



DAVISTECH

DAVIS TECHNICAL COLLEGE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2023

Kaysville, Utah

A Component Unit of the State of Utah



DAVISTECH

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A COMPONENT UNIT OF THE STATE OF UTAH

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

KAYSVILLE, UTAH

Prepared by the Fiscal Services Office

Jeff Lund, MBA, Vice President and Chief Financial Officer

Ed Eschler, CPA, Controller

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DAVISTECH

DAVIS TECHNICAL COLLEGE

INTRODUCTION

Fiscal Year Ended June 30, 2023

Kaysville, Utah

A Component Unit of the State of Utah

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September 21, 2023

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

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

The Utah State Auditor's Office, has issued an unmodified ("clean") opinion on the College's financial statements for the fiscal year ended June 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the College

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

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

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

in these financial statements. Additional information on the Foundation can be found in the notes to the financial statements (See Notes 1 and 11).

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

Local Economy

In Fiscal Year 2023, over 71% of revenues came from direct appropriations, grant and contracts, or capital grants from the State of Utah. Therefore, the total state economy is important to the outlook of the College. Currently in Utah many employers are having difficulty finding skilled workers as the state has one of the lowest unemployment rates in the country. With full employment Utah is reporting positive tax revenues and one of the strongest economies in the nation and that should bode well for the College as it continues to train workers to fill jobs for local employers.

Long-term Financial Planning

The College has been allocated over \$20 million dollars by the State of Utah towards the renovation of the following programs: Culinary Arts, Welding Technology, Apprenticeships, and Architectural Engineering and Design, and the Construction Trades programs. It is anticipated that construction will begin during the fall of 2023 with expected completion in early 2025.

Relevant Financial Policies

The direct appropriation from the State of Utah for Fiscal Year 2023 was \$24,346,400 or 63.4% of total revenues. Other revenues that come from various other state funding sources are recorded in the financial statements as state grants and contracts, rather than state appropriations, these additional state funds are appropriated to other agencies first and then come to the College in the form of a grant or contract. State grants and contracts for Fiscal Year 2023 were \$2,256,709 or 5.9% of total revenues. The grants and contracts were from various state sources including, a contract with the Utah Department of Corrections, Strategic Workforce Initiative (SWI) funds, and Talent Ready Utah funds. Additionally, during Fiscal Year 2023, the College received state funded capital improvements of \$693,317 which are reflected on the College's financial statement as a Capital Grants and make 1.8% of total revenues for the fiscal year.

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

Statewide Higher Education Governance

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

The combined Utah System of Higher Education began a study in 2021 to determine if a shared services model would be feasible within the System and to determine what a shared services model might look like. The shared services being researched include federal Title IX compliance, accounting and payroll systems, student

information systems, procurement, human resources, and information technology, recommendations from the study will be made available in 2024.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the College for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the fifth year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the College had to publish an easily readable and efficiently organized annual comprehensive financial report that satisfied both generally accepted accounting principles and applicable program requirements.

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

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

Respectfully submitted,



Darin Brush
President/CEO



Jeff Lund, MBA
Vice President and Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Davis Technical College
Utah**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



DAVIS TECHNICAL COLLEGE

Organizational Chart

Utah System of Higher Education
Board of Higher Education

Commissioner of Higher Education

Davis Technical College Board of Trustees

Troy Wood, Chair - Chris DeHerrera, Vice Chair - Justin Atkinson
Michael Henry - Brandon Howard - Scot Merrihew - Tucker Morgan
Derek Lamb - Adam Toone - Tami Tran - James Diamond, Invited Guest



Darin Brush, MS

Davis Technical College President
and Chief Executive Officer



Leslie Mock, MSN-Ed, RN
Vice President and
Chief Academic Officer



Jeff Lund, MBA
Vice President and
Chief Financial Officer



Kelly Simerick, MBA
Vice President and Chief
Student Affairs Officer

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DAVISTECH

DAVIS TECHNICAL COLLEGE

FINANCIAL

Fiscal Year Ended June 30, 2023

Kaysville, Utah

A Component Unit of the State of Utah



OFFICE OF THE
STATE AUDITOR

Independent Auditor's Report

To the Board of Trustees, Audit Committee

and

Darin Brush, President

Davis Technical College

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Davis Technical College (the College) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Key Audit Matters

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

Responsibilities of Management for the Financial Statements

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

fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the *introduction and statistics sections* but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2023 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.



Office of the State Auditor
Salt Lake City, Utah
September 21, 2023

**DAVIS TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023**

As management of the Davis Technical College (College), a component unit of the State of Utah, we offer readers of the College's financial statements this narrative overview and analysis of the financial activities of the College for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Financial Statements

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

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

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

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

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

DAVIS TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2023

Financial Analysis

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position. The following schedule presents a summary of the College's assets, deferred outflows, liabilities, deferred inflows, and net position as of June 30, 2023 and 2022:

Net Position	Year Ended June 30, 2023 Amount	Year Ended June 30, 2022 Amount	Amount of Increase (Decrease)
Current Assets	\$ 14,851,408	\$ 13,397,568	\$ 1,453,840
Noncurrent Assets	1,372,387	2,324,417	(952,030)
Capital Assets, net	59,711,829	61,907,142	(2,195,313)
Total Assets	<u>75,935,624</u>	<u>77,629,127</u>	<u>(1,693,503)</u>
Deferred Outflows of Resources	<u>1,840,983</u>	<u>1,591,429</u>	<u>249,554</u>
Current Liabilities	1,960,189	2,012,950	(52,761)
Noncurrent Liabilities	4,196,302	932,027	3,264,275
Total Liabilities	<u>6,156,491</u>	<u>2,944,977</u>	<u>3,211,514</u>
Deferred Inflows of Resources	<u>168,472</u>	<u>3,976,252</u>	<u>(3,807,780)</u>
Net Position:			
Net Investment in Capital Assets	59,711,829	61,907,142	(2,195,313)
Restricted	1,790,971	1,893,996	(103,025)
Unrestricted	9,948,844	8,498,190	1,450,654
Total Net Position	<u>\$ 71,451,644</u>	<u>\$ 72,299,328</u>	<u>\$ (847,684)</u>

The Total Assets of the College decreased by \$1,693,503 during the fiscal year.

Current Assets increased by \$1,453,840 as the College experienced an increase in Cash and Cash Equivalents of \$1,761,590 from regular operations, offset by decreases in Accounts Receivable of \$30,461 from state agencies and \$122,755 from other operations and Prepaid Expenses of \$73,770. Inventories of merchandise and supplies in the Bookstore, Cosmetology Salon, and of various programs decreased \$80,764.

Noncurrent Assets decreased \$952,030 as Net Pension Assets decreased \$929,165 and restricted cash decreased \$22,865 resulting from the end of capital campaigns for the Emergency Training Center and Student Resources Center.

DAVIS TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2023

The decrease in Capital Assets of \$2,195,313 for the year is the result of additional equipment assets of \$726,805 and campus improvements of \$1,524,232. The implementation of GASB 96 in fiscal year 2023 resulted in an increase of \$379,443 for Software Subscription Assets that have been purchased for educational programs and administrative uses and are amortized using the straight-line method over the subscription term. These increases were offset with depreciation and amortization expense of \$4,825,793.

Deferred Outflows increased for the current year by \$249,554 to \$1,840,983 resulting from increases of \$381,570 in projected and actual earnings on investments, \$46,164 in changes in proportion and differences between contributions and the proportionate share of contributions, \$513,557 due to changes between expected and actual experience in the defined benefits pension plan.

The Total Current Liabilities of the College decreased by \$52,761. The implementation of GASB 96 resulted in a new liability for the current portion of Accrued Software Subscription Arrangements of \$96,172. Accrued Termination benefits for former employees increased \$77,795 and Unearned Revenue increased \$65,846. Accrued Compensation Liabilities decreased \$227,664, Accounts Payable decreased \$63,506 and other liabilities decreased by \$1,404.

Noncurrent Liabilities increased by \$3,264,275 as the College recorded an increase of \$2,868,144 in Net Pension Liabilities and Accrued Termination Benefits increased by \$20,217. The noncurrent portion of the Accrued Leave Liability increased by \$44,762 and Other Accrued Compensation Liabilities increased by \$148,927. The implementation of GASB 96 resulted in a new liability for the noncurrent portion of Accrued Software Subscription Arrangements of \$182,225.

Deferred Inflows related to pensions decreased \$3,807,780 to \$168,472 resulting from increases of \$4,574 in changes between the actuarially expected and actual investment experience, as well as \$279,386 in changes in proportion and differences between contributions and the proportionate share of contributions.

The Total Net Position of the College decreased by \$847,684 from the previous fiscal year. Restricted Net Position decreased by \$103,025 to \$1,790,971, the change in restricted funds resulted primarily from a decrease in Custom Fit funds and does not have an impact on the availability of resources for future College needs. The College's net position at year-end was \$71,451,644.

DAVIS TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2023

Changes in Net Position. The following schedule presents a summary of changes in Net Position for the College for the fiscal years ended June 30, 2023 and 2022:

Changes in Net Position	Year Ended June 30, 2023 Amount	Year Ended June 30, 2022 Amount	Amount of Increase (Decrease)
Operating Revenues	\$ 9,786,216	\$ 9,676,529	\$ 109,687
Operating Expenses	(39,260,066)	(36,519,315)	(2,740,748)
Operating Income (Loss)	(29,473,850)	(26,842,786)	(2,631,061)
Nonoperating Revenues	27,897,848	26,603,261	1,294,587
Nonoperating Expenses	-	(18,637)	18,637
Nonoperating Income (Loss)	27,897,848	26,584,623	1,313,224
Income Before Other Items	(1,576,002)	(258,163)	(1,317,836)
Other Revenues and Expenses	728,318	3,075,965	(2,347,647)
Increase (Decrease) in Net Position	(847,684)	2,817,802	(3,665,489)
Net Position - Beginning of Year	72,299,328	69,481,526	2,817,802
Total Net Position	\$ 71,451,644	\$ 72,299,328	\$ (847,684)

The College experienced a net operating loss of \$29,473,850. The College is a State institution and receives a large portion of its revenues from State Appropriations. These appropriations are classified in the financial statements of the College as nonoperating revenues. The state appropriation is anticipated as a means of covering a majority of the costs of operating the College. During fiscal year 2023, the State appropriation of \$24,346,400 was sufficient to offset all but \$5,120,461 of the amount shown on the financial statements as an operating loss.

After considering nonoperating revenues and expenses, and other items, the College had a decrease in Total Net Position of \$847,684. Prior to recording depreciation expenses of \$4,733,037, the College had an increase in net position of \$3,885,354. The Other Revenues of the College consisted of \$693,318 in capital projects on the campus completed by the State of Utah's Division of Facilities Construction and Management, which is a reduction of projects completed from the prior year of \$2,169,043 and \$35,000 in equipment donated to the College through the Foundation.

DAVIS TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2023

Revenues. The following schedule presents a summary of College revenues for the fiscal years ended June 30, 2023, and 2022:

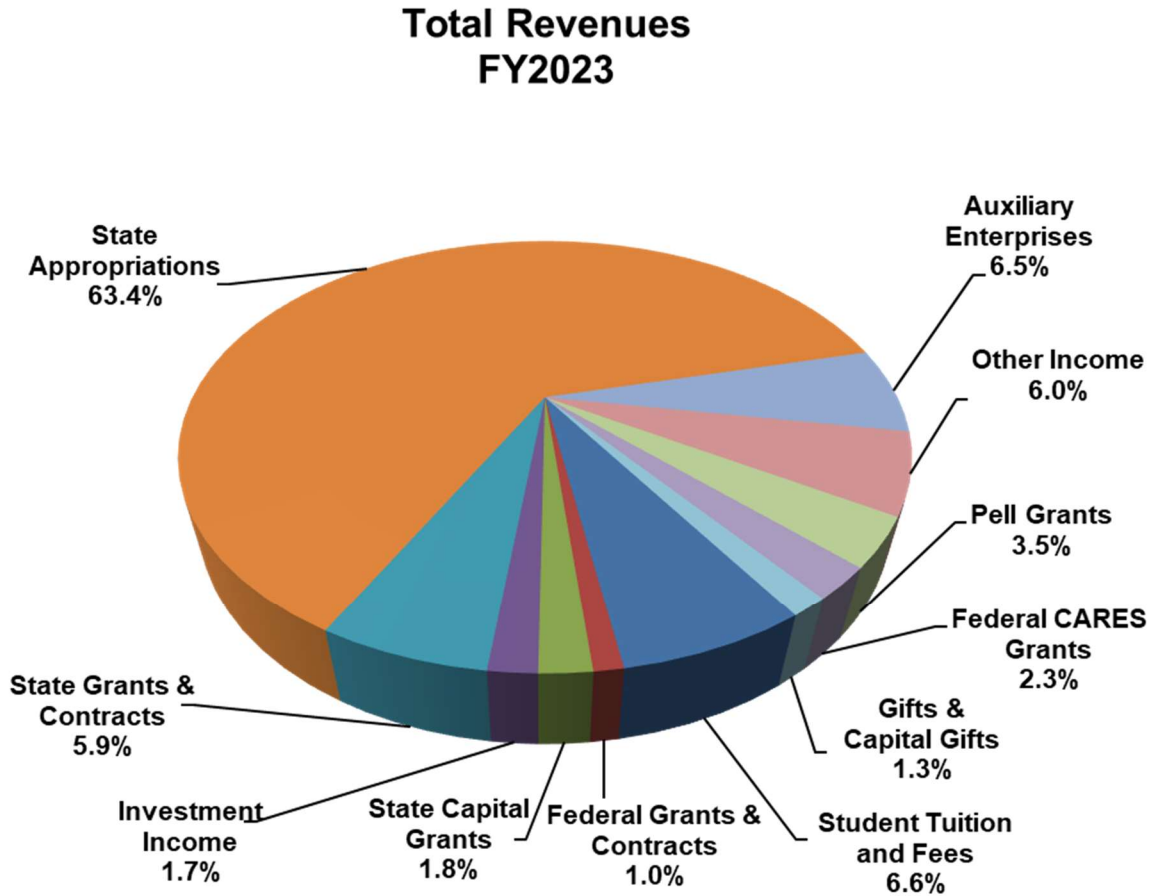
Revenues	Year Ended June 30, 2023 Amount	Percent of Total	Year Ended June 30, 2022 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Operating Revenues:					
Student Tuition and Fees	\$ 2,520,992	6.56%	\$ 2,193,671	\$ 327,321	14.92%
Federal Grants and Contracts	391,705	1.02%	258,888	132,817	51.30%
State Grants and Contracts	2,256,709	5.87%	2,721,515	(464,806)	(17.08%)
Local Grants and Contracts	24,717	0.06%	30,311	(5,594)	(18.46%)
Nongov Grants & Contracts	979,310	2.55%	1,015,712	(36,402)	(3.58%)
Sales & Services of Ed Depts	26,626	0.07%	62,854	(36,228)	(57.64%)
Auxiliary Enterprises	2,480,108	6.46%	2,268,361	211,747	9.33%
Other Operating Revenues	232,499	0.62%	216,749	15,750	7.27%
Independent Operations	873,550	2.27%	908,468	(34,918)	(3.84%)
Total Operating Revenues	9,786,216	25.48%	9,676,529	109,687	1.13%
Nonoperating Revenues:					
State Appropriations	24,346,400	63.40%	21,733,100	2,613,300	12.02%
Gifts	494,670	1.29%	1,046,544	(551,874)	(52.73%)
Investment Income	646,311	1.68%	-	646,311	100.00%
Disposal of Capital Assets	8,977	0.02%	13,768	(4,791)	(34.80%)
Federal Pell Grants	1,361,282	3.54%	983,465	377,817	38.42%
Federal CARES Act: HEERF Grants	891,193	2.32%	2,713,710	(1,822,517)	(67.16%)
Other Nonoperating Revenues	149,015	0.38%	112,673	36,342	32.25%
Total Nonoperating Revenues	27,897,848	72.63%	26,603,260	1,294,588	4.87%
Other Revenues:					
Capital Grants	693,318	1.80%	2,862,360	(2,169,042)	(75.78%)
Capital Gifts	35,000	0.09%	213,605	(178,605)	(83.61%)
Total Other Revenues	728,318	1.89%	3,075,965	(2,347,647)	(76.32%)
Total Revenues	\$ 38,412,382	100.00%	\$ 39,355,754	\$ (943,372)	(2.40%)

The revenue comparison between fiscal year 2023 and fiscal year 2022 shows a decrease in total revenues of \$943,372 or (2.40%) over the prior year. The largest factors in this decrease were a reduction in Capital Grants of \$2,169,043 due to onetime funding received in fiscal year 2022 for the purchase of the North Building and a decrease of \$1,822,517 in Federal CARES Act funding. Gift income to the Foundation also decreased by \$551,874 and State Grant and Contracts decreased by \$464,806 from reductions in Utah Works Composites and GOED Diesel grants.

State Appropriations increased by \$2,613,300 as the State provided \$1,057,500 towards training program expansion, \$1,119,500 for employee compensation, and \$405,800 in new equipment funding. Student Tuition and fees increased by \$327,321 due to enrollment increases in many programs with the largest increase in Composite Materials Technology, CNC Machining, Business Administrative Services, Culinary Arts and Welding Technology.

**DAVIS TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2023**

Investment Income increased \$646,311 from the previous fiscal year. Actual interest earned was \$597,746, and a GASB 31 fair market value increase adjustment of \$48,565 for the College's Public Treasurers' Investment Fund (PTIF).



DAVIS TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2023

Expenses. The following schedule presents a summary of College expenses for the fiscal years ended June 30, 2023 and 2022:

Expenses	Year Ended June 30, 2023 Amount	Percent of Total	Year Ended June 30, 2022 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Operating Expenses:					
Salaries and Wages	\$ 17,758,164	45.24%	\$ 16,362,478	\$ 1,395,686	8.53%
Benefits	6,559,885	16.71%	6,058,075	501,810	8.28%
Actuarial Calculated Pension Expense	910,242	2.32%	(311,140)	1,221,382	(392.55%)
Scholarships	1,076,988	2.74%	2,716,005	(1,639,017)	(60.35%)
Utilities	793,753	2.02%	686,611	107,142	15.60%
Supplies and Other Services	7,335,241	18.68%	6,927,388	407,853	5.89%
Depreciation and Amortization	4,825,793	12.29%	4,079,898	745,895	18.28%
Total Operating Expenses	<u>39,260,066</u>	<u>100.00%</u>	<u>36,519,315</u>	<u>2,740,751</u>	<u>7.50%</u>
Nonoperating Expenses:					
Investment Loss	-	0.00%	18,637	(18,637)	(100.00%)
Total Nonoperating Expenses	<u>-</u>	<u>0.00%</u>	<u>18,637</u>	<u>(18,637)</u>	<u>(100.00%)</u>
Total Expenses	<u>\$ 39,260,066</u>	<u>100.00%</u>	<u>\$ 36,537,952</u>	<u>\$ 2,722,114</u>	<u>7.45%</u>

Total Operating Expenses for the year increased by \$2,740,751 from the prior year. Salaries and Wages expenses increased by \$1,395,686. Full time instructors were added in Web Design, Electrical Apprenticeship, Plumbing, and Dental Assisting. New full-time staff positions included a Recruiter, Basic Needs Advisor, and Safety and Risk Manager.

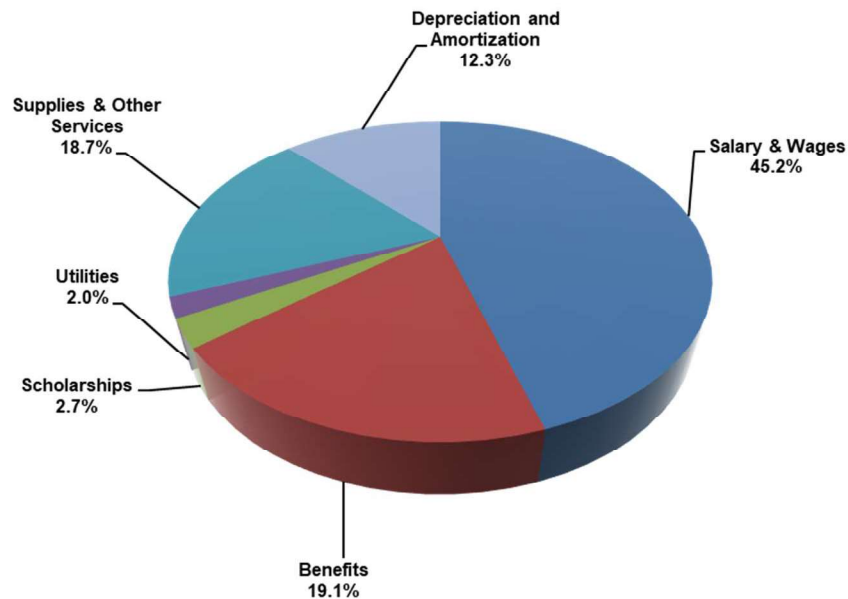
Benefits expenses increased by \$501,810 from the prior year, with \$351,479 in additional health insurance premiums. Actuarial Calculated Pension Expense increased by \$1,221,382 as required by the reporting requirements of GASB 68. Additional information on this standard can be found in Note 8 of the Notes to the Financial Statements.

Scholarship expenses decreased by \$1,639,017 with a decrease of \$1,836,450 in CARES related scholarships with minor decreases in other areas, partially offset by increases in Pell Grant scholarships.

Depreciation expense increased by \$745,895 to \$4,825,793. Depreciation of buildings increased by \$693,027 and Equipment depreciation decreased by \$39,888 from the prior year. Software Subscription Amortization expense of \$92,756 was reported in FY23 as required by the reporting requirements for implementation of GASB 96.

**DAVIS TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2023**

**Total Operating Expenses
FY2023**



Capital Asset Administration

Capital Assets. The College's investment in capital assets as of June 30, 2023 amounts to \$59,711,829 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment and subscription-based software agreements. There were additions of \$2,630,481 before depreciation and amortization during the fiscal year. Of this amount \$693,318 was for projects completed at the College by the State Division of Facilities Construction and Management (DFCM). DFCM projects completed in fiscal year 2023 include \$376,314 for power upgrades in the main building, \$283,646 for ventilation and central air compressor systems in the Barlow building and \$33,356 for other remodel and improvement projects. The implementation of GASB 96 resulted in an increase of \$379,443 for Software Subscription Assets that have been purchased for educational programs and administrative uses and are amortized using the straight-line method over the subscription term.

The College retired \$2,809,249 in assets during the year, all of which had been fully depreciated. Depreciation for the year was \$4,733,037. Additional information on the College's capital assets can be found in Note 5 of the Notes to the Financial Statements.

**DAVIS TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2023**

The following schedule presents a summary of College Capital Assets for the fiscal years ended June 30, 2023 and 2022:

Capital Assets (net of depreciation & amortization)	Year Ended June 30, 2023	Year Ended June 30, 2022	Amount of Increase (Decrease)
	Amount	Amount	
Land	\$ 1,989,080	\$ 1,989,080	\$ -
Buildings and Improvements	54,913,203	56,939,940	(2,026,737)
Equipment	2,522,859	2,978,122	(455,263)
Software Subscriptions	286,687	-	286,687
Total Capital Assets, net	<u>\$ 59,711,829</u>	<u>\$ 61,907,142</u>	<u>\$ (2,195,313)</u>

Factors Effecting Net Position or Operations

Utah Department of Corrections Contract. Since 2010, the College has provided technical training to the inmates at the Utah State Prison, under a contract with the Utah Department of Corrections. The training includes automotive technology, machining, welding technology, culinary arts, and computer applications. This contract was renewed in June 2022 and will expire on June 30, 2025.

State Economic Outlook. The College receives a significant portion of its funding through legislative appropriations from the State of Utah; therefore, the general economic condition of the State has a direct impact on the College's ability to provide services to students and employers in the Davis and Morgan County service areas. Utah's economic position is one of the strongest in the nation with annual employment growth as of June 30, 2023 of 3.2% and a low unemployment rate of 2.4%. This position has allowed the State to increase funding to the College through the legislative process to accommodate the growing needs of students and employers. It is anticipated that these annual increases in funding will continue as the State of Utah continues to experience both population and revenue growth.

Requests for Information

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

DAVIS TECHNICAL COLLEGE
STATEMENT OF NET POSITION
June 30, 2023

ASSETS

Current Assets:

Cash and Cash Equivalents (Note 2)	\$ 13,465,694
Receivables (Note 3)	
Due from the State of Utah	695,381
Other	252,208
Inventories	339,511
Prepaid Expenses and Other Assets	98,614
Total Current Assets	<u>14,851,408</u>

Noncurrent Assets:

Restricted Cash and Cash Equivalents (Note 2)	535,971
Investments in Real Estate	836,416
Capital Assets, net (Note 5)	59,711,829
Total Noncurrent Assets	<u>61,084,216</u>
Total Assets	<u>75,935,624</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows Related to Pensions (Note 8)	<u>1,840,983</u>
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LIABILITIES

Current Liabilities:

Accounts Payable (Note 3)	
Due to the State of Utah	94,307
Other	668,416
Accrued Compensation Liabilities	742,481
Unearned Revenue	228,107
Funds Held in Custody for Others	3,877
Accrued Termination Benefits (Note 7)	126,829
Accrued Software Subscription Arrangements (Note 4)	96,172
Total Current Liabilities	<u>1,960,189</u>

Noncurrent Liabilities:

Net Pension Liability (Note 8)	2,868,143
Accrued Leave (Note 6)	976,790
Accrued Termination Benefits (Note 7)	20,217
Other Accrued Compensation Liabilities	148,927
Accrued Software Subscription Arrangements (Note 4)	182,225
Total Noncurrent Liabilities	<u>4,196,302</u>
Total Liabilities	<u>6,156,491</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows Related to Pensions (Note 8)	<u>168,472</u>
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NET POSITION

Net Investment in Capital Assets (Note 5)	59,711,829
Restricted For (Note 15):	
Nonexpendable	836,416
Expendable:	
Scholarships	384,483
Grants, Contracts and Other	570,072
Unrestricted	9,948,844
Total Net Position	<u>\$ 71,451,644</u>

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

DAVIS TECHNICAL COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2023

REVENUES

Operating Revenues:

Student Tuition and Fees (net of scholarship allowances of \$1,247,920)	\$ 2,520,992
Federal Grants and Contracts	391,705
State Grants and Contracts	2,256,709
Local Grants and Contracts	24,717
Nongovernmental Grants and Contracts	979,310
Sales and Services of Educational Departments	26,626
Auxiliary Enterprises (net of scholarship allowances of \$23,731)	2,480,108
Other Operating Revenues	232,499
Independent Operations	873,550
Total Operating Revenues	<u>9,786,216</u>

EXPENSES

Operating Expenses (Note 10):

Salaries and Wages	17,758,164
Benefits (Notes 6,7,8,9)	6,559,885
Actuarial Calculated Pension Expense (Note 8)	910,242
Scholarships	1,076,988
Utilities	793,753
Supplies and Other Services	7,335,241
Depreciation and Amortization (Note 5)	4,825,793
Total Operating Expenses	<u>39,260,066</u>
Operating Income (Loss)	<u>(29,473,850)</u>

NONOPERATING REVENUES (EXPENSES)

State Appropriations	24,346,400
Gifts	494,670
Investment Income (Loss)	646,311
Disposal of Capital Assets	8,977
Federal Pell Grants	1,361,282
Federal CARES Act: Higher Education Emergency Relief Funds	891,193
Other Nonoperating Revenues (Expenses)	149,015
Total Nonoperating Revenues (Expenses)	<u>27,897,848</u>
Income (Loss) Before Capital Grants and Contributions	<u>(1,576,002)</u>

Capital Grants and Contributions

Capital Grants	693,318
Capital Gifts	35,000
Total Capital Grants and Contributions	<u>728,318</u>

Change in Net Position (847,684)

NET POSITION

Net Position - Beginning of Year	72,299,328
Net Position - End of Year	<u>\$ 71,451,644</u>

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

DAVIS TECHNICAL COLLEGE
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Tuition and Fees	\$ 2,586,838
Receipts from Sponsors, Grants, and Contracts	3,805,657
Payments to Suppliers	(8,241,799)
Payments for Scholarships	(1,076,988)
Payments to Employees	(25,424,278)
Receipts from Auxiliary Enterprise Charges	2,480,108
Other Receipts	1,280,286
Net Cash Flow Provided (Used) by Operating Activities	<u>(24,590,176)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Nonmandatory Transfers for:	
State Appropriations	24,346,400
Gifts and Grants Received for Other Than Capital Purposes:	
Private Gifts	522,472
Federal Cares Act Funds	891,193
Financial Aid Grants	1,361,282
Net Cash Flow Provided (Used) by Noncapital Financing Activities	<u>27,121,347</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds From Sale of Capital Assets	8,977
Purchases of Capital Assets	(1,522,721)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,513,744)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Dividend Received From Investment in Real Estate	74,987
Interest on Investments	646,311
Net Cash Provided (Used) by Investing Activities	<u>721,298</u>

Net Increase/(Decrease) in Cash	<u>\$ 1,738,725</u>
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CASH - BEGINNING OF YEAR

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

CASH - END OF YEAR

Cash and Cash Equivalents	\$ 13,465,694
Restricted Cash	535,971
Total Cash End of Year	<u>\$ 14,001,665</u>

(continued)

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

DAVIS TECHNICAL COLLEGE
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2023
(continued)

RECONCILIATION OF NET OPERATING INCOME (LOSS) TO:

Net Cash Provided (Used) by Operating Activities:

Operating Income (Loss)	\$ (29,473,850)
Difference between Actuarial Calculated Pension Expense and Actual Contributions	(260,025)
Other Nonoperating Revenues (Expenses)	149,015
Adjustments to Reconcile Net Position (Loss) to	
Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization Expense	4,825,793
In-Kind Gifts Received and Expensed	(102,789)
Change in Assets and Liabilities:	
Receivables	153,217
Inventories	73,770
Prepaid Expenses and Other Assets	80,764
Accounts Payable	(63,506)
Accrued Compensation Liabilities	(227,664)
Other Accrued Compensation Liabilities	148,927
Accrued Software Subscription Liabilities	(101,045)
Unearned Revenue	65,846
Funds Held in Custody for Others	(1,405)
Accrued Leave	44,763
Accrued Early Termination Benefits	98,013
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (24,590,176)</u></u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Construction projects transferred from State of Utah (DFCM)	\$ 693,318
Donated Equipment or Other Assets	35,000
Total Noncash Investing, Capital, and Financing Activities	<u><u>\$ 728,318</u></u>

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

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Reporting Entity

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

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

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

Blended Presentation Component Unit

The Davis Technical College Foundation, Inc. (Foundation) is a legally separate and tax-exempt organization that was formed to exclusively benefit the College and its students. The College provides administrative resources for the daily operations of the Foundation. The nature of the relationship between the Foundation and College meets the requirements for the Foundation to be presented in the College's financial statements as a blended component unit. Further information, as well as condensed financials for the Foundation, can be found in Note 11.

Measurement Focus and Basis of Accounting

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

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Cash & Cash Equivalents and Investments

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

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

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

Inventories

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

Income Taxes

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

Equity Interest in Apartment Complex

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

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Interest in Apartment Complex (continued)

The apartments are HUD properties and are thus subject to significant governmental regulation and control. These regulations limit the control that the Foundation and other investors have over the apartments. The interest in the apartments is being accounted for using the cost method of accounting due to the limited control over the investment. In the event the apartments are sold the Foundation would recognize a significant gain due to the appreciation of the property since 2002.

Capital Assets

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

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

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

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

Subscription-Based Information Technology Arrangements

Effective July 1, 2022, the College implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The College has recognized a subscription liability and a subscription asset for subscriptions purchased for educational programs and administrative uses. Subscription assets and Subscription liabilities are recorded at the present value of payments expected to be made during the subscription term. The implementation has no effect on prior period net position. The College measured qualifying SBITAs using a 5-year discount rate provided by the Utah Division of Finance. Subscription assets are amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying asset. Additional information regarding SBITA's can be found in Note 4.

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

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

Pensions

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

Leases

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

Deferred Outflows/Inflows of Resources

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

Prior Year's Presentation

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

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS

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

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

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the College's deposits may not be returned to it. The College does not have a formal deposit policy for custodial credit risk. As of June 30, 2023, \$302,920 of the College's bank balances of \$552,920 was uninsured and uncollateralized. All of the Foundation's \$16,738 bank balances were insured.

Investments

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

Statutes authorize the College to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac) and Federal National Mortgage Association (Fannie Mae),

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers Investment Fund (PTIF).

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

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

Fair Value of Investments

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

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

The debt and equity securities classified in Level 2 are valued using the application of the June 30, 2023 fair value factor, as calculated by the Utah State Treasurer, to the College’s ending balance in the Fund.

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2023, the College and Foundation had the following recurring fair value measurements.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
State of Utah Public Treasurers' Investment Fund	\$13,428,442	-	\$13,428,442	-

Interest Rate Risk

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

As of June 30, 2023, the College and Foundation had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
State of Utah Public Treasurers' Investment Fund	\$13,428,442	\$13,428,442	-	-	-

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk

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

As of June 30, 2023, the College and Foundation had the following investments and quality ratings:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Quality Ratings</u>	
		<u>AAA</u>	<u>Unrated</u>
State of Utah Public Treasurers' Investment Fund	\$13,428,442	-	\$13,428,442

Concentration of Credit Risk

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

Custodial Credit Risk

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

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 3 – ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

Schedule of Accounts Receivable

	<u>June 30, 2023</u>
Amounts due from the State of Utah	
Student Tuition and Fees	\$ 24,115
State Grants and Contracts	454,047
Operations	118,249
Independent Operations	98,970
Total due from the State of Utah	<u>695,381</u>
Amounts due from Others	
Student Tuition and Fees	122,253
Federal Grants and Contracts	12,918
Operations	117,037
Total due from Others	<u>252,208</u>
 Total Accounts Receivable	 <u>\$ 947,589</u>

Schedule of Accounts Payable

	<u>June 30, 2023</u>
Amounts due to the State of Utah	94,307
Amounts due to Others:	
Students	53,132
Sponsors	96,743
Vendors	511,058
Employees	7,483
Total amounts due to Others	<u>668,416</u>
 Total Accounts Payable	 <u>\$ 762,723</u>

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 4 – SUBSCRIPTION-BASED IT ARRANGEMENTS

The College has entered into several Subscription-Based Information Technology Arrangements (SBITAs) for educational programs and administrative uses. Total payments for such arrangements were \$108,034, which includes \$6,989 interest expense, for the fiscal year ended June 30, 2023. The following is a schedule by year of future subscription-based information technology obligations for the previously described arrangement:

Fiscal Year	Total Future SBITA Payments	Less Amounts Representing Interest	Present Value of Future SBITA Payments
2024	\$ 101,313	\$ 5,141	\$ 96,172
2025	103,361	3,220	100,141
2026	43,243	1,496	41,747
2027	40,948	611	40,337
Total	<u>\$ 288,865</u>	<u>\$ 10,468</u>	<u>\$ 278,397</u>

NOTE 5 – CAPITAL ASSETS

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

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Additions from College	Additions from DFCM	Reductions & Retirements	Balance June 30, 2023
Capital Assets					
Buildings & Improvements	\$ 88,321,289	\$ 830,916	\$ 693,317	\$ 2,004,522	\$ 87,840,999
Equipment	12,212,862	726,805	-	804,727	12,134,940
Software Based Agreements	-	379,443	-	-	379,443
Land	1,989,080	-	-	-	1,989,080
Total	<u>102,523,231</u>	<u>1,937,164</u>	<u>693,317</u>	<u>2,809,249</u>	<u>\$ 102,344,462</u>
Less Accumulated Depreciation & Amortization					
Buildings & Improvements	31,381,349	3,550,969	-	(2,004,522)	32,927,796
Equipment	9,234,740	1,182,068	-	(804,727)	9,612,081
Software Based Agreements	-	92,756	-	-	92,756
Total Accumulated Depreciation and Amortization	<u>40,616,089</u>	<u>4,825,793</u>	<u>-</u>	<u>(2,809,249)</u>	<u>42,632,633</u>
Net Capital Assets	<u>\$ 61,907,142</u>	<u>\$ (2,888,629)</u>	<u>\$ 693,317</u>	<u>\$ -</u>	<u>\$ 59,711,829</u>

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 6 - ACCRUED LEAVE

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

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

Balance at June 30, 2022	\$ 932,027
Additions to Accrued Leave	1,042,227
Accrued Leave Used	<u>(997,464)</u>
Balance at June 30, 2023	<u>\$ 976,790</u>
Amount due through June 30, 2024	\$ -

NOTE 7 - ACCRUED TERMINATION BENEFITS

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

	<u>Stipends</u>	<u>Medical Insurance</u>	<u>Total</u>
Balance at June 30, 2022	\$ -	\$ 49,034	\$ 49,034
Additions	116,196	121,731	237,926
Deletions (Payments)	<u>(75,663)</u>	<u>(64,251)</u>	<u>(139,914)</u>
Balance at June 30, 2023	<u>\$ 40,533</u>	<u>\$ 106,513</u>	<u>\$ 147,046</u>
Amount due through June 30, 2024	\$ 40,533	\$ 86,296	\$ 126,829

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

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

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

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

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

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

NOTE 8 - DEFINED BENEFIT PENSION PLANS

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

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description

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

Public Employees Noncontributory Retirement System (Noncontributory System)

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

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System. The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

Benefits Provided

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

Summary of Benefits by System

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

* Actuarial reductions are applied.

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit.

The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy

As a condition of participation in the Systems, the College is required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

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

	Employer Contribution Rates	Employer Rate for 401K Plan
Noncontributory System	22.19%	1.50%
Noncontributory System, Post Retired Amortization	9.94%	0%
Tier 2 Public Employees System*	19.84%	0.18%
Tier 2 Public Employees System DC Only*	10.02%	10.00%

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

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

	Employer Contributions	Employee Contributions
Noncontributory System	\$ 682,667	N/A
Tier 2 Public Employees System*	404,160	-
Tier 2 Public Employees System DC Only*	<u>84,256</u>	N/A
Total Contributions	\$1,171,083	

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

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

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

At June 30, 2023, the College reported a net pension asset of \$0 and a net pension liability of \$2,868,143. The net pension asset decreased \$929,166 from the June 30, 2022 balance of \$929,166 and the net pension liability increased \$2,868,143 from the June 30, 2022 balance of \$0.

	Measurement Date: December 31, 2022			December 31, 2021	
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share	Change (Decreases)
Noncontributory System	\$0	\$2,780,846	0.1287861%	0.1307969%	(0.0020108)%
Tier 2 Public Employees System	0	87,297	0.0801702%	0.0838853%	(0.0037151)%
	<u>\$0</u>	<u>\$2,868,143</u>			

The net pension asset and liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022 and rolled forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the College's actual contributions to the Systems during the plan year over the total of all employer contributions to the Systems during the plan year.

For the Year Ended June 30, 2023, the College recognized a pension expense of \$910,242

As of June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 513,557	\$ 3,464
Changes in assumptions	187,463	222
Net difference between projected and actual earnings on pension plan investments	513,084	-
Changes in proportion and differences between contributions and proportionate share of contributions	46,164	164,786
Contributions subsequent to the measurement date	580,715	-
Total	<u>\$1,840,983</u>	<u>\$ 168,472</u>

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

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

The College reported \$580,715 as deferred outflows of resources related to pensions results from contributions made prior to the fiscal year end, but subsequent to the measurement date of December 31, 2022. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2023	(\$56,238)
2024	70,112
2025	217,189
2026	822,189
2027	8,050
Thereafter	30,494

Actuarial assumptions: The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

The actuarial assumptions used in the January 1, 2022, valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

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

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

Asset class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	35%	6.58%	2.30%
Debt securities	20%	1.08%	0.22%
Real assets	18%	5.72%	1.03%
Private equity	12%	9.80%	1.18%
Absolute return	15%	2.91%	0.44%
Cash and cash equivalents	0%	-0.11%	0.00%
Totals	100%		5.17%
		Inflation	2.50%
		Expected arithmetic nominal return	7.67%

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

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Discount rate

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.85%.

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

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

	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Proportionate share of Net Pension (asset)/liability			
Noncontributory System	\$6,950,442	\$2,780,846	(\$708,169)
Tier 2 Public Employees System	381,439	87,297	(139,303)
	<u>\$7,331,881</u>	<u>\$2,868,143</u>	<u>\$(847,472)</u>

Pension Plan Fiduciary Net Position

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

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 9 - DEFINED CONTRIBUTION PLANS

Utah Retirement Systems

The College participates in the 401(k) plan administered by the Utah Retirement Systems (Systems). This plan is a defined contribution plan. The plan is established and governed by Chapter 49 of the Utah Code Annotated, 1953, as amended. The 401(k) plan is a supplemental plan to basic retirement benefits of URS. The College is required by statute to contribute 1.5% of eligible employees' salaries which vests immediately. During the year ended June 30, 2023, the College contributed \$133,578.

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

In September of 2011, eligible employees of the College voted to not participate in the Social Security system as allowed under the guidelines of Section 218 of the Social Security Act. As a result, beginning in October of 2011, the College began contributing 6.2% of these eligible employee's salaries into their respective URS 401(k) accounts in place of the Employer's Social Security contribution. These contributions totaled \$913,578 for the year ended June 30, 2023. Voluntary contributions may also be made into the plan by employees, subject to plan and internal revenue code limitations. During the year ended June 30, 2023, College employees made voluntary contributions to the plan of \$535,514

Teachers Insurance and Annuity Association

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

TIAA provides individual retirement fund contracts with each participating employee. The benefits provided to retired employees are based on the value of the individual contracts and the estimated life expectancy of the employee at retirement. Participation in TIAA is authorized by Chapter 49 of the Utah Code Annotated, 1953, as amended. Contributions by the College to the employee's contract become vested at the time the contribution is made. Employees are eligible to participate from the date of employment and are not required to contribute to the fund. For the year ended June 30, 2023, the College's contribution to this defined contribution retirement plan was 14.2% of the participating employees' annual salaries.

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 9 - DEFINED CONTRIBUTION PLANS (Continued)

Teachers Insurance and Annuity Association (continued)

The College has no further liability once contributions are made. During the year ended June 30, 2023, the College contributed \$1,314,194 to the plan, and employees made voluntary contributions to the plan of \$176,381.

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, 2023

	Salary and Wages	Employee Benefits*	Scholarships	Utilities	Supplies & Other	Depreciation & Amortization	Total
Instruction	\$ 8,585,661	\$ 3,292,756	\$ 37,870	\$ -	\$ 3,097,293	\$ -	\$ 15,013,580
Academic Support	2,154,738	1,030,617	-	-	120,823	-	3,306,178
Student Services	2,045,321	952,200	-	-	663,664	-	3,661,185
Institutional Support	2,546,193	1,121,197	-	17,366	535,750	-	4,220,506
Operations and Maintenance	1,410,976	699,135	-	772,424	781,338	4,825,793	8,489,666
Scholarships	-	-	1,039,118	-	-	-	1,039,118
Auxiliary	819,138	305,882	-	3,963	1,690,172	-	2,819,155
Independent Operations	196,137	68,340	-	-	446,201	-	710,678
Total	<u>\$ 17,758,164</u>	<u>\$ 7,470,127</u>	<u>\$ 1,076,988</u>	<u>\$ 793,753</u>	<u>7,335,241</u>	<u>\$ 4,825,793</u>	<u>\$ 39,260,066</u>

* Employee Benefits includes the Actuarial Calculated Pension Expense

NOTE 11 – DAVIS TECH FOUNDATION -Blended Presentation Component Unit

The Davis Technical College Foundation, Inc. (Foundation) is a legally separate, tax-exempt component unit of the College. The Foundation acts exclusively as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The majority of the resources or income the Foundation holds and invests is restricted to the activities of the College by the donors. Additionally, the College Board of Trustees approves the individuals who are appointed to serve on the Foundation's separate Board of Trustees. With these limits on use of Foundation funds and the level of control of the Foundation Board, the Foundation is considered a component unit of the College and is presented in the College's financial statements as a blended component unit. During the year ended June 30, 2023, the Foundation distributed \$516,016 to the College for both restricted and unrestricted activities.

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 11 – DAVIS TECH FOUNDATION - Blended Presentation Component Unit (Continued)

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

DAVIS TECHNICAL COLLEGE FOUNDATION CONDENSED FINANCIAL STATEMENTS For the Fiscal Year Ended June 30, 2023			
Statement of Net Position		Statement of Revenues, Expenses, and Changes in Net Position	
Assets		Operating Revenues:	
Current Assets		Gifts	\$ 407,260
Cash and Investments	\$ 695,571	Fund Raisers	90,534
Accounts Receivable	1,500	Total Operating Revenues	497,794
Noncurrent Assets		Operating Expenses:	
Restricted Cash and Investments	535,971	Staff Support	24,000
Other Non Current Assets	836,416	Scholarships	250,634
Total Assets	2,069,458	Equipment Donations	117,312
		Other Expenses	186,728
Liabilities and Net Assets		Total Operating Expenses	578,674
Current Liabilities	19,913	Operating Income	(80,880)
Total Liabilities and Unearned Revenue	19,913		
Net Position		Nonoperating Revenues:	
Nonexpendable	836,416	Interest & Other Income	119,736
Expendable	723,581	Change in Net Position	38,856
Unrestricted	489,548	Net Position at beginning of year	2,010,689
Total Net Position	\$ 2,049,545	Net Position at end of year	\$ 2,049,545
DAVIS TECHNICAL COLLEGE FOUNDATION Statement of Cash Flows			
Cash Flows From Operating Activities			
Cash received through contributions & fundraisers			\$ 361,305
Cash payments for operations			(196,732)
Cash payments for scholarships			(250,634)
Net Cash Provided by (Used in) Operating Activities			(86,061)
Cash Flows From Investing Activities			
Interest and Dividends			44,749
Real Estate income			74,987
Net Cash Provided by (Used in) Investing Activities			119,736
Increase in Cash and Cash Equivalents			33,675
Cash and Cash Equivalents at Beginning of Year			1,197,867
Cash and Cash Equivalents at End of Year			\$ 1,231,542

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 12 - UTAH CAREER PATH HIGH CHARTER SCHOOL

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

NOTE 13 – CONTINGENT LIABILITIES

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

NOTE 14 – RISK MANAGEMENT

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

NOTE 15 - RESTRICTIONS ON NET POSITION

The restrictions on net position on June 30, 2023 relate to specific College appropriations, contracts and grants, Foundation donations of partnership interest, and various scholarships.

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 15 - RESTRICTIONS ON NET POSITION (Continued)

Restricted net position is available for the following purposes:

Nonexpendable Assets:	
Interest in Skyline Apartments	\$ 836,416
Expendable Assets:	
Scholarships	384,483
Capital Projects	339,098
Contracts, Grants & Other	230,974
Total Expendable:	<u>\$ 954,555</u>
Total Restricted Net Position	<u>\$1,790,971</u>

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

NOTE 16 – RELATED PARTY TRANSACTIONS

Results Group LLC employs Kristen Toone as a trainer and facilitator. She is the spouse of Adam Toone, who sits on the College Board of Trustees as a representative of the Morgan School District. During the fiscal year, the College contracted with Results Group LLC for training services totaling \$4,000. As of June 30, 2023, there were no outstanding amounts due to or from Results Group LLC to the College.

NOTE 17 – CORONAVIRUS RELATED FUNDING

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan Act (ARPA) provide budgetary relief to higher education institutions through numerous provisions. The College received a total of \$897,584 in relief related funding directly from the Department of Education as well as passed through the State of Utah, other state agencies and Davis County. The College does not expect to receive amounts of this magnitude in future periods.

Coronavirus Relief Usage:

Direct Payments to Students	\$ 235,000
Student Scholarships	6,391
HVAC Upgrades	497,271
Covid Related Wages and Other Uses	158,922
	<u>\$ 897,584</u>

DAVIS TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2023

NOTE 18 – Subsequent Events

Davis Tech Foundation held a minority equity interest in an apartment complex as mentioned in Note 1 “Equity Interest in Apartment Complex”. Davis Technical College has been notified that the apartment complex mentioned in Note 1 was sold on August 31, 2023. As a result of the sale, the foundation will recognize a significant gain due to the appreciation of the property since 2002.

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DAVIS TECHNICAL COLLEGE

REQUIRED SUPPLEMENTARY INFORMATION

Fiscal Year Ended June 30, 2023

Kaysville, Utah

A Component Unit of the State of Utah

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

	<u>Dec 31, 2022</u>	<u>Dec 31, 2021</u>	<u>Dec 31, 2020</u>
Noncontributory System			
Proportion of the net pension liability (asset)	0.1287861%	0.1307969%	0.1469770%
Proportionate share of the net pension liability (asset)	\$ 2,780,846	\$ (893,662)	\$ 1,959,382
Covered payroll	\$ 3,095,878	\$ 3,151,974	\$ 3,554,864
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	89.82%	-28.35%	55.12%
Plan fiduciary net position as a percentage of the total pension liability	91.96%	102.70%	94.30%
Tier 2 Public Employees System			
Proportion of the net pension liability (asset)	0.0801702%	0.0838853%	0.0974641%
Proportionate share of the net pension liability (asset)	\$ 87,297	\$ (35,503)	\$ 14,018
Covered payroll	\$ 1,746,837	\$ 1,557,791	\$ 1,558,020
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	5.00%	-2.28%	0.90%
Plan fiduciary net position as a percentage of the total pension liability	92.30%	103.80%	98.30%

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

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

	<u>Dec 31, 2019</u>	<u>Dec 31, 2018</u>	<u>Dec 31, 2017</u>	<u>Dec 31, 2016</u>	<u>Dec 31, 2015</u>	<u>Dec 31, 2014</u>
	0.1364194%	0.1281333%	0.1247564%	0.1222902%	0.1157513%	0.1120223%
\$	3,030,832	\$ 4,767,221	\$ 3,050,746	\$ 3,963,324	\$ 3,636,080	\$ 2,814,592
\$	3,370,813	\$ 3,443,177	\$ 3,345,420	\$ 3,320,678	\$ 3,194,598	\$ 3,154,934
	89.91%	138.45%	91.19%	119.35%	113.82%	89.20%
	90.10%	84.10%	89.20%	84.90%	84.50%	87.20%
	0.0786608%	0.0721595%	0.0704864%	0.0645909%	0.0325978%	0.0218031%
\$	17,691	\$ 30,904	\$ 6,215	\$ 7,205	\$ (71)	\$ (661)
\$	1,092,836	\$ 843,444	\$ 689,162	\$ 529,700	\$ 210,680	\$ 106,918
	1.62%	3.66%	0.90%	1.36%	-0.03%	-0.60%
	96.50%	90.80%	97.40%	95.10%	100.20%	103.50%

DAVIS TECHNICAL COLLEGE
SCHEDULE OF PENSION CONTRIBUTIONS
Last Ten Fiscal Years

	<u>2023*</u>	<u>2022*</u>	<u>2021*</u>
Noncontributory System			
Actuarial determined contributions	\$ 682,667	\$ 685,963	\$ 708,898
Contributions in relation to the contractually required contribution	(682,667)	(685,963)	(708,898)
Contribution deficiency (excess)	-	-	-
Covered payroll	\$ 3,085,549	\$ 3,103,380	\$ 3,228,541
Contributions as a percentage of covered payroll ***	22.12%	22.10%	21.96%
Tier 2 Public Employees System**			
Actuarial determined contributions	\$ 404,160	\$ 306,618	\$ 303,664
Contributions in relation to the contractually required contribution	(404,160)	(306,618)	(303,664)
Contribution deficiency (excess)	-	-	-
Covered payroll	\$ 2,037,098	\$ 1,580,510	\$ 1,587,373
Contributions as a percentage of covered payroll ***	19.84%	19.40%	19.13%
Tier 2 Public Employees DC Only System			
Actuarial determined contributions	\$ 84,256	\$ 77,998	\$ 62,202
Contributions in relation to the contractually required contribution	(84,256)	(77,998)	(62,202)
Contribution deficiency (excess)	-	-	-
Covered payroll	\$ 840,873	\$ 778,418	\$ 620,776
Contributions as a percentage of covered payroll ***	10.02%	10.02%	10.02%

* Information provided by Utah Retirement Systems

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

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

<u>2020*</u>	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>	<u>2014*</u>
\$ 788,198	\$ 741,409	\$ 767,461	\$ 723,411	\$ 696,334	\$ 688,592	\$ 640,328
(788,198)	(741,409)	(767,461)	(723,411)	(696,334)	(688,592)	(640,328)
-	-	-	-	-	-	-
\$ 3,597,519	\$ 3,385,798	\$ 3,497,896	\$ 3,288,343	\$ 3,171,667	\$ 3,138,607	\$ 3,250,820
21.91%	21.90%	21.94%	22.00%	21.95%	21.94%	19.70%
\$ 254,648	\$ 173,523	\$ 151,029	\$ 107,799	\$ 66,622	\$ 24,537	\$ 20,541
(254,648)	(173,523)	(151,029)	(107,799)	(66,622)	(24,537)	(20,541)
-	-	-	-	-	-	-
\$ 1,340,960	\$ 919,565	\$ 819,032	\$ 591,005	\$ 365,251	\$ 134,302	\$ 122,633
18.99%	18.87%	18.44%	18.24%	18.24%	18.27%	16.75%
\$ 46,723	\$ 38,773	\$ 25,989	\$ 18,997	\$ 18,145	\$ 16,510	\$ 10,739
(46,723)	(38,773)	(25,989)	(18,997)	(18,145)	(16,510)	(10,739)
-	-	-	-	-	-	-
\$ 466,297	\$ 386,958	\$ 259,374	\$ 189,588	\$ 181,088	\$ 164,283	\$ 128,764
10.02%	10.02%	10.02%	10.02%	10.02%	10.05%	8.34%

DAVIS TECHNICAL COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2023

CHANGES IN ASSUMPTIONS

The assumptions and methods used to calculate the total pension liability remain unchanged from the prior year.



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DAVIS TECHNICAL COLLEGE

STATISTICAL SECTION

Fiscal Year Ended June 30, 2023

Kaysville, Utah

A Component Unit of the State of Utah

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DAVIS TECHNICAL COLLEGE
Statistical Section
For the Fiscal Year Ended June 30, 2023

The Statistical Section provides additional historical context and detail to aid in using the information in Davis Technical College's financial statements and in understanding and assessing the College's overall financial health.

Financial Trends Information

These schedules present trend information to help the reader understand how the College's financial performance and fiscal health have changed.

Schedule of Net Position: Last Ten Fiscal Years.....	60
Change in Net Position: Last Ten Fiscal Years	62
Expense by Function: Last Ten Fiscal Years.....	64
Expense by Natural Classification: Last Ten Fiscal Years	66
Revenues by Source: Last Ten Fiscal Years	68
Tuition & Fees by Source: Last Ten Fiscal Years	70

Operating Information

These schedules offer operating data to help the reader understand how the information in the College's financial reports relates to the services it provides and the activities it performs.

Historical Enrollment: Last Ten Fiscal Years.....	72
Historical Tuition Rates: Last Ten Fiscal Years	73
Operating Indicators and Employees.....	76
Building Information.....	77

Demographic and Economic Information

These schedules present demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.

Demographic and Economic Statistics.....	74
Principal Employers.....	75

DAVIS TECHNICAL COLLEGE
SCHEDULE OF NET POSITION
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net Investment in Capital Assets	\$ 59,711,829	\$ 61,907,142	\$ 60,260,847	\$ 26,314,818
Restricted for:				
Scholarships	384,483	385,515	481,889	382,697
Grants, Contracts and Other	1,406,488	1,508,481	1,037,438	1,719,451
Unrestricted	<u>9,948,844</u>	<u>8,498,190</u>	<u>7,701,352</u>	<u>4,893,318</u>
Total Net Position	<u>\$ 71,451,644</u>	<u>\$ 72,299,328</u>	<u>\$ 69,481,526</u>	<u>\$ 33,310,284</u>

Source: Annual Reports on Financial Statements for years presented.

2019		2018		2017		2016		2015		2014	
\$	26,465,459	\$	28,191,599	\$	28,090,605	\$	27,246,745	\$	28,313,502	\$	29,216,171
	383,273		385,332		382,003		395,324		318,799		285,400
	2,204,534		2,048,096		1,259,911		1,099,471		915,990		1,340,800
	4,216,233		3,027,000		3,208,622		2,903,431		2,928,900		4,482,337
\$	33,269,499	\$	33,652,027	\$	32,941,141	\$	31,644,971	\$	32,477,191	\$	35,324,708

DAVIS TECHNICAL COLLEGE
CHANGES IN NET POSITION
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
REVENUES				
Operating Revenues:				
Student Tuition and Fees (net of scholarship allowances)	\$ 2,520,992	\$ 2,193,671	\$ 2,260,307	\$ 2,175,573
Federal Grants and Contracts	391,705	258,888	255,318	272,312
State Grants and Contracts	2,256,709	2,721,515	5,077,461	2,984,580
Local Grants and Contracts	24,717	30,311	504,593	11,791
Nongovernmental Grants and Contracts	979,310	1,015,712	904,969	933,406
Sales and Services of Educational Departments	26,626	62,854	11,083	13,466
Auxiliary Enterprises (net of scholarship allowances)	2,480,108	2,268,361	2,001,938	1,984,414
Other Operating Revenues	232,499	216,749	164,465	88,104
Independent Operations	873,550	908,468	927,201	816,334
Total Operating Revenues	<u>9,786,216</u>	<u>9,676,529</u>	<u>12,107,335</u>	<u>9,279,980</u>
EXPENSES				
Operating Expenses:				
Salaries and Wages	17,758,164	16,362,478	15,401,755	14,449,285
Benefits	6,559,885	6,058,075	5,606,739	5,459,677
Actuarial Calculated Pension Expense	910,242	(311,140)	716,817	1,352,363
Scholarships	1,076,988	2,716,005	1,272,246	520,691
Utilities	793,753	686,611	580,826	558,204
Supplies and Other Services	7,335,241	6,927,388	6,359,393	5,945,718
Depreciation and Amortization	4,825,793	4,079,898	2,980,254	2,638,348
Total Operating Expenses	<u>39,260,066</u>	<u>36,519,315</u>	<u>32,918,030</u>	<u>30,924,286</u>
Operating Income (Loss)	<u>(29,473,850)</u>	<u>(26,842,786)</u>	<u>(20,810,695)</u>	<u>(21,644,306)</u>
NONOPERATING REVENUES (EXPENSES)				
State Appropriations	24,346,400	21,733,100	19,201,800	18,822,800
Gifts	494,670	1,046,544	508,063	568,955
Investment Income	646,311	(18,637)	79,262	238,834
Unrealized Loss on FMV of Investment	-	-	-	(3,998)
Disposal of Capital Assets	8,977	13,768	56,346	-
Federal Pell Grants	1,361,282	983,465	1,073,179	939,712
Federal CARES Act: Higher Education Emergency Relief Funds	891,193	2,713,710	2,361,221	57,752
Other Nonoperating Revenues (Expenses)	149,015	112,673	186,664	299,058
Net Nonoperating Revenues	<u>27,897,848</u>	<u>26,584,623</u>	<u>23,466,535</u>	<u>20,923,113</u>
(Loss) Before Other Revenues and Expenses	<u>(1,576,002)</u>	<u>(258,163)</u>	<u>2,655,840</u>	<u>(721,193)</u>
Capital Grants	693,318	2,862,360	33,491,057	586,978
Capital Gifts	35,000	213,605	24,345	175,000
Extraordinary Items	-	-	-	-
Increase/(Decrease) in Net Position	<u><u>\$ (847,684)</u></u>	<u><u>\$ 2,817,802</u></u>	<u><u>\$ 36,171,242</u></u>	<u><u>\$ 40,785</u></u>

Source: Annual Reports on Financial Statements for years presented.

	2019	2018		2017		2016		2015		2014
\$	2,326,290	\$ 2,229,088	\$	2,119,972	\$	2,217,755	\$	2,453,525	\$	2,373,117
	377,681	343,463		335,954		338,165		272,487		282,956
	2,920,834	1,602,973		2,002,345		1,607,378		1,586,187		1,640,045
	11,373	13,255		13,461		6,511		63,444		43,178
	708,445	660,439		635,743		468,177		499,071		323,331
	26,553	15,215		13,054		17,914		19,913		16,597
	2,116,893	1,967,093		1,899,262		1,849,584		1,624,744		1,468,241
	133,036	186,761		168,681		91,737		92,370		84,176
	834,807	835,394		753,778		621,601		583,756		592,092
	<u>9,455,912</u>	<u>7,853,681</u>		<u>7,942,250</u>		<u>7,218,822</u>		<u>7,195,497</u>		<u>6,823,733</u>
	12,770,403	11,735,925		10,998,624		10,527,131		9,919,412		9,262,757
	4,662,407	4,101,567		3,889,530		3,540,069		3,402,631		3,725,521
	1,247,878	880,599		971,235		704,293		716,817		-
	423,753	589,718		494,747		491,318		489,401		476,781
	576,830	594,620		604,269		593,245		582,174		612,831
	5,544,415	5,592,083		5,055,197		4,507,499		4,142,065		3,656,003
	2,775,703	2,766,424		2,601,821		2,455,459		2,565,252		2,062,220
	<u>28,001,389</u>	<u>26,260,936</u>		<u>24,615,423</u>		<u>22,819,014</u>		<u>21,589,225</u>		<u>19,796,113</u>
	<u>(18,545,477)</u>	<u>(18,407,255)</u>		<u>(16,673,173)</u>		<u>(15,600,192)</u>		<u>(14,393,728)</u>		<u>(12,972,380)</u>
	16,164,800	15,405,100		14,197,000		13,057,900		12,183,800		10,963,000
	707,953	819,276		589,322		294,912		300,797		432,660
	309,147	161,738		96,584		88,136		37,134		37,294
	(2,966)	(2,221)		(1,655)		(1,189)		(857)		(884)
	(93,613)	14,007		(2,453)		5,000		4,200		-
	943,324	1,181,163		994,082		1,043,185		1,017,606		997,980
	-	-		-		-		-		-
	78,368	122,328		80,711		18,233		24,068		50,511
	<u>18,107,013</u>	<u>17,701,391</u>		<u>15,953,591</u>		<u>14,506,177</u>		<u>13,566,748</u>		<u>12,480,561</u>
	(438,464)	(705,864)		(719,582)		(1,094,015)		(826,980)		(491,819)
	55,936	1,336,689		1,947,752		117,482		707,292		735,169
	-	80,061		68,000		144,313		59,173		40,000
	-	-		-		-		117,336		-
\$	<u>(382,528)</u>	<u>\$ 710,886</u>	\$	<u>1,296,170</u>	\$	<u>(832,220)</u>	\$	<u>56,821</u>	\$	<u>283,350</u>

DAVIS TECHNICAL COLLEGE
EXPENSES BY FUNCTION
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Instruction	\$ 15,013,580	\$ 13,687,408	\$ 11,813,406	\$ 11,915,263
Academic Support	3,306,178	2,556,613	2,826,124	2,841,866
Student Services	3,661,185	3,021,959	3,256,832	3,424,813
Institutional Support	4,306,273	4,196,595	5,144,369	3,852,416
Operation and Maintenance of Plant	8,396,910	7,049,494	5,616,475	5,127,677
Scholarships	1,039,118	2,716,005	1,261,727	520,691
Auxiliary Enterprises	2,819,155	2,663,944	2,291,984	2,529,997
Independent Operations	710,678	627,297	707,113	711,563
Total Expenses	<u>\$ 39,253,077</u>	<u>\$ 36,519,315</u>	<u>\$ 32,918,030</u>	<u>\$ 30,924,286</u>

(Percent of Total Expenses)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Instruction	38.25%	37.48%	35.89%	38.53%
Academic Support	8.42%	7.00%	8.59%	9.19%
Student Services	9.33%	8.27%	9.89%	11.07%
Institutional Support	10.97%	11.49%	15.63%	12.46%
Operation and Maintenance of Plant	21.39%	19.30%	17.06%	16.58%
Scholarships	2.65%	7.44%	3.83%	1.68%
Auxiliary Enterprises	7.18%	7.30%	6.96%	8.18%
Independent Operations	1.81%	1.72%	2.15%	2.31%
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Annual Reports on Financial Statements for years presented.

2019	2018	2017	2016	2015	2014
\$ 10,362,149	\$ 9,625,903	\$ 9,118,888	\$ 8,441,434	\$ 8,343,883	\$ 7,324,428
2,394,963	2,081,348	1,861,234	1,832,580	1,569,816	1,453,835
3,003,448	2,619,788	2,306,475	2,145,745	1,828,804	1,909,263
3,575,514	3,544,327	3,276,783	3,278,226	2,646,253	2,488,202
5,003,168	4,842,920	4,696,769	3,934,867	4,356,732	3,827,354
423,753	589,718	494,747	491,318	489,401	476,781
2,503,049	2,280,343	2,225,179	2,153,987	1,821,343	1,819,534
735,345	676,589	635,348	540,857	532,993	496,716
<u>\$ 28,001,389</u>	<u>\$ 26,260,936</u>	<u>\$ 24,615,423</u>	<u>\$ 22,819,014</u>	<u>\$ 21,589,225</u>	<u>\$ 19,796,113</u>

2019	2018	2017	2016	2015	2014
37.01%	36.65%	37.05%	36.99%	38.65%	37.00%
8.55%	7.93%	7.56%	8.03%	7.27%	7.34%
10.73%	9.98%	9.37%	9.40%	8.47%	9.64%
12.77%	13.50%	13.31%	14.37%	12.26%	12.57%
17.87%	18.44%	19.08%	17.24%	20.18%	19.33%
1.51%	2.25%	2.01%	2.15%	2.27%	2.41%
8.94%	8.68%	9.04%	9.44%	8.44%	9.19%
2.62%	2.57%	2.58%	2.38%	2.46%	2.52%
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

DAVIS TECHNICAL COLLEGE
EXPENSES BY NATURAL CLASSIFICATION
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Salaries and Wages	\$ 17,758,164	\$ 16,362,478	\$ 15,401,755	\$ 14,449,285
Benefits	6,559,885	6,058,075	5,606,739	5,459,677
Actuarial Calculated Pension Expense	910,242	(311,140)	716,817	1,352,363
Scholarships	1,076,988	2,716,005	1,272,246	520,691
Utilities	793,753	686,611	580,826	558,204
Supplies and Other Services	7,335,241	6,927,388	6,359,393	5,945,718
Depreciation and Amortization	4,825,793	4,079,898	2,980,254	2,638,348
Total Expenses	<u>\$ 39,260,066</u>	<u>\$ 36,519,315</u>	<u>\$ 32,918,030</u>	<u>\$ 30,924,286</u>

(Percent of Total Expenses)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Salaries and Wages	45.23%	44.79%	46.79%	46.72%
Benefits	16.71%	16.59%	17.03%	17.65%
Actuarial Calculated Pension Expense	2.32%	-0.85%	2.18%	4.37%
Scholarships	2.74%	7.44%	3.86%	1.68%
Utilities	2.02%	1.88%	1.76%	1.81%
Supplies and Other Services	18.68%	18.97%	19.32%	19.23%
Depreciation and Amortization	12.30%	11.18%	9.06%	8.54%
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Annual Reports on Financial Statements for years presented.

2019	2018	2017	2016	2015	2014
\$ 12,770,403	\$ 11,735,925	\$ 10,998,624	\$ 10,527,131	\$ 9,919,412	\$ 9,262,757
4,662,407	4,101,567	3,889,530	3,540,069	3,402,631	3,725,521
1,247,878	880,599	971,235	704,293	488,290	-
423,753	589,718	494,747	491,318	489,401	476,781
576,830	594,620	604,269	593,245	582,174	612,831
5,544,415	5,592,083	5,055,197	4,507,499	4,142,065	3,656,003
2,775,703	2,766,424	2,601,821	2,455,459	2,565,252	2,062,220
<u>\$ 28,001,389</u>	<u>\$ 26,260,936</u>	<u>\$ 24,615,423</u>	<u>\$ 22,819,014</u>	<u>\$ 21,589,225</u>	<u>\$ 19,796,113</u>

2019	2018	2017	2016	2015	2014
45.61%	45.61%	44.69%	46.13%	46.15%	46.79%
16.65%	16.65%	15.62%	15.51%	15.51%	18.82%
4.46%	4.46%	3.35%	3.09%	3.09%	0.00%
1.51%	1.51%	2.25%	2.15%	2.15%	2.41%
2.06%	2.06%	2.26%	2.60%	2.60%	3.10%
19.80%	19.80%	21.29%	19.75%	19.75%	18.47%
9.91%	9.91%	10.54%	10.77%	10.75%	10.41%
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

DAVIS TECHNICAL COLLEGE
REVENUES BY SOURCE
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating Revenues:				
Student Tuition and Fees	\$ 2,520,992	\$ 2,193,671	\$ 2,260,307	\$ 2,175,573
Federal Grants and Contracts	391,705	258,888	255,318	272,312
State Grants and Contracts	2,256,709	2,721,515	5,077,461	2,984,580
Local Grants and Contracts	24,717	30,311	504,593	11,791
Nongovernmental Grants & Contracts	979,310	1,015,712	904,969	933,406
Gifts and Contributions	-	-	-	-
Sales & Services of Educational Departments	26,626	62,854	11,083	13,466
Auxiliary Enterprises	2,480,108	2,268,361	2,001,938	1,984,414
Other Operating Revenues	232,499	216,749	164,465	88,104
Independent Operations	873,550	908,468	927,201	816,334
Total Operating Revenues	<u>9,786,216</u>	<u>9,676,529</u>	<u>12,107,335</u>	<u>9,279,980</u>
Nonoperating Revenues:				
State Appropriations	24,346,400	21,733,100	19,201,800	18,822,800
Gifts	494,670	1,046,543	508,063	568,955
Investment Income	646,311	(18,637)	79,262	238,834
Federal Pell Grants	1,361,282	983,465	1,073,179	939,712
Federal CARES Act: HEERF Grants	891,193	2,713,710	2,361,221	57,752
Other Nonoperating Revenues	157,992	126,440	243,010	299,058
Total Nonoperating Revenues	<u>27,897,848</u>	<u>26,584,621</u>	<u>23,466,535</u>	<u>20,927,111</u>
Other Revenues:				
Capital Grants	693,318	2,862,360	33,491,057	586,978
Capital Gifts	35,000	213,605	24,345	175,000
Total Other Revenues	<u>728,318</u>	<u>3,075,965</u>	<u>33,515,402</u>	<u>761,978</u>
Extraordinary Items:	-	-	-	-
Total Revenues	<u>\$ 38,412,382</u>	<u>\$ 39,337,115</u>	<u>\$ 69,089,272</u>	<u>\$ 30,969,069</u>

(Percent of Total Revenues)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating Revenues:			
Student Tuition and Fees	6.56%	5.58%	3.27%
Federal Grants and Contracts	1.02%	0.66%	0.37%
State Grants and Contracts	5.87%	6.92%	7.35%
Local Grants and Contracts	0.06%	0.08%	0.73%
Nongovernmental Grants & Contracts	2.55%	2.58%	1.31%
Sales & Services of Educational Departments	0.07%	0.16%	0.02%
Auxiliary Enterprises	6.46%	5.77%	2.90%
Other Operating Revenues	0.61%	0.55%	0.24%
Independent Operations	2.27%	2.31%	1.34%
Total Operating Revenues	<u>25.47%</u>	<u>24.61%</u>	<u>17.53%</u>
Nonoperating Revenues:			
State Appropriations	63.40%	55.25%	27.79%
Gifts	1.29%	2.66%	0.74%
Investment Income	1.68%	-0.05%	0.11%
Federal Pell Grants	3.54%	2.50%	1.55%
Federal CARES Act: Higher Education Emergency I	2.32%	6.90%	3.42%
Other Nonoperating Revenues	0.41%	0.32%	0.35%
Total Nonoperating Revenues	<u>72.64%</u>	<u>67.58%</u>	<u>33.96%</u>
Other Revenues:			
Capital Grants	1.80%	7.27%	48.47%
Capital Gifts	0.09%	0.54%	0.04%
Total Other Revenues	<u>1.89%</u>	<u>7.81%</u>	<u>48.51%</u>
Extraordinary Items:	0.00%	0.00%	0.00%
Total Revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Annual Reports on Financial Statements for years presented.

2019	2018	2017	2016	2015	2014
\$ 2,326,290	\$ 2,229,088	\$ 2,119,972	\$ 2,217,755	\$ 2,453,525	\$ 2,373,117
377,681	343,463	335,954	338,165	272,487	282,956
2,920,834	1,602,973	2,002,345	1,607,378	1,586,187	1,640,045
11,373	13,255	13,461	6,511	63,444	43,178
708,445	660,439	635,743	468,177	499,071	323,331
-	-	-	-	-	-
26,553	15,215	13,054	17,914	19,913	16,597
2,116,893	1,967,093	1,899,262	1,849,584	1,624,744	1,468,241
133,036	186,761	168,681	91,737	92,370	84,176
834,807	835,394	753,778	621,601	583,756	592,092
9,455,912	7,853,681	7,942,250	7,218,822	7,195,497	6,823,733
16,164,800	15,405,100	14,197,000	13,057,900	12,183,800	10,963,000
707,953	819,276	589,322	294,912	300,797	432,660
309,147	161,738	96,584	88,136	37,134	37,294
943,324	1,181,163	994,082	1,043,185	1,017,606	997,980
78,368	136,335	80,711	23,233	24,068	50,511
18,203,592	17,703,612	15,957,699	14,507,366	13,563,405	12,481,445
55,936	1,336,689	1,947,752	117,482	707,292	735,169
-	80,061	68,000	144,313	59,173	40,000
55,936	1,416,750	2,015,752	261,795	766,465	775,169
-	-	-	-	117,336	-
\$ 27,715,440	\$ 26,974,043	\$ 25,915,700	\$ 21,987,983	\$ 21,642,703	\$ 20,080,347

2019	2018	2017	2016	2015	2014
8.39%	8.26%	8.18%	10.09%	11.34%	11.82%
1.36%	1.27%	1.30%	1.54%	1.26%	1.41%
10.54%	5.94%	7.73%	7.31%	7.33%	8.17%
0.04%	0.05%	0.05%	0.03%	0.29%	0.22%
2.56%	2.45%	2.45%	2.13%	2.31%	1.61%
0.10%	0.06%	0.05%	0.08%	0.09%	0.08%
7.64%	7.29%	7.33%	8.41%	7.51%	7.31%
0.48%	0.69%	0.65%	0.42%	0.43%	0.42%
3.01%	3.10%	2.91%	2.83%	2.70%	2.95%
34.12%	29.11%	30.65%	32.84%	33.26%	33.99%
58.32%	57.11%	54.78%	59.39%	56.30%	54.60%
2.55%	3.04%	2.27%	1.34%	1.39%	2.15%
1.12%	0.60%	0.37%	0.40%	0.17%	0.19%
3.40%	4.38%	3.84%	4.74%	4.70%	4.97%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.28%	0.51%	0.31%	0.11%	0.11%	0.25%
65.67%	65.64%	61.57%	65.98%	62.67%	62.16%
0.21%	4.95%	7.52%	0.53%	3.27%	3.66%
0.00%	0.30%	0.26%	0.65%	0.27%	0.19%
0.21%	5.25%	7.78%	1.18%	3.54%	3.85%
0.00%	0.00%	0.00%	0.00%	0.54%	0.00%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
External Sources of Tuition and Fees				
Self Pay	\$ 2,060,472	\$ 1,863,449	\$ 2,025,116	\$ 1,635,887
Weber State University Contracts ¹	-	-	-	-
Utah State Office of Rehabilitation	15,030	10,474	26,771	33,811
Other Sponsorships	445,489	319,748	208,420	505,875
Total External Tuition and Fees	<u>2,520,991</u>	<u>2,193,671</u>	<u>2,260,307</u>	<u>2,175,573</u>
 Internal Sources of Tuition and Fees ²				
Davis Tech Foundation Scholarships	242,609	254,472	153,088	213,812
Pell Grants used for Tuition & Fees	962,867	878,067	833,301	467,544
Other Internal Sponsorships	250,660	335,830	343,915	622,408
Total Internal Tuition and Fees	<u>1,456,136</u>	<u>1,468,369</u>	<u>1,330,304</u>	<u>1,303,764</u>
 Total External/Internal Tuition & Fees	<u>\$ 3,977,127</u>	<u>\$ 3,662,040</u>	<u>\$ 3,590,611</u>	<u>\$ 3,479,337</u>

(Percent of Total Tuition and Fees)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Self Pay	51.81%	50.88%	56.40%	47.02%
Weber State University Contracts	0.00%	0.00%	0.00%	0.00%
Office of Rehabilitation	0.38%	0.29%	0.75%	0.97%
Other Sponsorships	11.20%	8.73%	5.80%	14.54%
Internal Sources:				
Scholarships	6.10%	6.95%	4.26%	6.15%
Pell Grants	24.21%	23.98%	23.21%	13.44%
Other Sponsorships	6.30%	9.17%	9.58%	17.88%
Total Tuition and Fees	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

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

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

2019	2018	2017	2016	2015	2014
\$ 1,951,270	\$ 2,038,909	\$ 1,809,546	\$ 1,856,740	\$ 1,871,807	\$ 1,797,449
-	-	-	-	307,011	228,935
33,619	20,321	26,660	17,162	47,688	76,046
341,401	169,858	283,766	343,853	227,019	270,687
<u>2,326,290</u>	<u>2,229,088</u>	<u>2,119,972</u>	<u>2,217,755</u>	<u>2,453,525</u>	<u>2,373,117</u>
173,608	145,148	138,025	125,163	107,277	113,968
543,121	577,578	483,068	529,131	513,987	510,102
524,718	523,103	417,143	308,253	348,069	297,090
<u>1,241,447</u>	<u>1,245,829</u>	<u>1,038,236</u>	<u>962,547</u>	<u>969,333</u>	<u>921,160</u>
<u>\$ 3,567,737</u>	<u>\$ 3,474,917</u>	<u>\$ 3,158,208</u>	<u>\$ 3,180,302</u>	<u>\$ 3,422,858</u>	<u>\$ 3,294,277</u>

2019	2018	2017	2016	2015	2014
54.69%	58.68%	57.30%	58.38%	54.69%	54.56%
0.00%	0.00%	0.00%	0.00%	8.97%	6.95%
0.94%	0.58%	0.84%	0.54%	1.39%	2.31%
9.57%	4.89%	8.99%	10.81%	6.63%	8.22%
4.87%	4.18%	4.37%	3.94%	3.13%	3.46%
15.22%	16.62%	15.30%	16.64%	15.02%	15.48%
14.71%	15.05%	13.20%	9.69%	10.17%	9.02%
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

HISTORIC STUDENT MEMBERSHIP HOURS

Fiscal Year	High School Student Hours %		Adult Student Hours %		Total Student Hours	Annual Growth	General Fund Tuition & Fees Revenue	Weighted Average Tuition Rate
2023	437,033	27%	1,185,701	73%	1,622,734	5.67%	2,268,635	\$1.91
2022	468,380	31%	1,067,288	69%	1,535,669	6.57%	2,042,177	\$1.91
2021	403,629	28%	1,037,409	72%	1,441,037	-3.32%	2,044,509	\$1.97
2020	399,819	27%	1,090,704	73%	1,490,523	-0.56%	2,063,834	1.89
2019	409,735	27%	1,089,183	73%	1,498,918	-0.04%	1,993,838	1.83
2018	395,295	26%	1,104,218	74%	1,499,513	5.77%	2,005,196	1.82
2017	368,834	26%	1,048,844	74%	1,417,678	-2.33%	1,833,360	1.75
2016	355,730	25%	1,095,761	75%	1,451,491	2.39%	1,967,052	1.80
2015	251,798	18%	1,165,779	82%	1,417,577	7.19%	2,327,735	2.00
2014	229,301	17%	1,093,240	83%	1,322,541	-5.83%	1,982,578	1.81

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

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

HISTORIC TUITION RATES

Fiscal Year	Membership	Tuition	Full-time	Annual	
	Rate	including	Annual	Tuition Increase	
	Per Hour	Campus Fees	Tuition	Dollars	Percent
2023	\$ 2.10	\$ 3,469	\$ 2,974	\$ -	0.00%
2022	2.10	3,469	2,974	-	0.00%
2021	2.10	3,469	2,974	-	0.00%
2020	2.10	3,469	2,974	-	0.00%
2019	2.10	3,767	2,974	-	0.00%
2018	2.10	3,696	2,974	71	2.50%
2017	2.05	3,540	2,903	71	2.50%
2016	2.00	3,441	2,832	-	0.00%
2015	2.00	3,441	2,832	142	5.28%
2014	1.90	3,441	2,690	283	11.76%

Source: College Annual Catalogs

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

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

Davis County

Year	Population	Personal Income (\$millions)	Per Capita Personal Income	Unemployment Rate
2022	367,285	n/a	n/a	2.4%
2021	362,679	\$18,806	\$51,852	2.2%
2020	356,625	\$18,626	\$51,300	4.1%
2019	355,481	\$17,213	\$48,778	2.4%
2018	351,713	\$16,279	\$46,123	2.9%
2017	347,637	\$15,332	\$44,106	3.1%
2016	342,281	\$14,149	\$41,339	3.3%
2015	336,043	\$13,441	\$40,000	3.3%
2014	329,692	\$12,782	\$38,770	3.6%
2013	322,094	\$12,359	\$38,372	4.2%

Morgan County

Year	Population	Personal Income (\$millions)	Per Capita Personal Income	Unemployment Rate
2022	12,861	n/a	n/a	2.1%
2021	12,657	\$801	\$63,256	3.5%
2020	12,295	\$730	\$58,631	3.3%
2019	12,124	\$679	\$56,156	2.5%
2018	12,045	\$631	\$53,152	2.8%
2017	11,873	\$583	\$49,013	2.9%
2016	11,437	\$523	\$45,755	3.1%
2015	11,065	\$496	\$44,916	3.1%
2014	10,608	\$457	\$43,111	3.4%
2013	10,198	\$430	\$42,187	4.1%

Sources:

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

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

U.S Census Bureau QuickFacts Morgan population

* Note: 2022 Personal Income and Per Capita Income information were not available at the time the ACFR and Workforce Services reports were released.

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

Davis 2022

Employer	Employees	Rank	Percentage of Total
			County Employment
Hill Air Force Base	10000-14999	1	8.1%
Davis County School District	7000-9999	2	5.4%
Northrop Grumman	3000-3999	3	2.2%
Kroger Group Cooperative	2000-2999	4	1.6%
Lifetime Products	2000-2999	5	1.6%
Wal-Mart Associates	1000-1999	6	1.1%
Intermountain Health Care	1000-1999	7	1.1%
Lagoon Corporation	1000-1999	8	1.1%
Davis County Government	1000-1999	9	1.1%
Tanner Memorial Clinic	500-999	10	0.5%

Morgan 2022

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

Source: Department of Workforce Services Website - Annual Profiles

DAVIS TECHNICAL COLLEGE
OPERATING INDICATORS AND EMPLOYEES
Fiscal Years 2022 and 2023

Enrollment Objective	2022	2023
Certificate Seeking	1,238	1,297
Secondary	283	289
Total	1,521	1,586
Student Headcount**	5,975	6,442
Faculty		
Full Time*	90	100
Part Time*	163	157
Total Faculty	253	257
Average Annual Faculty Salary	\$73,125	\$73,999
Staff		
Full Time*	110	117
Part Time*	73	72
Total Staff	183	189
Membership Hours per Faculty/Staff		
Membership Hours per Faculty	6,414	6,414
Membership Hours per Staff	8,867	8,867
Students per Faculty/Staff		
Students per Faculty	24	25
Students per Staff	33	34

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

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

**Unduplicated headcount

**DAVIS TECHNICAL COLLEGE
BUILDING INFORMATION
Fiscal Years 2022 and 2023**

<u>Location</u>	<u>2022</u>	<u>2023</u>
Main Campus	393,602	393,602
Freeport West Extension (D-5)	32,000	32,000
Warehouse Space Freeport West Extension	88,000	88,000
Morgan Business Resource Center	2,592	2,592
Utah Department of Corrections Instructional Service Center	17,260	17,260
Clearfield Job Corps Instructional Service Center	1,969	1,969
Total Gross Square Feet	535,423	535,423
 Total Acres Main Campus	 65	 65

Partnerships with the Following Schools

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

Source: Physical Facilities Morgan School District/Davis Tech Space FY 2023
All amounts reported in Gross Square Feet

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DAVIS TECHNICAL COLLEGE

GOVERNMENT AUDIT

Fiscal Year Ended June 30, 2023

Kaysville, Utah

A Component Unit of the State of Utah



OFFICE OF THE
STATE AUDITOR

Independent Auditor's Report

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of (the College), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's financial statements, and have issued our report thereon dated September 21, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be

material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Office of the State Auditor". The script is cursive and elegant, with the words flowing together.

Office of the State Auditor
Salt Lake City, Utah
September 21, 2023



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