027	10,989,114
Other Revenues:				
Capital Grants	707,292	735,169	930,036	876,164
Total Other Revenues	707,292	735,169	930,036	876,164
Extraordinary Items:	117,336	<u> </u>	- 10.122.020	- 10 541 050
Total Revenues	\$ 21,646,903	\$ 20,080,347	\$ 19,133,038	\$ 19,541,858
	(Percent of Total R	evenues)		
	2015	2014	2013	2012
Operating Revenues:				
Student Tuition and Fees	11.33%	11.82%	13.66%	13.80%

	2015	2014	2013	2012
Operating Revenues:				
Student Tuition and Fees	11.33%	11.82%	13.66%	13.80%
Federal Grants and Contracts	1.26%	1.41%	1.91%	5.17%
State Grants and Contracts	7.33%	8.17%	6.90%	6.40%
Local Grants and Contracts	0.28%	0.21%	0.00%	0.55%
Nongovernmental Grants & Contracts	2.31%	1.61%	1.36%	1.66%
Sales & Services of Educational Departments	0.09%	0.08%	0.06%	0.07%
Auxiliary Enterprises	7.51%	7.31%	8.01%	7.93%
Other Operating Revenues	0.43%	0.42%	0.36%	0.56%
Independent Operations	2.70%	2.95%	3.08%	3.16%
Total Operating Revenues	33.24%	33.98%	35.34%	39.30%
Nonoperating Revenues:				
State Appropriations	56.28%	54.60%	51.99%	46.96%
Gifts	1.66%	2.35%	1.82%	1.52%
Investment Income	0.17%	0.19%	0.23%	1.35%
Federal Pell Grants	4.70%	4.97%	5.72%	6.31%
Disposal of Capital Assets	0.02%	0.00%	0.00%	0.00%
Other Nonoperating Revenues	0.11%	0.25%	0.06%	0.09%
Total Nonoperating Revenues	62.94%	62.36%	59.82%	56.24%
Other Revenues:				
Capital Grants	3.28%	3.66%	4.85%	4.47%
Total Other Revenues	3.28%	3.66%	4.85%	4.47%
Extraordinary Items:	0.54%	0.00%	0.00%	0.00%
Total Revenues	100.00%	100.00%	100.00%	100.00%

Source: Annual Reports on Financial Statements for years presented

2011	2010	2009	2008	2007	2006
\$ 2,805,788	\$ 2,646,854	\$ 2,248,293	\$ 1,837,637	\$ 1,737,281	\$ 1,454,446
914,365	1,225,706	543,319	294,301	450,336	522,910
1,326,648	1,133,529	919,182	1,313,192	846,199	1,003,646
48,312	77,137	100,453	99,093	293,411	233,994
417,836	561,364	693,625	543,296	596,742	543,211
23,846	20,869	20,713	19,294	22,108	16,967
1,616,622	1,506,588	1,292,174	986,770	930,029	790,173
58,666	60,300	82,983	91,500	82,295	97,551
653,760	707,813	621,144	525,280	443,979	427,094
7,865,843	7,940,160	6,521,886	5,710,363	5,402,380	5,089,992
9,256,200	9,466,100	9,677,200	9,765,300	8,997,400	8,211,600
166,863	358,792	579,257	598,606	1,076,802	647,331
34,770	43,902	77,933	148,470	160,781	159,291
1,576,204 19,685	1,144,642	494,061	302,472	335,489	392,902
34,343	17,119	15,171	20,023	-	-
11,088,065	11,030,555	10,843,622	10,834,871	10,570,472	9,411,124
440,084	762,724	14,050,368	1,122,921	_	191,773
440,084	762,724	14,050,368	1,122,921		191,773
					<u>-</u>
\$ 19,393,992	\$ 19,733,439	\$ 31,415,876	\$ 17,668,155	\$ 15,972,852	\$ 14,692,889
2011	2010	2009	2008	2007	2006
2011	2010	2009	2008	2007	2006
2011 14.47% 4.71%	13.41%	7.16%	2008 10.40% 1.67%	10.88%	9.90% 3.56%
14.47% 4.71%		7.16% 1.73%	10.40%	10.88% 2.82%	9.90% 3.56%
14.47%	13.41% 6.21%	7.16%	10.40% 1.67%	10.88%	9.90%
14.47% 4.71% 6.84%	13.41% 6.21% 5.74%	7.16% 1.73% 2.93%	10.40% 1.67% 7.43%	10.88% 2.82% 5.30%	9.90% 3.56% 6.83%
14.47% 4.71% 6.84% 0.25%	13.41% 6.21% 5.74% 0.39%	7.16% 1.73% 2.93% 0.32%	10.40% 1.67% 7.43% 0.56%	10.88% 2.82% 5.30% 1.84%	9.90% 3.56% 6.83% 1.59%
14.47% 4.71% 6.84% 0.25% 2.15%	13.41% 6.21% 5.74% 0.39% 2.84%	7.16% 1.73% 2.93% 0.32% 2.21%	10.40% 1.67% 7.43% 0.56% 3.08% 0.11% 5.59%	10.88% 2.82% 5.30% 1.84% 3.74%	9.90% 3.56% 6.83% 1.59% 3.70%
14.47% 4.71% 6.84% 0.25% 2.15% 0.12%	13.41% 6.21% 5.74% 0.39% 2.84% 0.11%	7.16% 1.73% 2.93% 0.32% 2.21% 0.07%	10.40% 1.67% 7.43% 0.56% 3.08% 0.11%	10.88% 2.82% 5.30% 1.84% 3.74% 0.14%	9.90% 3.56% 6.83% 1.59% 3.70% 0.12% 5.38% 0.66%
14.47% 4.71% 6.84% 0.25% 2.15% 0.12% 8.34%	13.41% 6.21% 5.74% 0.39% 2.84% 0.11% 7.63%	7.16% 1.73% 2.93% 0.32% 2.21% 0.07% 4.11%	10.40% 1.67% 7.43% 0.56% 3.08% 0.11% 5.59% 0.52% 2.95%	10.88% 2.82% 5.30% 1.84% 3.74% 0.14% 5.82%	9.90% 3.56% 6.83% 1.59% 3.70% 0.12% 5.38%
14.47% 4.71% 6.84% 0.25% 2.15% 0.12% 8.34% 0.30%	13.41% 6.21% 5.74% 0.39% 2.84% 0.11% 7.63% 0.31%	7.16% 1.73% 2.93% 0.32% 2.21% 0.07% 4.11% 0.26%	10.40% 1.67% 7.43% 0.56% 3.08% 0.11% 5.59% 0.52%	10.88% 2.82% 5.30% 1.84% 3.74% 0.14% 5.82% 0.52%	9.90% 3.56% 6.83% 1.59% 3.70% 0.12% 5.38% 0.66%
14.47% 4.71% 6.84% 0.25% 2.15% 0.12% 8.34% 0.30% 3.37%	13.41% 6.21% 5.74% 0.39% 2.84% 0.11% 7.63% 0.31% 3.57% 40.24%	7.16% 1.73% 2.93% 0.32% 2.21% 0.07% 4.11% 0.26% 1.96% 20.76%	10.40% 1.67% 7.43% 0.56% 3.08% 0.11% 5.59% 0.52% 2.95% 32.32%	10.88% 2.82% 5.30% 1.84% 3.74% 0.14% 5.82% 0.52% 2.76% 33.82%	9.90% 3.56% 6.83% 1.59% 3.70% 0.12% 5.38% 0.66% 2.91% 34.64%
14.47% 4.71% 6.84% 0.25% 2.15% 0.12% 8.34% 0.30% 3.37% 40.55%	13.41% 6.21% 5.74% 0.39% 2.84% 0.11% 7.63% 0.31% 3.57% 40.24%	7.16% 1.73% 2.93% 0.32% 2.21% 0.07% 4.11% 0.26% 1.96% 20.76%	10.40% 1.67% 7.43% 0.56% 3.08% 0.11% 5.59% 0.52% 2.95% 32.32%	10.88% 2.82% 5.30% 1.84% 3.74% 0.14% 5.82% 0.52% 2.76% 33.82%	9.90% 3.56% 6.83% 1.59% 3.70% 0.12% 5.38% 0.66% 2.91% 34.64%
14.47% 4.71% 6.84% 0.25% 2.15% 0.12% 8.34% 0.30% 3.37%	13.41% 6.21% 5.74% 0.39% 2.84% 0.11% 7.63% 0.31% 3.57% 40.24%	7.16% 1.73% 2.93% 0.32% 2.21% 0.07% 4.11% 0.26% 1.96% 20.76%	10.40% 1.67% 7.43% 0.56% 3.08% 0.11% 5.59% 0.52% 2.95% 32.32%	10.88% 2.82% 5.30% 1.84% 3.74% 0.14% 5.82% 0.52% 2.76% 33.82%	9.90% 3.56% 6.83% 1.59% 3.70% 0.12% 5.38% 0.66% 2.91% 34.64%
14.47% 4.71% 6.84% 0.25% 2.15% 0.12% 8.34% 0.30% 3.37% 40.55% 47.73% 0.86%	13.41% 6.21% 5.74% 0.39% 2.84% 0.11% 7.63% 0.31% 3.57% 40.24% 47.97% 1.82%	7.16% 1.73% 2.93% 0.32% 2.21% 0.07% 4.11% 0.26% 1.96% 20.76% 30.80% 1.84%	10.40% 1.67% 7.43% 0.56% 3.08% 0.11% 5.59% 0.52% 2.95% 32.32% 55.27% 3.39%	10.88% 2.82% 5.30% 1.84% 3.74% 0.14% 5.82% 0.52% 2.76% 33.82% 56.33% 6.74%	9.90% 3.56% 6.83% 1.59% 3.70% 0.12% 5.38% 0.66% 2.91% 34.64%
14.47% 4.71% 6.84% 0.25% 2.15% 0.12% 8.34% 0.30% 40.55%  47.73% 0.86% 0.18%	13.41% 6.21% 5.74% 0.39% 2.84% 0.11% 7.63% 0.31% 3.57% 40.24%  47.97% 1.82% 0.22%	7.16% 1.73% 2.93% 0.32% 2.21% 0.07% 4.11% 0.26% 1.96% 20.76% 30.80% 1.84% 0.25%	10.40% 1.67% 7.43% 0.56% 3.08% 0.11% 5.59% 0.52% 2.95% 32.32% 55.27% 3.39% 0.84%	10.88% 2.82% 5.30% 1.84% 3.74% 0.14% 5.82% 0.52% 2.76% 33.82% 56.33% 6.74% 1.01%	9.90% 3.56% 6.83% 1.59% 3.70% 0.12% 5.38% 0.66% 2.91% 34.64% 55.89% 4.41% 1.08%
14.47% 4.71% 6.84% 0.25% 2.15% 0.12% 8.34% 0.30% 3.37% 40.55%  47.73% 0.86% 0.18% 8.13%	13.41% 6.21% 5.74% 0.39% 2.84% 0.11% 7.63% 0.31% 3.57% 40.24%  47.97% 1.82% 0.22% 5.80% 0.00% 0.09%	7.16% 1.73% 2.93% 0.32% 2.21% 0.07% 4.11% 0.26% 1.96% 20.76%  30.80% 1.84% 0.25% 1.57%	10.40% 1.67% 7.43% 0.56% 3.08% 0.11% 5.59% 0.52% 2.95% 32.32% 55.27% 3.39% 0.84% 1.71% 0.00% 0.11%	10.88% 2.82% 5.30% 1.84% 3.74% 0.14% 5.82% 0.52% 2.76% 33.82% 56.33% 6.74% 1.01% 2.10%	9.90% 3.56% 6.83% 1.59% 3.70% 0.12% 5.38% 0.66% 2.91% 34.64% 55.89% 4.41% 1.08% 2.67%
14.47% 4.71% 6.84% 0.25% 2.15% 0.12% 8.34% 0.30% 3.37% 40.55%  47.73% 0.86% 0.18% 8.13% 0.10%	13.41% 6.21% 5.74% 0.39% 2.84% 0.11% 7.63% 0.31% 3.57% 40.24%  47.97% 1.82% 0.22% 5.80% 0.00%	7.16% 1.73% 2.93% 0.32% 2.21% 0.07% 4.11% 0.26% 1.96% 20.76%  30.80% 1.84% 0.25% 1.57% 0.00%	10.40% 1.67% 7.43% 0.56% 3.08% 0.11% 5.59% 0.52% 2.95% 32.32% 55.27% 3.39% 0.84% 1.71% 0.00%	10.88% 2.82% 5.30% 1.84% 3.74% 0.14% 5.82% 0.52% 2.76% 33.82% 56.33% 6.74% 1.01% 2.10% 0.00%	9.90% 3.56% 6.83% 1.59% 3.70% 0.12% 5.38% 0.66% 2.91% 34.64% 55.89% 4.41% 1.08% 2.67% 0.00%
14.47% 4.71% 6.84% 0.25% 2.15% 0.12% 8.34% 0.30% 3.37% 40.55%  47.73% 0.86% 0.18% 8.13% 0.10% 0.18% 57.18%	13.41% 6.21% 5.74% 0.39% 2.84% 0.11% 7.63% 0.31% 3.57% 40.24%  47.97% 1.82% 0.22% 5.80% 0.00% 0.09% 55.90%	7.16% 1.73% 2.93% 0.32% 2.21% 0.07% 4.11% 0.26% 1.96% 20.76%  30.80% 1.84% 0.25% 1.57% 0.00% 0.05% 34.52%	10.40% 1.67% 7.43% 0.56% 3.08% 0.11% 5.59% 0.52% 2.95% 32.32%  55.27% 3.39% 0.84% 1.71% 0.00% 0.11% 61.32%	10.88% 2.82% 5.30% 1.84% 3.74% 0.14% 5.82% 0.52% 2.76% 33.82%  56.33% 6.74% 1.01% 2.10% 0.00% 0.00% 66.18%	9.90% 3.56% 6.83% 1.59% 3.70% 0.12% 5.38% 0.66% 2.91% 34.64%  55.89% 4.41% 1.08% 2.67% 0.00% 0.00% 64.05%
14.47% 4.71% 6.84% 0.25% 2.15% 0.12% 8.34% 0.30% 40.55%  47.73% 0.86% 0.18% 8.13% 0.10% 0.18% 57.18%	13.41% 6.21% 5.74% 0.39% 2.84% 0.11% 7.63% 0.31% 3.57% 40.24%  47.97% 1.82% 0.22% 5.80% 0.00% 0.09% 55.90%	7.16% 1.73% 2.93% 0.32% 2.21% 0.07% 4.11% 0.26% 1.96% 20.76%  30.80% 1.84% 0.25% 1.57% 0.00% 0.05%	10.40% 1.67% 7.43% 0.56% 3.08% 0.11% 5.59% 0.52% 2.95% 32.32% 55.27% 3.39% 0.84% 1.71% 0.00% 0.11%	10.88% 2.82% 5.30% 1.84% 3.74% 0.14% 5.82% 0.52% 2.76% 33.82% 56.33% 6.74% 1.01% 2.10% 0.00%	9.90% 3.56% 6.83% 1.59% 3.70% 0.12% 5.38% 0.66% 2.91% 34.64%  55.89% 4.41% 1.08% 2.67% 0.00% 64.05%
14.47% 4.71% 6.84% 0.25% 2.15% 0.12% 8.34% 0.30% 3.37% 40.55%  47.73% 0.86% 0.18% 8.13% 0.10% 0.18% 57.18%	13.41% 6.21% 5.74% 0.39% 2.84% 0.11% 7.63% 0.31% 3.57% 40.24%  47.97% 1.82% 0.22% 5.80% 0.00% 0.09% 55.90%	7.16% 1.73% 2.93% 0.32% 2.21% 0.07% 4.11% 0.26% 1.96% 20.76%  30.80% 1.84% 0.25% 1.57% 0.00% 0.05% 34.52%	10.40% 1.67% 7.43% 0.56% 3.08% 0.11% 5.59% 0.52% 2.95% 32.32%  55.27% 3.39% 0.84% 1.71% 0.00% 0.11% 61.32%	10.88% 2.82% 5.30% 1.84% 3.74% 0.14% 5.82% 0.52% 2.76% 33.82%  56.33% 6.74% 1.01% 2.10% 0.00% 66.18%	9.90% 3.56% 6.83% 1.59% 3.70% 0.12% 5.38% 0.66% 2.91% 34.64%  55.89% 4.41% 1.08% 2.67% 0.00% 0.00% 64.05%

# DAVIS APPLIED TECHNOLOGY 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
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	-5.94%	1.81
2013	206,604	15%	1,199,516	85%	1,406,120	-8.35%	1.65
2012	219,937	14%	1,314,258	86%	1,534,195	-10.19%	1.54
2011	263,040	15%	1,445,298	85%	1,708,338	5.13%	1.52
2010	322,329	20%	1,302,707	80%	1,625,036	28.00%	1.52
2009	274,572	22%	995,020	78%	1,269,592	16.79%	1.56
2008	282,010	26%	805,080	74%	1,087,090	-3.44%	1.77
2007	328,789	29%	797,062	71%	1,125,851	-1.46%	2.07
2006	328,768	29%	813,776	71%	1,142,544	2.42%	1.81

Source: Membership hour reports are certified by the Davis Applied Technology College Campus President, the Davis Applied Technology College Board of Directors, and the Utah College of Applied Technology Board of Trustees.

# DAVIS APPLIED TECHNOLOGY COLLEGE HISTORIC TUITION RATES Last Ten Fiscal Years

#### **HISTORIC TUITION RATES**

Fiscal	Base Tuition Full-time Rate including Annual		Annual Tuition Increase						
Year	Pe	r Hour	Cam	pus Fees	T	uition	Do	ollars	Percent
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%
2012		1.55		2,555		2,195		71	3.33%
2011		1.50		2,484		2,124		142	7.14%
2010		1.40		2,342		1,982		70	3.70%
2009		1.35		2,272		1,912		71	3.85%
2008		1.30		1,969		1,841		71	4.00%
2007		1.25		1,862		1,770		142	8.70%
2006		1.15		1,724		1,628		-	0.00%

Source: College Campus Annual Catalogs

Note 1: The amounts shown above reflect tuition only and do not

include any student course fees.

Note 2: The tuition base rate per hour is the base rate for a full-time

student.

Note 3: The percent increase is calculated on the Base Rate Per Hour

#### DAVIS APPLIED TECHNOLOGY COLLEGE TUITION AND FEES BY SOURCE Last Ten Fiscal Years

		2015		2014		2013		2012
External Sources of Tuition and Fees								
Self Pay	\$	1,871,807	\$	1,797,449	\$	1,821,026	\$	2,041,998
Weber State University Contracts		307,011		228,935		252,154		237,173
Utah Department of Workforce Services <sup>1</sup>		, -		, -		, _		, -
Utah State Office of Rehabilitation		47,688		76,046		88,740		109,406
Other Sponsorships		227,019		270,687		451,205		307,396
Total External Tuition and Fees		2,453,525		2,373,117		2,613,125		2,695,973
								,
Internal Sources of Tuition and Fees <sup>2</sup>								
DATC Foundation Scholarships		107,277		113,968		108,544		95,668
Pell Grants used for Tuition and Fees		513,987		510,102		537,767		550,828
Other Internal Sponsorships		348,069		297,090		177,664		162,588
Total Internal Tuition and Fees		969,333	_	921,160		823,975	_	809,084
Total External/Internal Tuition and Fees	\$	3,422,858	\$	3,294,277	\$	3,437,100	\$	3,505,056
2 cm; Enterinar internal landon and 1 ccs	Ψ	2,122,030	Ψ	2,271,277	Ψ	5,157,100	Ψ	2,303,030

#### (Percent of Total Tution and Fees)

	2015	2014	2013	2012
Self Pay	54.69%	54.56%	52.98%	58.26%
Weber State University Contracts	8.97%	6.95%	7.34%	6.77%
Department of Workforce Services	0.00%	0.00%	0.00%	0.00%
Office of Rehabilitation	1.39%	2.31%	2.58%	3.12%
Other Sponsorships	6.63%	8.22%	13.13%	8.77%
Internal Sources:				
Scholarships	3.13%	3.46%	3.16%	2.73%
Pell Grants	15.02%	15.48%	15.65%	15.72%
Other Sponsorships	10.17%	9.02%	5.16%	4.63%
Total Tuition and Fees	100.00%	100.00%	100.00%	100.00%

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

Note 1: Beginning in FY2009, DWS clients paid for services with a prepaid debit card and, therefore, these payments are not shown separately here.

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

2011	2010	2009	2008	2007	2006
\$ 1,974,753 204,955 128,365 497,715 2,805,788	\$ 1,990,540 219,759 - 99,305 337,250 2,646,854	\$ 1,845,831 115,800 60,235 226,427 2,248,293	\$ 1,339,188 233,084 48,927 60,010 156,428 1,837,637	\$ 1,283,031 192,645 71,014 79,033 111,558 1,737,281	\$ 1,053,628 127,657 95,278 89,285 88,598 1,454,446
97,198 528,777 161,088 787,063 \$ 3,592,851	136,595 297,950 181,968 616,513 \$ 3,263,367	133,059 84,526 208,446 426,031 \$ 2,674,324	100,363 79,498 147,431 327,292 \$ 2,164,929	113,235 82,246 173,756 369,237 \$ 2,106,518	94,675 85,126 161,024 340,825 \$ 1,795,271

2011	2010	2009	2008	2007	2006
54.96%	61.00%	69.02%	61.86%	60.91%	58.69%
5.70%	6.73%	4.33%	10.77%	9.15%	7.11%
0.00%	0.00%	0.00%	2.26%	3.37%	5.31%
3.57%	3.04%	2.25%	2.77%	3.75%	4.97%
13.85%	10.33%	8.47%	7.23%	5.30%	4.94%
2.72%	4.19%	4.98%	4.64%	5.38%	5.27%
14.73%	9.13%	3.16%	3.67%	3.90%	4.74%
4.47%	5.57%	7.78%	6.80%	8.24%	8.97%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

# Davis Applied Technology College Demographic and Economic Information Davis and Morgan Counties Last Ten Calendar Years

# **Davis County**

Year	Population	Personal Income (\$millions)	Per Capita Personal Income	Unemployment Rate
2014	329,692	*na	*na	3.6%
2013	322,094	\$12,359	\$38,372	4.2%
2012	315,781	\$11,724	\$37,124	5.0%
2011	311,812	\$11,142	\$35,727	6.2%
2010	307,778	\$10,394	\$33,762	7.3%
2009	303,266	\$10,217	\$33,837	7.0%
2008	297,840	\$10,282	\$34,762	3.2%
2007	296,029	\$9,888	\$34,305	2.5%
2006	286,500	\$8,764	\$30,590	2.9%
2005	281,000	\$8,179	\$29,109	4.0%

# **Morgan County**

		Personal Income	Per Capita Personal	Unemployment
Year	Population	(\$millions)	Income	Rate
2014	10,608	*na	*na	3.4%
2013	10,173	\$390	\$38,422	3.9%
2012	9,812	\$368	\$37,474	5.1%
2011	9,641	\$348	\$36,124	5.6%
2010	9,517	\$306	\$32,241	7.3%
2009	9,468	\$291	\$31,266	6.7%
2008	9,229	\$294	\$32,264	3.1%
2007	9,265	\$276	\$31,476	2.6%
2006	8,888	\$217	\$27,070	3.0%
2005	8,516	\$199	\$25,735	4.2%

Sources: Department of Workforce Services Website - Utah Economic Data Viewer

Davis/Morgan County 2014

### Davis Applied Technology College Schedule of Principal Employers Davis and Morgan Counties 2014

**Davis County 2014** 

Employer	Employees	Rank	Percentage of Total County Employment
Department of Defense (Hill Air Force Base)	10000-14999	1	11.1%
Davis County School District	7000-9999	2	7.4%
ATK Space Systems/Alliant	1000-1999	3	1.5%
Smith's Food and Drug/Marketplace	1000-1999	4	1.5%
Wal-Mart	1000-1999	5	1.5%
Lifetime Products	1000-1999	6	1.5%
Lagoon Corporation, Inc.	1000-1999	7	1.5%
Davis County	1000-1999	8	1.5%
Utility Trailer Manufacturing Co.	500-999	9	0.7%
Davis Hospital and Medical Center	500-999	10	0.7%

### **Morgan County 2014**

Employer	Employees	Rank	Percentage of Total County Employment
Morgan School District	250-499	1	9.7%
Holcim US, Inc.	100-249	2	4.5%
Browning	100-249	3	4.5%
Morgan County	50-99	4	1.9%
Ridley's Family Market	50-99	5	1.9%
Taggarts Grill, Inc.	20-49	6	0.9%
Family Tree Assisted Living	20-49	7	0.9%
Wilkinson Construction Co, Inc.	20-49	8	0.9%
Durrant Slate Plumbing, Inc.	20-49	9	0.9%
Wardell Brothers Construction	20-49	10	0.9%

Source: Department of Workforce Services Website - Utah Economic Data Viewer Annual Profiles -Published 2014

#### Davis Applied Technology College Operating Indicators and Employees Fiscal Years 2014 and 2015

Completers	2015	2014
Program or Graduate Completers	1,080	1,000
Non-Graduate or Early Hire Completers	2,756	2,783
Total Completers	3,836	3,783
Student Headcount	6,246	5,869
Faculty		
*Full Time	63	58
*Part Time	210	239
Total Faculty	273	297
Average Annual Faculty Salary 2015	\$57,777	\$57,404
Staff		
*Full Time	83	77
*Part Time	71	80
Total Staff	154	157
Membership Hours per Faculty/Staff		
Membership Hours per Faculty	5,334	4,453
Membership Hours per Staff	9,455	8,424
Completers per Faculty Staff		
Completers per Faculty	14	13
Completers per Staff	25	24
Students per Faculty/Staff		
Students per Faculty	23	20
Students per Staff	41	37

Source: College Campus Statistics from Quality & Development  $\,$  and Human Resource Divisions )

<sup>\*</sup>Numbers for full and part time staff and faculty are as of June 30, 2015 and include Executives and Workstudies

### Davis Applied Technology College Building Information Fiscal Years 2014 and 2015

Location	2015	2014
Main Campus	308,467	308,467
Freeport Y-16	12,000	12,000
Freeport West D-5	32,000	32,000
Warehouse Space Freeport West	88,000	88,000
Morgan BRC	2,592	2,592
Morgan School District	6,303	6,303
Total Net/Gross Square Feet	449,362	449,362
Total Acres Main Campus	65	65

Source: Physical Facilities DSD/DATC Space FY 2016

All amounts reported in Gross Square Feet

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# GOVERNMENT AUDIT SECTION



# INDEPENDENT STATE AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors, Audit Committee and Michael J. Bouwhuis, President Davis Applied Technology College

We have audited the financial statements of the Davis Applied Technology College (the College), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the College's financial statements, and have issued our report thereon dated September 23, 2015. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

#### **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 may exist that have not been identified.

#### **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.

Office of the Utah State Auditor

September 23, 2015