



**DAVISTECH**

DAVIS TECHNICAL COLLEGE

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

**2021**

KAYSVILLE, UTAH

FOR THE FISCAL  
YEAR ENDED  
JUNE 30, 2021

A COMPONENT UNIT OF THE  
STATE OF UTAH



# DAVIS TECHNICAL COLLEGE

A COMPONENT UNIT OF THE STATE OF UTAH



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021

Prepared by the Fiscal Services Office  
Russell S. Galt, MBA, CPA, Vice President and Chief Financial Officer  
Jeff Lund, MBA, Controller

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**DAVISTECH**  
DAVIS TECHNICAL COLLEGE

# INTRODUCTION

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October 1, 2021

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 firm Hinton Burdick CPAs and Advisors, under contract with 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, 2021. The independent auditor's report is located at the front of the financial section of this report.

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

### **Profile of the College**

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

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

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

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

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

### **Local Economy**

In March 2020, Utah began to feel the effects of the worldwide COVID-19 (Coronavirus) pandemic. For Fiscal Year 2021 the state reduced the appropriation for the College by \$666,900. Reductions were made in various budgets, including equipment, supplies, and travel. A decision was made by the College not to eliminate any full-time employee positions.

In Fiscal Year 2021, over 83% 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 future outlook of the College. As COVID-19 cases continue to surge throughout the country, there is still an element of uncertainty about the national economy. Many employers are having difficulty finding skilled workers. However, while the state took an economic hit from the pandemic, Utah reports positive tax revenues and one of the lowest unemployment rates in the nation. Utah has 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**

In September of 2020, the College began holding classes in the newly constructed Michael J. Bouwhuis Allied Health Building, named in honor of the recently retired College President. This building houses all of the College's medical programs, including Practical Nurse, Nurse Assistant, Medical Assistant, Dental Assistant, Radiology Practical Technician, Phlebotomy, Surgical Technology, Pharmacy Technician, Medical Office Administration, Firefighter, and Emergency Medical Technician. Weber State University also teaches Registered Nursing classes in the building to Davis Technical College practical nursing graduates. With this new building, the College has been able to expand its medical programs. This not only provides educational opportunities for students, but also helps to meet the needs for medical professionals in the local workforce.

After the College's medical programs moved into the new building, the spaces on campus formerly filled with medical programs have become available to be updated for other educational programs to fill the space. The College developed a phased renovation plan to update and repurpose much of the campus. During Fiscal Year 2021, Phase I began construction. Phase I will include an updated and relocated Student Services area, plus the relocation and updating of many of the College's Information Technology programs.

A request has been developed to seek state funding for Phase II through V of this renovation plan. Also included in the state request is an updated and expanded Welding Technology program space, as well as new space for Construction Trades programs. The total request for this combined project is approximately \$20 million.

### **Relevant Financial Policies**

The direct appropriation from the State of Utah for Fiscal Year 2021 was \$19,201,800 or 27.79% 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, due to the fact that 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 2021 were \$5,077,461 or 7.35% of total revenues. The grants and contracts were from various state sources including, a contract with the Utah Department of Corrections, Strategic Workforce Initiative (SWI) funds, Talent Ready Utah funds, and flow-through funds from state agencies for coronavirus relief funding. Additionally, during Fiscal Year 2021, the College completed the new Allied Health Building. This building was paid for through the State of Utah. The building, along with other state funded capital improvements, are reflected on the College's financial statement as a Capital Grant at \$33,491,057 or 48.48% 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 became subject to numerous policies and procedures of the Utah System of Higher Education. The College also updated various policies related to employee compensation and benefits.

### **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. This opens the door for 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 beginning the process to move educational programs from clock-hour to credit-based programs. This will further improve articulation and pathways for students.

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

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the College for its comprehensive annual financial report for the fiscal year ended June 30, 2020. This was the third year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the College had to publish an easily readable and efficiently organized comprehensive annual financial report that satisfied both generally accepted accounting principles and applicable program requirements.

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

The preparation of this report would not have been possible without the skill, effort, and dedication of Jeff Lund, 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



**Russell S. Galt, MBA, CPA**  
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 Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*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  
Lindsay Bayuk, Vice-Chair  
Justin Atkinson  
Shawn Bucher  
Amanda Covington  
Chris DeHerrera  
Michael Henry  
Scot Merrihew  
Tucker Morgan  
Julie Tanner  
Adam Toone



Davis Technical College  
President

**Darin Brush**  
President and Chief Executive Officer



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



Vice President and Chief Financial Officer  
Russell S. Galt, M.B.A., C.P.A.



Vice President and Chief Student Affairs Officer  
Julie Blake

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DAVIS TECHNICAL COLLEGE

# FINANCIAL





## **Independent Auditors' Report**

Board of Directors, Audit Committee  
And Darin Brush, Campus President  
Davis Technical College  
Kaysville, Utah

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

We have audited the accompanying financial statements of Davis Technical College (the College) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents. The College is a component unit of the State of Utah.

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

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Davis Technical College, as of June 30, 2021, 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.

### ***Other Matters***

#### ***Required Supplementary Information***

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

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2021, on our consideration of Davis Technical College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Davis Technical College's internal control over financial reporting and compliance.



HintonBurdick, PLLC  
St. George, Utah  
October 1, 2021

**DAVIS TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2021**

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, 2021. 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, 2021**

**Financial Analysis**

Although the COVID-19 Pandemic has created many economic challenges and uncertainty, the negative effects have been lower in Utah as compared to many other states in the nation due to the strengths of its diverse economy. The College received millions of dollars this year from the federal Coronavirus Aid, Relief, and Economic Security Act (CARES) and subsequent grants to offset lost revenue and expenses incurred because of the virus. A portion of these grants were passed through directly to students to assist in stimulating the local economy and provide for living expenses while they were enrolled.

A lingering effect of the pandemic will be noticed as an increase in current assets and liabilities as the College has found it difficult to complete major remodeling projects due to supply and construction delays. The College did complete the construction of the Allied Health Building in September 2020 which provides additional capacity for enrollments.

**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, 2021 and 2020:

<b>Net Position</b>	<b>Year Ended June 30, 2021 Amount</b>	<b>Year Ended June 30, 2020 Amount</b>	<b>Amount of Increase (Decrease)</b>
Current Assets	\$ 14,481,106	\$ 11,625,844	\$ 2,855,262
Noncurrent Assets	1,055,213	1,383,377	(328,164)
Capital Assets, net	60,260,847	26,314,818	33,946,029
Total Assets	75,797,166	39,324,039	36,473,127
Deferred Outflows of Resources	1,184,783	878,218	306,565
Current Liabilities	2,615,762	1,919,542	696,220
Noncurrent Liabilities	2,836,786	3,949,302	(1,112,516)
Total Liabilities	5,452,548	5,868,844	(416,296)
Deferred Inflows of Resources	2,047,874	1,023,129	1,024,745
Net Position:			
Net Investment in Capital Assets	60,260,847	26,314,818	33,946,029
Restricted	1,519,327	2,181,119	(661,792)
Unrestricted	7,701,352	4,814,347	2,887,005
Total Net Position	\$ 69,481,526	\$ 33,310,284	\$ 36,171,243

**DAVIS TECHNICAL COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

The Total Assets of the College increased by \$36,473,127 during the fiscal year.

Current Assets increased by \$2,855,262 as the College experienced increases in Cash and Cash Equivalents of \$3,037,809 from regular operations and Prepaid Expenses of \$143,411 offset by decreases in Accounts Receivable of \$132,541 from various state agencies and \$93,268 from operations. Inventories of merchandise and supplies in the Bookstore, Cosmetology Salon, and of various programs decreased \$100,149.

Noncurrent Assets decreased \$328,164 as restricted cash decreased as the Foundation made several payments during the year totaling \$386,695 towards the construction expenses of the new Allied Health Building. The primary costs for design and construction of the building were appropriated by the State Legislature to the Division of Facilities and Construction Management (DFCM). The increase in net Capital Assets of \$33,946,029 for the year is the result of the completion of the Allied Health Building and other campus improvements being offset by a reduction of \$455,371 in Construction in Progress and depreciation expense of \$2,980,254.

Deferred Outflows increased for the current year by \$306,565 to \$1,184,783 resulting from increases of \$169,526 in changes in proportion and differences between contributions and the proportionate share of contributions, \$175,725 due to changes between expected and actual experience in the defined benefits pension plan.

The Total Current Liabilities of the College increased by \$696,220. Accounts Payable increased \$538,422, with \$475,665 of that being due to DFCM for work on campus remodeling projects. Accrued Compensation Liabilities increased \$157,152 as did Unearned Revenue by \$44,119. Accrued Termination Benefits for former employees decreased \$46,069.

Noncurrent Liabilities decreased by \$1,112,516 as the College recorded a decrease of \$1,075,123 in Net Pension Liabilities and Accrued Termination Benefits by \$31,891.

Deferred Inflows related to pensions increased \$1,024,745 to \$2,047,874. A change in the net difference between projected and actual earnings on investments of \$1,061,305 was offset by the differences between the actuarially expected and actual investment experience of \$18,246 as well as \$18,316 in changes in proportion and differences between contributions and the proportionate share of contributions.

The Total Net Position of the College increased by \$36,171,243 from the previous fiscal year. Restricted Assets decreased \$661,792 to \$1,519,327, the changes in restricted funds resulted from the Foundation's payments towards the Allied Health Building and a decrease in scholarship balances and do not have an impact on the availability of resources for future College needs. The College's net position at year-end was \$69,481,526.

**DAVIS TECHNICAL COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

**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, 2021 and 2020:

<b>Changes in Net Position</b>	<b>Year Ended June 30, 2021 Amount</b>	<b>Year Ended June 30, 2020 Amount</b>	<b>Amount of Increase (Decrease)</b>
Operating Revenues	\$ 12,107,335	\$ 9,279,980	\$ 2,827,355
Operating Expenses	(32,918,030)	(30,924,286)	(1,993,744)
Operating Income (Loss)	(20,810,695)	(21,644,306)	833,611
Nonoperating Revenues	23,466,535	20,927,111	2,539,424
Nonoperating Expenses	-	(3,998)	3,998
Nonoperating Income (Loss)	23,466,535	20,923,113	2,543,422
Income Before Other Items	2,655,840	(721,193)	3,377,033
Other Revenues and Expenses	33,515,402	761,978	32,753,424
Increase (Decrease) in Net Position	36,171,242	40,785	36,130,457
Net Position - Beginning of Year	33,310,284	33,269,499	40,785
Total Net Position	\$ 69,481,526	\$ 33,310,284	\$ 36,171,242

The College experienced a net operating loss of \$20,810,695. 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 2021, the State appropriation of \$19,201,800 was sufficient to offset all but \$1,608,895 of the amount shown on the financial statements as an operating loss.

After considering nonoperating revenues and expenses, and other items, the College had an increase in Total Net Position of \$36,171,242. Prior to recording depreciation expenses of \$2,980,254, the College had an increase in net position of \$39,151,496. The Other Revenues of the College consisted of \$33,491,057 in capital projects on the campus completed by the State of Utah's Division of Facilities Construction and Management and \$24,345 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, 2021**

**Revenues.** The following schedule presents a summary of College revenues for the fiscal years ended June 30, 2021, and 2020:

<b>Revenues</b>	<b>Year Ended June 30, 2021 Amount</b>	<b>Percent of Total</b>	<b>Year Ended June 30, 2020 Amount</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent of Increase (Decrease)</b>
Operating Revenues:					
Student Tuition and Fees	\$ 2,260,307	3.27%	\$ 2,175,573	\$ 84,734	3.89%
Federal Grants and Contracts	255,318	0.37%	272,312	(16,994)	(6.24%)
State Grants and Contracts	5,077,461	7.35%	2,984,580	2,092,881	70.12%
Local Grants and Contracts	504,593	0.73%	11,791	492,802	4,179.48%
Nongov Grants & Contracts	904,969	1.31%	933,406	(28,437)	(3.05%)
Sales & Services of Ed Depts	11,083	0.02%	13,466	(2,383)	(17.70%)
Auxiliary Enterprises	2,001,938	2.90%	1,984,414	17,524	0.88%
Other Operating Revenues	164,465	0.24%	88,104	76,361	86.67%
Independent Operations	927,201	1.34%	816,334	110,867	13.58%
Total Operating Revenues	12,107,335	17.53%	9,279,980	2,827,355	30.47%
Nonoperating Revenues:					
State Appropriations	19,201,800	27.79%	18,822,800	379,000	2.01%
Gifts	508,063	0.74%	568,955	(60,892)	(10.70%)
Investment Income	79,262	0.11%	238,834	(159,572)	(66.81%)
Disposal of Capital Assets	56,346	0.08%	-	56,346	100.00%
Federal Pell Grants	1,073,179	1.55%	939,712	133,467	14.20%
Federal CARES Act: HEERF Grants	2,361,221	3.42%	57,752	2,303,469	3,988.55%
Other Nonoperating Revenues	186,664	0.26%	299,058	(112,394)	(37.58%)
Total Nonoperating Revenues	23,466,535	33.95%	20,927,111	2,539,424	12.13%
Other Revenues:					
Capital Grants	33,491,057	48.48%	586,978	32,904,079	5,605.67%
Capital Gifts	24,345	0.04%	175,000	(150,655)	(86.09%)
Total Other Revenues	33,515,402	48.52%	761,978	32,753,424	4,298.47%
Total Revenues	\$ 69,089,272	100.00%	\$ 30,969,069	\$ 38,120,203	123.09%

The revenue comparison between fiscal year 2021 and fiscal year 2020 shows an increase in total revenues of \$38,120,203 or 123.09% over the prior year. The largest factor in this increase was an increase in Capital Grants of \$32,904,079 of which \$32,588,114 was from the State of Utah for the Allied Health Building. Federal CARES Act funding increased \$2,303,469 and State Grants and Contracts increased \$2,092,881 as other state entities passed CARES funding to the College for IT infrastructure projects.

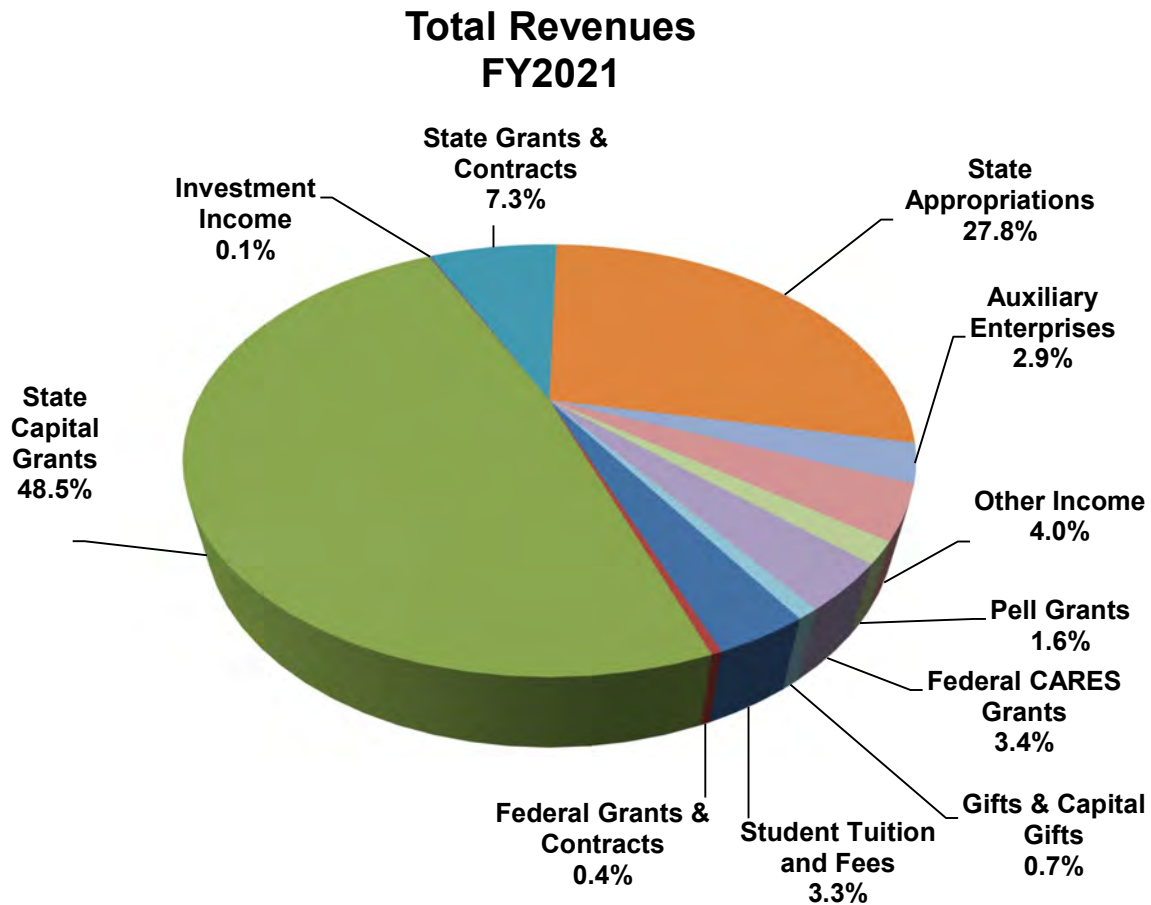
Local Grants also increased \$492,802 as Davis County passed through CARES funding to the College to support local education initiatives. State Appropriations increased a net of \$379,000 as the State reduced funding by \$666,900 but then provided \$571,300 towards operations and maintenance for the new building and \$474,600 for employee insurance rate increases and performance funding.

**DAVIS TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For the Fiscal Year Ended June 30, 2021**

There was a decrease in Other Nonoperating Revenues of \$112,394 as a prior year refund of medical insurance premiums from the Public Employees Health Program was not repeated.

Tuition and Fee revenues increased \$84,734 as the College adult student enrollments started to return to pre pandemic levels.

Investment Income fell \$159,572 as interest rates decreased from 0.94% in June 2020 to only 0.37% in June 2021.



**DAVIS TECHNICAL COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

**Expenses.** The following schedule presents a summary of College expenses for the fiscal years ended June 30, 2021 and 2020:

<b>Expenses</b>	<b>Year Ended June 30, 2021 Amount</b>	<b>Percent of Total</b>	<b>Year Ended June 30, 2020 Amount</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent of Increase (Decrease)</b>
Operating Expenses:					
Salaries and Wages	\$ 15,401,755	46.79%	\$ 14,449,285	\$ 952,470	6.59%
Benefits	5,606,739	17.03%	5,459,677	147,062	2.69%
Actuarial Calculated Pension Expense	716,817	2.18%	1,352,363	(635,546)	(47.00%)
Scholarships	1,272,246	3.86%	520,691	751,555	144.34%
Utilities	580,826	1.76%	558,204	22,622	4.05%
Supplies and Other Services	6,359,393	19.33%	5,945,718	413,675	6.96%
Depreciation	2,980,254	9.05%	2,638,348	341,906	12.96%
Total Operating Expenses	<u>32,918,030</u>	<u>100.00%</u>	<u>30,924,286</u>	<u>1,993,744</u>	<u>6.45%</u>
Nonoperating Expenses:					
Unrealized Loss on FMV of Investment	-	0.00%	3,998	(3,998)	(100.00%)
Total Nonoperating Expenses	<u>-</u>	<u>0.00%</u>	<u>3,998</u>	<u>(3,998)</u>	
Total Expenses	<u>\$ 32,918,030</u>	<u>100.00%</u>	<u>\$ 30,928,284</u>	<u>\$ 1,989,746</u>	<u>6.43%</u>

Total Expenses for the year increased by \$1,989,746 from the prior year. Salaries and Wages expenses increased by \$952,470. Full time instructors were added in Welding Technology, Heating and Air Conditioning, and Building Construction Technology. New full-time staff positions included four facility maintenance personnel and one human resource generalist.

Benefits expenses increased by \$147,062 from the prior year, with \$220,003 in additional health insurance premiums, \$70,026 in retirement related expenses being offset by a decrease in accrued leave benefit expenses of \$196,746. The Actuarial Calculated Pension Expense decreased by \$635,546 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.

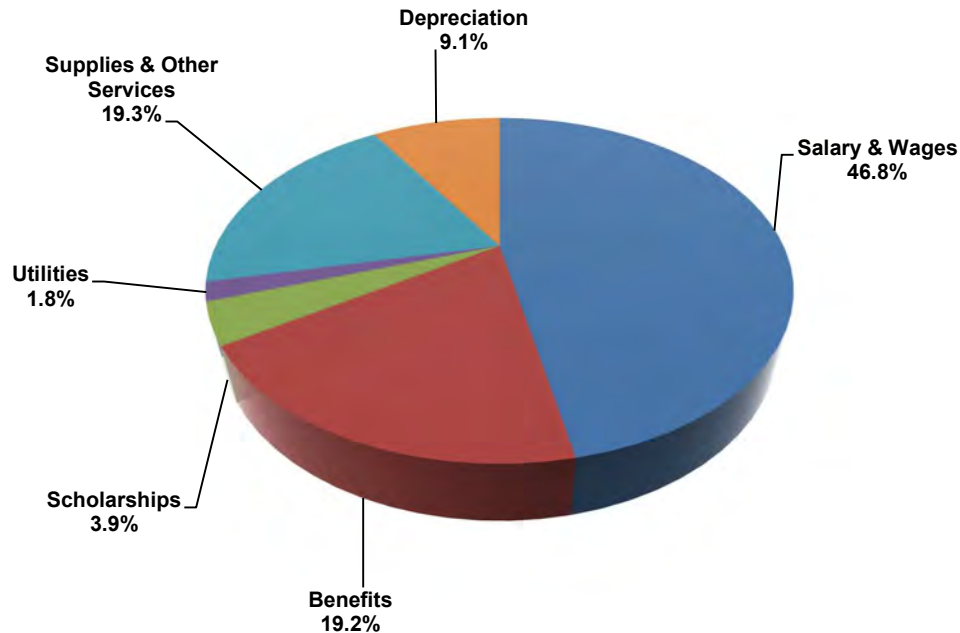
Scholarship expenses increased \$751,555 with an increase of \$765,673 in CARES related scholarships being offset by minor reductions in other areas.

Supplies and Other Services increased \$413,675, with \$911,190 in expenses incurred under a subgrant of CARES funds through the University of Utah for campus computer infrastructure improvements offsetting the reduction in other expenses across the College.



**DAVIS TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For the Fiscal Year Ended June 30, 2021**

**Total Operating Expenses  
FY2021**



**Capital Asset Administration**

**Capital Assets.** The College's investment in capital assets as of June 30, 2021 amounts to \$60,260,847 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and equipment. There were additions of \$36,926,283 before depreciation during the fiscal year. Of this amount, \$33,920,114 was for the Allied Health Building completed at the College by the State Division of Facilities Construction and Management (DFCM). The building was funded primarily by the State of Utah with the Foundation providing a total of \$1,332,000.

With the completion of the Allied Health Building, the Campus has started a multiyear renovation of spaces that once held the medical programs, resulting in a Construction in Progress balance of \$499,934.

The College retired \$224,498 in assets during the year, all of which had been fully depreciated. Depreciation for the year was \$2,980,254. Additional information on the College's capital assets can be found in Note 4 of the Notes to the Financial Statements.

**DAVIS TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For the Fiscal Year Ended June 30, 2021**

The following schedule presents a summary of College Capital Assets for the fiscal years ended June 30, 2021 and 2020:

<b>Capital Assets (net of depreciation)</b>	<b>Year Ended June 30, 2021 Amount</b>	<b>Year Ended June 30, 2020 Amount</b>	<b>Amount of Increase (Decrease)</b>
Land	\$ 1,599,080	\$ 1,599,080	\$ -
Buildings and Improvements	54,946,732	21,543,306	33,403,426
Equipment	3,215,101	2,227,127	987,974
Construction in Progress	499,934	945,305	(445,371)
Total Capital Assets, net	<u>\$ 60,260,847</u>	<u>\$ 26,314,818</u>	<u>\$ 33,946,029</u>

**Factors Effecting Net Position or Operations**

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

**State Economic Outlook.** The College receives a significant portion of its funding through legislative appropriations from the State of Utah; therefore, the general economic condition of the State has a direct impact on the College's ability to provide services to students and employers in the Davis and Morgan County service areas. Utah's economic position is one of the strongest in the nation with annual employment growth as of June 30, 2021 of 3.3% and a low unemployment rate of 2.7%. 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, 2021**

**ASSETS**

Current Assets:

Cash and Cash Equivalents (Note 2)	\$ 13,210,812
Receivables (Note 3)	
Due from the State of Utah	495,139
Other	286,476
Inventories	284,662
Prepaid Expenses and Other Assets	204,017
Total Current Assets	<u>14,481,106</u>

Noncurrent Assets:

Restricted Cash and Cash Equivalents (Note 2)	218,797
Investments in Real Estate	836,416
Capital Assets, net (Note 4)	60,260,847
Total Noncurrent Assets	<u>61,316,060</u>
Total Assets	<u>75,797,166</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Outflows Related to Pensions (Note 8)	<u>1,184,783</u>
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**LIABILITIES**

Current Liabilities:

Accounts Payable (Note 3)	
Due to the State of Utah	527,415
Other	470,173
Accrued Compensation Liabilities	1,314,022
Unearned Revenue	192,433
Funds Held in Custody for Others	8,308
Accrued Leave (Note 6)	2,747
Accrued Termination Benefits (Note 7)	100,664
Total Current Liabilities	<u>2,615,762</u>

Noncurrent Liabilities:

Net Pension Liability (Note 8)	1,973,401
Accrued Leave (Note 6)	853,044
Accrued Termination Benefits (Note 7)	10,342
Total Noncurrent Liabilities	<u>2,836,786</u>
Total Liabilities	<u>5,452,548</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred Inflows Related to Pensions (Note 8)	<u>2,047,874</u>
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**NET POSITION**

Net Investment in Capital Assets (Note 4)	60,260,847
Restricted For (Note 15):	
Nonexpendable	836,416
Expendable:	
Scholarships	481,889
Grants, Contracts and Other	201,022
Unrestricted	7,701,352
Total Net Position	<u>\$ 69,481,526</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, 2021**

**REVENUES**

Operating Revenues:

Student Tuition and Fees (net of scholarship allowances of \$1,028,625)	\$ 2,260,307
Federal Grants and Contracts	255,318
State Grants and Contracts	5,077,461
Local Grants and Contracts	504,593
Nongovernmental Grants and Contracts	904,969
Sales and Services of Educational Departments	11,083
Auxiliary Enterprises (net of scholarship allowances of \$74,665)	2,001,938
Other Operating Revenues	164,465
Independent Operations	927,201
Total Operating Revenues	<u>12,107,335</u>

**EXPENSES**

Operating Expenses (Note 10):

Salaries and Wages	15,401,755
Benefits (Notes 6,7,8,9)	5,606,739
Actuarial Calculated Pension Expense (Note 8)	716,817
Scholarships	1,272,246
Utilities	580,826
Supplies and Other Services	6,359,393
Depreciation (Note 4)	2,980,254
Total Operating Expenses	<u>32,918,030</u>
Operating Income (Loss)	<u>(20,810,695)</u>

**NONOPERATING REVENUES (EXPENSES)**

State Appropriations	19,201,800
Gifts	508,063
Investment Income	79,262
Disposal of Capital Assets	56,346
Federal Pell Grants	1,073,179
Federal CARES Act: Higher Education Emergency Relief Funds	2,361,221
Other Nonoperating Revenues (Expenses)	186,664
Total Nonoperating Revenues (Expenses)	<u>23,466,535</u>
Income (Loss) Before Capital Grants and Contributions	<u>2,655,840</u>

**Capital Grants and Contributions**

Capital Grants	33,491,057
Capital Gifts	24,345
Total Capital Grants and Contributions	<u>33,515,402</u>
Change in Net Position	<u>36,171,242</u>

**NET POSITION**

Net Position - Beginning of Year	33,310,284
Net Position - End of Year	<u>\$ 69,481,526</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, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from Tuition and Fees	\$ 2,304,426
Receipts from Sponsors, Grants, and Contracts	6,968,150
Payments to Suppliers	(6,532,560)
Payments for Scholarships	(1,272,246)
Payments to Employees	(22,005,816)
Receipts from Auxiliary Enterprise Charges	2,001,938
Other Receipts	1,289,261
Net Cash Flow Provided (Used) by Operating Activities	<u>(17,246,847)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

State Appropriations	19,201,800
Gifts and Grants Received for Other Than Capital Purposes:	
Private Gifts	535,069
Federal Cares Act Funds	2,361,221
Financial Aid Grants	1,073,179
Net Cash Flow Provided (Used) by Noncapital Financing Activities	<u>23,171,269</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Proceeds From Sale of Capital Assets	56,346
Purchases of Capital Assets	(3,410,881)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,354,535)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Dividend Received From Investment in Real Estate	60,496
Life Insurance Policy Payout	51,485
Interest on Investments	79,262
Net Cash Provided (Used) by Investing Activities	<u>191,243</u>

Net Increase/(Decrease) in Cash	<u>\$ 2,761,130</u>
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**CASH - BEGINNING OF YEAR**

Cash and Cash Equivalents	\$ 10,173,003
Restricted Cash	495,476
Total Cash Beginning of Year	<u>10,668,479</u>

**CASH - END OF YEAR**

Cash and Cash Equivalents	\$ 13,210,812
Restricted Cash	218,797
Total Cash End of Year	<u>\$ 13,429,609</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, 2021**  
**(continued)**

**RECONCILIATION OF NET OPERATING INCOME (LOSS) TO:**

**Net Cash Provided (Used) by Operating Activities:**

Operating Income (Loss)	\$ (20,810,695)
Difference between Actuarial Calculated Pension Expense and Actual Contributions	(356,943)
Other Nonoperating Revenues (Expenses)	186,664
Adjustments to Reconcile Net Position (Loss) to	
Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	2,980,255
In-Kind Gifts Received and Expensed	(87,502)
Change in Assets and Liabilities:	
Receivables	225,809
Inventories	100,149
Prepaid Expenses and Other Assets	(143,411)
Accounts Payable	538,422
Accrued Compensation Liabilities	157,152
Unearned Revenue	44,119
Funds Held in Custody for Others	(152)
Accrued Leave	(2,755)
Accrued Early Termination Benefits	(77,960)
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (17,246,848)</u></u>

**NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES**

Construction projects transferred from State of Utah (DFCM)	\$ 33,491,057
Donated Equipment or Other Assets	24,345
Total Noncash Investing, Capital, and Financing Activities	<u><u>\$ 33,515,402</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, 2021**

**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 *Comprehensive Annual Financial Report*.

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

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

Blended Presentation Component Unit

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

Measurement Focus and Basis of Accounting

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

**DAVIS TECHNICAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

**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, 2021**

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

Equity Interest in Apartment Complex (continued)

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

Capital Assets

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

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

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

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

Compensated Absences

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

Pensions

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

**DAVIS TECHNICAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

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

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

Deferred Outflows/Inflows of Resources

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

Prior Year's Presentation

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

**NOTE 2 - DEPOSITS AND INVESTMENTS**

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

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

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, 2021, \$868,955 of the College's bank balances of

**DAVIS TECHNICAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

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

\$1,118,955 was uninsured and uncollateralized. All of the Foundation's \$39,756 bank balances were insured.

Investments

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

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

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

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.

**DAVIS TECHNICAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

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

Investments (continued)

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, 2021 fair value factor, as calculated by the Utah State Treasurer, to the College's ending balance in the Fund.

At June 30, 2021, 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	\$12,385,352	-	\$12,385,352	-

Interest Rate Risk

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

**DAVIS TECHNICAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

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

Interest Rate Risk (continued)

As of June 30, 2021, 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	\$12,385,352	\$12,385,352	-	-	-

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, 2021, 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	\$12,385,352	-	\$12,385,352

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, 2021**

**NOTE 3 – ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE**

**Schedule of Accounts Receivable**

	<u>June 30, 2021</u>
Amounts due from the State of Utah	
Student Tuition and Fees	\$ 22,294
State Grants and Contracts	371,443
Operations	21,485
Independent Operations	<u>79,917</u>
Total due from the State of Utah	495,139
 Amounts due from Others	
Student Tuition and Fees	96,165
Federal Grants and Contracts	91,488
Operations	<u>98,823</u>
Total due from Others	286,476
 Total Accounts Receivable	<u><u>\$ 781,615</u></u>

**Schedule of Accounts Payable**

	<u>June 30, 2021</u>
Amounts due to the State of Utah	<u>527,415</u>
Amounts due to Others:	
Students	38,273
Vendors	428,964
Employees	<u>2,936</u>
Total amounts due to Others	<u>470,173</u>
Total Accounts Payable	<u><u>\$ 997,588</u></u>

**DAVIS TECHNICAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 4 – CAPITAL ASSETS**

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

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Balance June 30, 2020	Additions from College	Additions from DFCM	Retirements	Balance June 30, 2021
Capital Assets					
Buildings & Improvements	\$ 48,473,469	\$ 1,770,514	\$ 33,491,057	\$ -	\$ 83,735,040
Construction in Progress	945,305	(445,371)	-	-	499,934
Equipment	9,649,310	2,110,083	-	224,498	11,534,895
Land	1,599,080	-	-	-	1,599,080
Total	<u>60,667,164</u>	<u>3,435,226</u>	<u>33,491,057</u>	<u>224,498</u>	<u>\$ 97,368,949</u>
Less Accumulated Depreciation					
Buildings & Improvements	26,891,285	1,897,023	-	-	28,788,308
Equipment	<u>7,461,061</u>	<u>1,083,231</u>	<u>-</u>	<u>(224,498)</u>	<u>8,319,794</u>
Total Accumulated Depreciation	<u>34,352,346</u>	<u>2,980,254</u>	<u>-</u>	<u>(224,498)</u>	<u>37,108,102</u>
Net Capital Assets	<u>\$ 26,314,818</u>	<u>\$ 454,972</u>	<u>\$ 33,491,057</u>	<u>\$ -</u>	<u>\$ 60,260,847</u>

**NOTE 5 - ACCRUED LEAVE**

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

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

Balance at June 30, 2020	\$ 858,546
Additions to Accrued Leave	861,346
Accrued Leave Used	<u>(864,101)</u>
Balance at June 30, 2021	<u>\$ 855,791</u>
Amount due through June 30, 2022	\$ 2,747

**DAVIS TECHNICAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 6 - ACCRUED TERMINATION BENEFITS**

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

	<u>Stipends</u>	<u>Medical Insurance</u>	<u>Total</u>
Balance at June 30, 2020	\$ 82,283	\$ 106,682	\$ 188,965
Additions	-	81,909	81,909
Deletions (Payments)	(82,283)	(77,585)	(159,868)
Balance at June 30, 2021	<u>\$ -</u>	<u>\$ 111,006</u>	<u>\$ 111,006</u>
Amount due through June 30, 2022	\$ -	\$ 100,664	\$ 100,664

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

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

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

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



**DAVIS TECHNICAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 6 - ACCRUED TERMINATION BENEFITS (Continued)**

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.

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

**NOTE 7 - DEFINED BENEFIT PENSION PLANS**

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

Plan Description

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

Public Employees Noncontributory Retirement System (Noncontributory System)

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

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

**DAVIS TECHNICAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

Benefits Provided

Utah Retirement Systems provides retirement, disability, and death benefits. Retirement benefits are as follows: **Summary of Benefits by System**

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

\* Actuarial reductions are applied.

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

Funding Policy

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

	<b>Employer Contribution Rates</b>	<b>Employer Rate for 401K Plan</b>
Noncontributory System	22.19%	1.50%
Noncontributory System, Post Retired Amortization	9.94%	0%
Tier 2 Public Employees System*	19.13%	0.89%
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.

**DAVIS TECHNICAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

Funding Policy (continued)

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.

	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 708,898	N/A
Tier 2 Public Employees System*	303,664	-
Tier 2 Public Employees System DC Only*	<u>62,202</u>	N/A
Total Contributions	<u>\$1,074,764</u>	

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

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

At June 30, 2021, the College reported a net pension asset of \$0 and a net pension liability of \$1,973,401. The net pension liability decreased \$1,075,123 from the June 30, 2020 balance of \$3,048,524. None of this is due within the next fiscal year.

	Measurement Date: December 31, 2020			December 31, 2019	Change
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share	(Decreases)
Noncontributory System	\$0	\$1,959,383	0.1469770%	0.1364194%	0.0105576%
Tier 2 Public Employees System	<u>0</u>	<u>14,018</u>	0.0974641%	0.0786608%	0.0188033%
	<u>\$0</u>	<u>\$1,973,401</u>			

The net pension asset and liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020 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, 2021 the College recognized a pension expense of \$716,817.

**DAVIS TECHNICAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

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

As of June 30, 2021, 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	\$ 227,792	\$ 6,419
Changes in assumptions	202,553	510
Net difference between projected and actual earnings on pension plan investments	-	2,013,233
Changes in proportion and differences between contributions and proportionate share of contributions	239,338	27,712
Contributions subsequent to the measurement date	515,100	-
Total	<u>\$1,184,783</u>	<u>\$ 2,047,874</u>

The College reported \$515,100 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, 2020. 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:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2021	(\$357,618)
2022	(\$74,008)
2023	(\$647,034)
2024	(\$329,779)
2025	\$4,932
Thereafter	\$25,316

Actuarial assumptions: The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 %
Salary increases	3.25 % - 9.75 % average, including inflation
Investment rate of return	6.95 %, net of pension plan investment expense, including inflation

**DAVIS TECHNICAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

The actuarial assumptions used in the January 1, 2020, valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2019.

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

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

Asset class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	37%	6.30%	2.33%
Debt securities	20%	0.00%	0.00%
Real assets	15%	6.19%	0.93%
Private equity	12%	9.50%	1.14%
Absolute return	16%	2.75%	0.44%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.84%
		Inflation	2.50%
		Expected arithmetic nominal return	7.34%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.5% and a real return of 4.45% that is net of investment expense.

**DAVIS TECHNICAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

Discount rate

The discount rate used to measure the total pension liability was 6.95%. 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 6.95%.

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 6.95%, 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 (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Proportionate share of Net Pension (asset)/liability			
Noncontributory System	\$6,281,337	\$1,959,382	\$(1,654,362)
Tier 2 Public Employees System	<u>235,882</u>	<u>14,018</u>	<u>(155,702)</u>
	\$6,517,219	\$1,973,400	\$(1,810,064)

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, 2021**

**NOTE 8 - DEFINED CONTRIBUTION PLANS**

Utah Retirement Systems

The College participates in the 401(k) plan administered by the Utah Retirement Systems (Systems). This plan is a defined contribution plan. The plan is established and governed by Chapter 49 of the Utah Code Annotated, 1953, as amended. The 401(k) plan is a supplemental plan to basic retirement benefits of URS. The College is required by statute to contribute 1.5% of eligible employees' salaries which vests immediately. During the year ended June 30, 2021, the College contributed \$128,496.

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 \$781,031 for the year ended June 30, 2021. 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, 2021, College employees made voluntary contributions to the plan of \$395,360.

Teachers Insurance and Annuity Association

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

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

**DAVIS TECHNICAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 8 - DEFINED CONTRIBUTION PLANS (Continued)**

Teachers Insurance and Annuity Association (continued)

The College has no further liability once contributions are made. During the year ended June 30, 2021, the College contributed \$1,086,906 to the plan, and employees made voluntary contributions to the plan of \$235,371.

**NOTE 9 - NATURAL AND FUNCTIONAL EXPENSE CLASSIFICATIONS**

The following is a summary of natural expense classifications with functional expense classifications for the year ended June 30, 2021

	Salary and Wages	Employee Benefits*	Scholarships	Utilities	Supplies & Other	Depreciation	Total
Instruction	\$ 7,162,301	\$ 2,783,860	\$ 10,519	\$ -	\$ 1,856,726	\$ -	\$ 11,813,406
Academic Support	1,852,441	890,284	-	-	83,399	-	2,826,124
Student Services	1,869,467	823,169	-	-	564,196	-	3,256,832
Institutional Support	2,586,578	1,037,161	-	27,764	1,492,866	-	5,144,369
Operations and Maintenance	1,046,959	447,250	-	533,071	608,941	2,980,254	5,616,475
Scholarships	-	-	1,261,727	-	-	-	1,261,727
Auxiliary	694,187	253,572	-	19,991	1,324,234	-	2,291,984
Independent Operations	189,822	88,260	-	-	429,031	-	707,113
Total	\$ 15,401,755	\$ 6,323,556	\$ 1,272,246	\$ 580,826	6,359,393	\$ 2,980,254	\$ 32,918,030

\* Employee Benefits includes the Actuarial Calculated Pension Expense

**NOTE 10 – DAVIS TECH FOUNDATION -Blended Presentation Component Unit**

The Davis Technical College Foundation, Inc. (Foundation) is a legally separate, tax-exempt component unit of the College. The Foundation acts exclusively as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The majority of the resources or income the Foundation holds and invests is restricted to the activities of the College by the donors. Additionally, the College Board of Trustees approves the individuals who are appointed to serve on the Foundation's separate Board of Trustees. With these limits on use of Foundation funds and the level of control of the Foundation Board, the Foundation is considered a component unit of the College and is presented in the College's financial statements as a blended component unit. During the year ended June 30, 2021, the Foundation distributed \$701,665 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, 2021**

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

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

<b>DAVIS TECHNICAL COLLEGE FOUNDATION</b> <b>CONDENSED FINANCIAL STATEMENTS</b> <b>For the Fiscal Year Ended June 30, 2021</b>			
<b>Statement of Net Position</b>		<b>Statement of Revenues, Expenses, and Changes in Net Position</b>	
Assets		Operating Revenues:	
Current Assets		Gifts	\$ 447,567
Cash and Investments	\$ 624,051	Fund Raisers	81,518
Accounts Receivable	800	Total Operating Revenues	529,085
Noncurrent Assets		Operating Expenses:	
Restricted Cash and Investments	218,797	Staff Support	10,000
Other Non Current Assets	836,416	Scholarships	165,589
Total Assets	1,680,064	Equipment Donations	92,315
Liabilities and Net Assets		Other Expenses	499,534
Current Liabilities	14,641	Total Operating Expenses	767,438
Total Liabilities and Unearned Revenue	14,641	Operating Income	(238,353)
Net Position		Nonoperating Revenues:	
Nonexpendable	836,416	Interest & Other Income	63,744
Expendable	438,133	Change in Net Position	(174,609)
Unrestricted	390,874	Net Position at beginning of year	1,840,032
Total Net Position	\$ 1,665,423	Net Position at end of year	\$ 1,665,423
<b>DAVIS TECHNICAL COLLEGE FOUNDATION</b> <b>Statement of Cash Flows</b>			
Cash Flows From Operating Activities			
Cash received through contributions & fundraisers			\$ 419,086
Cash payments for operations			(490,715)
Cash payments for scholarships			(165,589)
Net Cash Provided by (Used in) Operating Activities			(237,218)
Cash Flows From Investing Activities			
Interest and Dividends			3,248
Life Insurance Payout			51,485
Real Estate income			60,496
Net Cash Provided by (Used in) Investing Activities			115,229
			(121,989)
			964,837
			\$ 842,848

**DAVIS TECHNICAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 11 - UTAH CAREER PATH HIGH CHARTER SCHOOL**

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

**NOTE 12 – CONTINGENT LIABILITIES**

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

**NOTE 13 – RISK MANAGEMENT**

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

**NOTE 14 - RESTRICTIONS ON NET POSITION**

The restrictions on net position on June 30, 2021 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, 2021**

**NOTE 14 - RESTRICTIONS ON NET POSITION (Continued)**

Restricted net position is available for the following purposes:

Nonexpendable Assets:	
Interest in Skyline Apartments	\$ 836,416
Expendable Assets:	
Scholarships	481,889
Contracts and Grants	<u>201,022</u>
Total Expendable:	<u>\$ 682,911</u>
 Total Restricted Net Position	 <u>\$1,519,327</u>

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

**NOTE 15 – RELATED PARTY TRANSACTIONS**

Results Group LLC employs Kristen Toone as a trainer and facilitator. She is the spouse of Adam Toone, who sits on the College Board of Trustees as a representative of the Morgan School District. During the fiscal year, the College contracted with Results Group LLC for training services totaling \$3,500. As of June 30, 2021, there were no outstanding amounts due to or from Results Group LLC to the College.

**NOTE 16 – CORONAVIRUS RELATED FUNDING**

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan Act (ARPA) provide budgetary relief to higher education institutions through numerous provisions. The College received a total of \$4,979,891 in relief related funding directly from the Department of Education as well as passed through the State of Utah, other state agencies and Davis County. The College does not foresee receiving amounts of this magnitude in future periods.

**Coronavirus Relief Usage:**

Direct Payments to Students	\$ 667,921
Lost Revenue Recovery	1,407,712
Student Scholarships	75,292
Campus IT Infrastructure	2,029,638
Covid Testing Administration	97,840
Business Resource Center Support	415,900
Covid Related Wages and Cleaning Supplies	<u>285,588</u>
	<u>\$ 4,979,891</u>

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**DAVISTECH**  
DAVIS TECHNICAL COLLEGE

# REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>Dec 31, 2020</u>	<u>Dec 31, 2019</u>	<u>Dec 31, 2018</u>
<b>Noncontributory System</b>			
Proportion of the net pension liability (asset)	0.1469770%	0.1364194%	0.1281333%
Proportionate share of the net pension liability (asset)	\$ 1,959,382	\$ 3,030,832	\$ 4,767,221
Covered payroll	\$ 3,554,864	\$ 3,370,813	\$ 3,443,177
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	55.12%	89.91%	138.45%
Plan fiduciary net position as a percentage of the total pension liability	94.30%	90.10%	84.10%
 <b>Tier 2 Public Employees System</b>			
Proportion of the net pension liability (asset)	0.0974641%	0.0786608%	0.0721595%
Proportionate share of the net pension liability (asset)	\$ 14,018	\$ 17,691	\$ 30,904
Covered payroll	\$ 1,558,020	\$ 1,092,836	\$ 843,444
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.90%	1.62%	3.66%
Plan fiduciary net position as a percentage of the total pension liability	98.30%	96.50%	90.80%

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

**DAVIS TECHNICAL COLLEGE**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**Last Ten Fiscal Years**

	<u>2021*</u>	<u>2020*</u>	<u>2019*</u>
<b>Noncontributory System</b>			
Actuarial determined contributions	\$ 708,898	\$ 788,198	\$ 741,409
Contributions in relation to the contractually required contribution	(708,898)	(788,198)	(741,409)
Contribution deficiency (excess)	-	-	-
 Covered payroll	 \$ 3,228,541	 \$ 3,597,519	 \$ 3,385,798
Contributions as a percentage of covered payroll ***	21.96%	21.91%	21.90%
 <b>Tier 2 Public Employees System**</b>			
Actuarial determined contributions	\$ 303,664	\$ 254,648	\$ 173,523
Contributions in relation to the contractually required contribution	(303,664)	(254,648)	(173,523)
Contribution deficiency (excess)	-	-	-
 Covered payroll	 \$ 1,587,373	 \$ 1,340,960	 \$ 919,565
Contributions as a percentage of covered payroll ***	19.13%	18.99%	18.87%
 <b>Tier 2 Public Employees DC Only System</b>			
Actuarial determined contributions	\$ 62,202	\$ 46,723	\$ 38,773
Contributions in relation to the contractually required contribution	(62,202)	(46,723)	(38,773)
Contribution deficiency (excess)	-	-	-
 Covered payroll	 \$ 620,776	 \$ 466,297	 \$ 386,958
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.

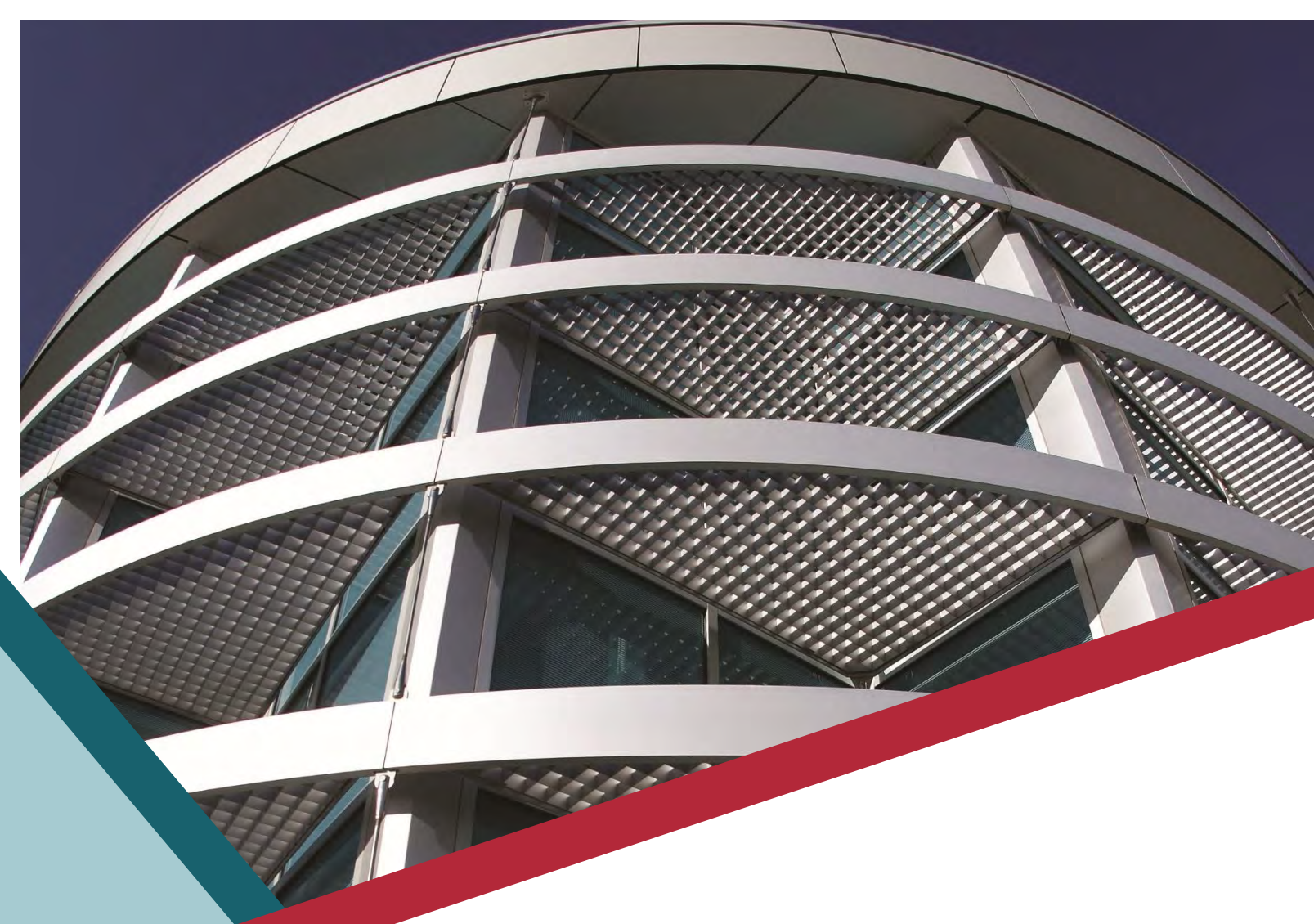


<b>2018*</b>	<b>2017*</b>	<b>2016*</b>	<b>2015*</b>	<b>2014*</b>	<b>2013</b>	<b>2012</b>
\$ 767,461	\$ 723,411	\$ 696,334	\$ 688,592	\$ 640,328	\$ 610,106	\$ 567,237
(767,461)	(723,411)	(696,334)	(688,592)	(640,328)	(610,106)	\$ (567,237)
-	-	-	-	-	-	-
\$ 3,497,896	\$ 3,288,343	\$ 3,171,667	\$ 3,138,607	\$ 3,250,820	\$ 3,242,164	\$ 3,364,397
21.94%	22.00%	21.95%	21.94%	19.70%	18.81%	16.86%
\$ 151,029	\$ 107,799	\$ 66,622	\$ 24,537	\$ 20,541	\$ 24,078	\$ 4,033
(151,029)	(107,799)	(66,622)	(24,537)	(20,541)	(24,078)	(4,033)
-	-	-	-	-	-	-
\$ 819,032	\$ 591,005	\$ 365,251	\$ 134,302	\$ 122,633	\$ 159,880	\$ 31,657
18.44%	18.24%	18.24%	18.27%	16.75%	15.06%	12.74%
\$ 25,989	\$ 18,997	\$ 18,145	\$ 16,510	\$ 10,739		
(25,989)	(18,997)	(18,145)	(16,510)	(10,739)		
-	-	-	-	-		
\$ 259,374	\$ 189,588	\$ 181,088	\$ 164,283	\$ 128,764		
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, 2021**

**CHANGES IN ASSUMPTIONS**

There were a number of demographic assumptions (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These assumption updates were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the Total Pension Liability, which is about 0.50% of the Total Pension Liability of as December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be accessed online at [newsroom.urs.org](http://newsroom.urs.org) under the “Retirement Office” column using the “Reports and Stats” tab.



**DAVISTECH**  
DAVIS TECHNICAL COLLEGE

# STATISTICS

**DAVIS TECHNICAL COLLEGE**  
**SCHEDULE OF NET POSITION**  
**Last Ten Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Investment in Capital Assets	\$ 60,260,847	\$ 26,314,818	\$ 26,465,459	\$ 28,191,599
Restricted for:				
Scholarships	481,889	382,697	383,273	385,332
Grants, Contracts and Other	1,037,438	1,719,451	2,204,534	2,048,096
Unrestricted	<u>7,701,352</u>	<u>4,893,318</u>	<u>4,216,233</u>	<u>3,027,000</u>
Total Net Position	<u>\$ 69,481,526</u>	<u>\$ 33,310,284</u>	<u>\$ 33,269,499</u>	<u>\$ 33,652,027</u>

Source: Annual Reports on Financial Statements for years presented.

<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
\$ 28,090,605	\$ 27,246,745	\$ 28,313,502	\$ 29,216,171	\$ 29,015,988	\$ 29,419,452
382,003	395,324	318,799	285,400	152,080	167,204
1,259,911	1,099,471	915,990	1,340,800	1,384,440	1,514,378
3,208,622	2,903,431	2,928,900	4,482,337	4,488,850	3,857,159
<u>\$ 32,941,141</u>	<u>\$ 31,644,971</u>	<u>\$ 32,477,191</u>	<u>\$ 35,324,708</u>	<u>\$ 35,041,358</u>	<u>\$ 34,958,193</u>

**DAVIS TECHNICAL COLLEGE**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>REVENUES</b>				
Operating Revenues:				
Student Tuition and Fees (net of scholarship allowances)	\$ 2,260,307	\$ 2,175,573	\$ 2,326,290	\$ 2,229,088
Federal Grants and Contracts	255,318	272,312	377,681	343,463
State Grants and Contracts	5,077,461	2,984,580	2,920,834	1,602,973
Local Grants and Contracts	504,593	11,791	11,373	13,255
Nongovernmental Grants and Contracts	904,969	933,406	708,445	660,439
Sales and Services of Educational Departments	11,083	13,466	26,553	15,215
Auxiliary Enterprises (net of scholarship allowances)	2,001,938	1,984,414	2,116,893	1,967,093
Other Operating Revenues	164,465	88,104	133,036	186,761
Independent Operations	927,201	816,334	834,807	835,394
Total Operating Revenues	<u>12,107,335</u>	<u>9,279,980</u>	<u>9,455,912</u>	<u>7,853,681</u>
<b>EXPENSES</b>				
Operating Expenses:				
Salaries and Wages	15,401,755	14,449,285	12,770,403	11,735,925
Benefits	5,606,739	5,459,677	4,662,407	4,101,567
Actuarial Calculated Pension Expense	716,817	1,352,363	1,247,878	880,599
Scholarships	1,272,246	520,691	423,753	589,718
Utilities	580,826	558,204	576,830	594,620
Supplies and Other Services	6,359,393	5,945,718	5,544,415	5,592,083
Depreciation	2,980,254	2,638,348	2,775,703	2,766,424
Total Operating Expenses	<u>32,918,030</u>	<u>30,924,286</u>	<u>28,001,389</u>	<u>26,260,936</u>
Operating Income (Loss)	<u>(20,810,695)</u>	<u>(21,644,306)</u>	<u>(18,545,477)</u>	<u>(18,407,255)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
State Appropriations	19,201,800	18,822,800	16,164,800	15,405,100
Gifts	508,063	568,955	707,953	819,276
Investment Income	79,262	238,834	309,147	161,738
Unrealized Loss on FMV of Investment	-	(3,998)	(2,966)	(2,221)
Disposal of Capital Assets	56,346	-	(93,613)	14,007
Federal Pell Grants	1,073,179	939,712	943,324	1,181,163
Federal CARES Act: Higher Education Emergency Relief Fur	2,361,221	57,752	-	-
Other Nonoperating Revenues (Expenses)	186,664	299,058	78,368	122,328
Net Nonoperating Revenues	<u>23,466,535</u>	<u>20,923,113</u>	<u>18,107,013</u>	<u>17,701,391</u>
(Loss) Before Other Revenues and Expenses	<u>2,655,840</u>	<u>(721,193)</u>	<u>(438,464)</u>	<u>(705,864)</u>
Capital Grants	33,491,057	586,978	55,936	1,336,689
Capital Gifts	24,345	175,000	-	80,061
Extraordinary Items	-	-	-	-
<b>Increase/(Decrease) in Net Position</b>	<u><u>\$ 36,171,242</u></u>	<u><u>\$ 40,785</u></u>	<u><u>\$ (382,528)</u></u>	<u><u>\$ 710,886</u></u>

Source: Annual Reports on Financial Statements for years presented.

2017	2016	2015	2014	2013	2012
\$ 2,119,972	\$ 2,217,755	\$ 2,453,525	\$ 2,373,117	\$ 2,613,125	\$ 2,695,973
335,954	338,165	272,487	282,956	364,541	1,009,390
2,002,345	1,607,378	1,586,187	1,640,045	1,319,735	1,250,380
13,461	6,511	63,444	43,178	-	108,327
635,743	468,177	499,071	323,331	260,008	323,620
13,054	17,914	19,913	16,597	11,305	14,340
1,899,262	1,849,584	1,624,744	1,468,241	1,531,938	1,548,885
168,681	91,737	92,370	84,176	68,435	108,926
753,778	621,601	583,756	592,092	588,888	616,739
7,942,250	7,218,822	7,195,497	6,823,733	6,757,975	7,676,580
10,998,624	10,527,131	9,919,412	9,262,757	8,974,269	9,097,443
3,889,530	3,540,069	3,402,631	3,725,521	3,422,634	3,448,057
971,235	704,293	1,352,363	-	-	-
494,747	491,318	489,401	476,781	539,251	650,654
604,269	593,245	582,174	612,831	553,906	455,902
5,055,197	4,507,499	4,142,065	3,656,003	3,682,578	3,928,518
2,601,821	2,455,459	2,565,252	2,062,220	1,877,235	1,885,489
24,615,423	22,819,014	21,589,225	19,796,113	19,049,873	19,466,063
(16,673,173)	(15,600,192)	(14,393,728)	(12,972,380)	(12,291,898)	(11,789,483)
14,197,000	13,057,900	12,183,800	10,963,000	9,947,800	9,177,700
589,322	294,912	300,797	432,660	321,971	296,454
96,584	88,136	37,134	37,294	44,141	263,298
(1,655)	(1,189)	(857)	(884)	-	-
(2,453)	5,000	4,200	-	-	462
994,082	1,043,185	1,017,606	997,980	1,093,603	1,233,371
-	-	-	-	-	-
80,711	18,233	24,068	50,511	11,512	17,829
15,953,591	14,506,177	13,566,748	12,480,561	11,419,027	10,989,114
(719,582)	(1,094,015)	(826,980)	(491,819)	(872,871)	(800,369)
1,947,752	117,482	707,292	735,169	930,036	876,164
68,000	144,313	59,173	40,000	26,000	-
-	-	117,336	-	-	-
\$ 1,296,170	\$ (832,220)	\$ 56,821	\$ 283,350	\$ 83,165	\$ 75,795

**DAVIS TECHNICAL COLLEGE**  
**EXPENSES BY FUNCTION**  
**Last Ten Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Instruction	\$ 11,813,406	\$ 11,915,263	\$ 10,362,149	\$ 9,625,903
Academic Support	2,826,124	2,841,866	2,394,963	2,081,348
Student Services	3,256,832	3,424,813	3,003,448	2,619,788
Institutional Support	5,144,369	3,852,416	3,575,514	3,544,327
Operation and Maintenance of Plant	5,616,475	5,127,677	5,003,168	4,842,920
Scholarships	1,261,727	520,691	423,753	589,718
Auxiliary Enterprises	2,291,984	2,529,997	2,503,049	2,280,343
Independent Operations	707,113	711,563	735,345	676,589
Total Expenses	<u>\$ 32,918,030</u>	<u>\$ 30,924,286</u>	<u>\$ 28,001,389</u>	<u>\$ 26,260,936</u>

**(Percent of Total Expenses)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Instruction	35.89%	38.53%	37.01%	36.65%
Academic Support	8.59%	9.19%	8.55%	7.93%
Student Services	9.89%	11.07%	10.73%	9.98%
Institutional Support	15.63%	12.46%	12.77%	13.50%
Operation and Maintenance of Plant	17.06%	16.58%	17.87%	18.44%
Scholarships	3.83%	1.68%	1.51%	2.25%
Auxiliary Enterprises	6.96%	8.18%	8.94%	8.68%
Independent Operations	2.15%	2.31%	2.62%	2.57%
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.



<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
\$ 9,118,888	\$ 8,441,434	\$ 8,343,883	\$ 7,324,428	\$ 7,180,417	\$ 7,531,695
1,861,234	1,832,580	1,569,816	1,453,835	1,584,102	1,596,148
2,306,475	2,145,745	1,828,804	1,909,263	1,803,791	1,749,448
3,276,783	3,278,226	2,646,253	2,488,202	2,288,556	2,221,888
4,696,769	3,934,867	4,356,732	3,827,354	3,390,378	3,379,027
494,747	491,318	489,401	476,781	539,251	650,654
2,225,179	2,153,987	1,821,343	1,819,534	1,767,634	1,837,902
635,348	540,857	532,993	496,716	495,744	499,301
<u>\$ 24,615,423</u>	<u>\$ 22,819,014</u>	<u>\$ 21,589,225</u>	<u>\$ 19,796,113</u>	<u>\$ 19,049,873</u>	<u>\$ 19,466,063</u>

<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
37.05%	36.99%	38.65%	37.00%	37.69%	38.69%
7.56%	8.03%	7.27%	7.34%	8.32%	8.20%
9.37%	9.40%	8.47%	9.64%	9.47%	8.99%
13.31%	14.37%	12.26%	12.57%	12.01%	11.41%
19.08%	17.24%	20.18%	19.33%	17.80%	17.36%
2.01%	2.15%	2.27%	2.41%	2.83%	3.34%
9.04%	9.44%	8.44%	9.19%	9.28%	9.44%
2.58%	2.38%	2.46%	2.52%	2.60%	2.57%
<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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Salaries and Wages	\$ 15,401,755	\$ 14,449,285	\$ 12,770,403	\$ 11,735,925
Benefits	5,606,739	5,459,677	4,662,407	4,101,567
Actuarial Calculated Pension Expense	716,817	1,352,363	1,247,878	880,599
Scholarships	1,272,246	520,691	423,753	589,718
Utilities	580,826	558,204	576,830	594,620
Supplies and Other Services	6,359,393	5,945,718	5,544,415	5,592,083
Depreciation	2,980,254	2,638,348	2,775,703	2,766,424
Total Expenses	<u>\$ 32,918,030</u>	<u>\$ 30,924,286</u>	<u>\$ 28,001,389</u>	<u>\$ 26,260,936</u>

**(Percent of Total Expenses)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Salaries and Wages	46.79%	46.72%	45.61%	44.69%
Benefits	17.03%	17.65%	16.65%	15.62%
Actuarial Calculated Pension Expense	2.18%	4.37%	4.46%	3.35%
Scholarships	3.86%	1.68%	1.51%	2.25%
Utilities	1.76%	1.81%	2.06%	2.26%
Supplies and Other Services	19.32%	19.23%	19.80%	21.29%
Depreciation	9.06%	8.54%	9.91%	10.54%
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.

<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
\$ 10,998,624	\$ 10,527,131	\$ 9,919,412	\$ 9,262,757	\$ 8,974,269	\$ 9,097,443
3,889,530	3,540,069	3,402,631	3,725,521	3,422,634	3,448,057
971,235	704,293	488,290	-	-	-
494,747	491,318	489,401	476,781	539,251	650,654
604,269	593,245	582,174	612,831	553,906	455,902
5,055,197	4,507,499	4,142,065	3,656,003	3,682,578	3,928,518
2,601,821	2,455,459	2,565,252	2,062,220	1,877,235	1,885,489
<u>\$ 24,615,423</u>	<u>\$ 22,819,014</u>	<u>\$ 21,589,225</u>	<u>\$ 19,796,113</u>	<u>\$ 19,049,873</u>	<u>\$ 19,466,063</u>

<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
44.68%	46.13%	45.95%	46.79%	47.11%	46.73%
15.80%	15.51%	15.76%	18.82%	17.97%	17.71%
3.95%	3.09%	2.26%	0.00%	0.00%	0.00%
2.01%	2.15%	2.27%	2.41%	2.83%	3.34%
2.45%	2.60%	2.70%	3.10%	2.91%	2.34%
20.54%	19.75%	19.19%	18.47%	19.33%	20.18%
10.57%	10.77%	11.87%	10.41%	9.85%	9.70%
<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**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Operating Revenues:				
Student Tuition and Fees	\$ 2,260,307	\$ 2,175,573	\$ 2,326,290	\$ 2,229,088
Federal Grants and Contracts	255,318	272,312	377,681	343,463
State Grants and Contracts	5,077,461	2,984,580	2,920,834	1,602,973
Local Grants and Contracts	504,593	11,791	11,373	13,255
Nongovernmental Grants & Contracts	904,969	933,406	708,445	660,439
Sales & Services of Educational Departments	11,083	13,466	26,553	15,215
Auxiliary Enterprises	2,001,938	1,984,414	2,116,893	1,967,093
Other Operating Revenues	164,465	88,104	133,036	186,761
Independent Operations	927,201	816,334	834,807	835,394
Total Operating Revenues	<u>12,107,335</u>	<u>9,279,980</u>	<u>9,455,912</u>	<u>7,853,681</u>
Nonoperating Revenues:				
State Appropriations	19,201,800	18,822,800	16,164,800	15,405,100
Gifts	508,063	568,955	707,953	819,276
Investment Income	79,262	238,834	309,147	161,738
Federal Pell Grants	1,073,179	939,712	943,324	1,181,163
Federal CARES Act: HEERF Grants	2,361,221	57,752		
Other Nonoperating Revenues	243,010	299,058	78,368	136,335
Total Nonoperating Revenues	<u>23,466,535</u>	<u>20,927,111</u>	<u>18,203,592</u>	<u>17,703,612</u>
Other Revenues:				
Capital Grants	33,491,057	586,978	55,936	1,336,689
Capital Gifts	24,345	175,000	-	80,061
Total Other Revenues	<u>33,515,402</u>	<u>761,978</u>	<u>55,936</u>	<u>1,416,750</u>
Extraordinary Items:	-	-	-	-
Total Revenues	<u>\$ 69,089,272</u>	<u>\$ 30,969,069</u>	<u>\$ 27,715,440</u>	<u>\$ 26,974,043</u>

(Percent of Total Revenues)

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Operating Revenues:				
Student Tuition and Fees	3.27%	7.02%	8.39%	8.26%
Federal Grants and Contracts	0.37%	0.88%	1.36%	1.27%
State Grants and Contracts	7.35%	9.64%	10.54%	5.94%
Local Grants and Contracts	0.73%	0.04%	0.04%	0.05%
Nongovernmental Grants & Contracts	1.31%	3.01%	2.56%	2.45%
Sales & Services of Educational Departments	0.02%	0.04%	0.10%	0.06%
Auxiliary Enterprises	2.90%	6.41%	7.64%	7.29%
Other Operating Revenues	0.24%	0.28%	0.48%	0.69%
Independent Operations	1.34%	2.64%	3.01%	3.10%
Total Operating Revenues	<u>17.53%</u>	<u>29.96%</u>	<u>34.12%</u>	<u>29.11%</u>
Nonoperating Revenues:				
State Appropriations	27.79%	60.78%	58.32%	57.11%
Gifts	0.74%	1.84%	2.55%	3.04%
Investment Income	0.11%	0.77%	1.12%	0.60%
Federal Pell Grants	1.55%	3.03%	3.40%	4.38%
Federal CARES Act: Higher Education Emergency I	3.42%	0.19%	0.00%	0.00%
Other Nonoperating Revenues	0.35%	0.97%	0.28%	0.51%
Total Nonoperating Revenues	<u>33.96%</u>	<u>67.58%</u>	<u>65.67%</u>	<u>65.64%</u>
Other Revenues:				
Capital Grants	48.47%	1.89%	0.21%	4.95%
Capital Gifts	0.04%	0.57%	0.00%	0.30%
Total Other Revenues	<u>48.51%</u>	<u>2.46%</u>	<u>0.21%</u>	<u>5.25%</u>
Extraordinary Items:	0.00%	0.00%	0.00%	0.00%
Total Revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Annual Reports on Financial Statements for years presented.

2017	2016	2015	2014	2013	2012
\$ 2,119,972	\$ 2,217,755	\$ 2,453,525	\$ 2,373,117	\$ 2,613,125	\$ 2,695,973
335,954	338,165	272,487	282,956	364,541	1,009,390
2,002,345	1,607,378	1,586,187	1,640,045	1,319,735	1,250,380
13,461	6,511	63,444	43,178	-	108,327
635,743	468,177	499,071	323,331	260,008	323,620
13,054	17,914	19,913	16,597	11,305	14,340
1,899,262	1,849,584	1,624,744	1,468,241	1,531,938	1,548,885
168,681	91,737	92,370	84,176	68,435	108,926
753,778	621,601	583,756	592,092	588,888	616,739
7,942,250	7,218,822	7,195,497	6,823,733	6,757,975	7,676,580
14,197,000	13,057,900	12,183,800	10,963,000	9,947,800	9,177,700
589,322	294,912	300,797	432,660	321,971	296,454
96,584	88,136	37,134	37,294	44,141	263,298
994,082	1,043,185	1,017,606	997,980	1,093,603	1,233,371
80,711	23,233	24,068	50,511	11,512	18,291
15,957,699	14,507,366	13,563,405	12,481,445	11,419,028	10,989,114
1,947,752	117,482	707,292	735,169	930,036	876,164
68,000	144,313	59,173	40,000	26,000	-
2,015,752	261,795	766,465	775,169	956,036	876,164
-	-	117,336	-	-	-
\$ 25,915,700	\$ 21,987,983	\$ 21,642,703	\$ 20,080,347	\$ 19,133,039	\$ 19,541,858

2017	2016	2015	2014	2013	2012
8.18%	10.09%	11.34%	11.82%	13.66%	13.80%
1.30%	1.54%	1.26%	1.41%	1.91%	5.17%
7.73%	7.31%	7.33%	8.17%	6.90%	6.40%
0.05%	0.03%	0.29%	0.22%	0.00%	0.55%
2.45%	2.13%	2.31%	1.61%	1.36%	1.66%
0.05%	0.08%	0.09%	0.08%	0.06%	0.07%
7.33%	8.41%	7.51%	7.31%	8.01%	7.93%
0.65%	0.42%	0.43%	0.42%	0.36%	0.56%
2.91%	2.83%	2.70%	2.95%	3.08%	3.16%
30.65%	32.84%	33.26%	33.99%	35.34%	39.30%
54.78%	59.39%	56.30%	54.60%	51.99%	46.96%
2.27%	1.34%	1.39%	2.15%	1.68%	1.52%
0.37%	0.40%	0.17%	0.19%	0.23%	1.35%
3.84%	4.74%	4.70%	4.97%	5.72%	6.31%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.31%	0.11%	0.11%	0.25%	0.06%	0.09%
61.57%	65.98%	62.67%	62.16%	59.68%	56.24%
7.52%	0.53%	3.27%	3.66%	4.86%	4.47%
0.26%	0.65%	0.27%	0.19%	0.12%	0.00%
7.78%	1.18%	3.54%	3.85%	4.98%	4.47%
0.00%	0.00%	0.54%	0.00%	0.00%	0.00%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>External Sources of Tuition and Fees</b>				
Self Pay	\$ 2,025,116	\$ 1,635,887	\$ 1,951,270	\$ 2,038,909
Weber State University Contracts <sup>1</sup>	-	-	-	-
Utah State Office of Rehabilitation	26,771	33,811	33,619	20,321
Other Sponsorships	208,420	505,875	341,401	169,858
Total External Tuition and Fees	<u>2,260,307</u>	<u>2,175,573</u>	<u>2,326,290</u>	<u>2,229,088</u>
 <b>Internal Sources of Tuition and Fees</b> <sup>2</sup>				
Davis Tech Foundation Scholarships	153,087	213,812	173,608	145,148
Pell Grants used for Tuition & Fees	833,301	467,544	543,121	577,578
Other Internal Sponsorships	343,915	683,133	524,718	523,103
Total Internal Tuition and Fees	<u>1,330,304</u>	<u>1,303,764</u>	<u>1,241,447</u>	<u>1,245,829</u>
 Total External/Internal Tuition & Fees	<u>\$ 3,590,611</u>	<u>\$ 3,479,337</u>	<u>\$ 3,567,737</u>	<u>\$ 3,474,917</u>

**(Percent of Total Tuition and Fees)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Self Pay	56.40%	47.02%	54.69%	58.68%
Weber State University Contracts	0.00%	0.00%	0.00%	0.00%
Office of Rehabilitation	0.75%	0.97%	0.94%	0.58%
Other Sponsorships	5.80%	14.54%	9.57%	4.89%
Internal Sources:				
Scholarships	4.26%	6.15%	4.87%	4.18%
Pell Grants	23.21%	13.44%	15.22%	16.62%
Other Sponsorships	9.58%	17.88%	14.71%	15.05%
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.

<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
\$ 1,809,546	\$ 1,856,740	\$ 1,871,807	\$ 1,797,449	\$ 1,821,026	\$ 2,041,998
-	-	307,011	228,935	252,154	237,173
26,660	17,162	47,688	76,046	88,740	109,406
283,766	343,853	227,019	270,687	451,205	307,396
<u>2,119,972</u>	<u>2,217,755</u>	<u>2,453,525</u>	<u>2,373,117</u>	<u>2,613,125</u>	<u>2,695,973</u>
138,025	125,163	107,277	113,968	108,544	95,668
483,068	529,131	513,987	510,102	537,767	550,828
417,143	308,253	348,069	297,090	177,664	162,588
<u>1,038,236</u>	<u>962,547</u>	<u>969,333</u>	<u>921,160</u>	<u>823,975</u>	<u>809,084</u>
<u>\$ 3,158,208</u>	<u>\$ 3,180,302</u>	<u>\$ 3,422,858</u>	<u>\$ 3,294,277</u>	<u>\$ 3,437,100</u>	<u>\$ 3,505,056</u>

<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
57.30%	58.38%	54.69%	54.56%	52.98%	58.26%
0.00%	0.00%	8.97%	6.95%	7.34%	6.77%
0.84%	0.54%	1.39%	2.31%	2.58%	3.12%
8.99%	10.81%	6.63%	8.22%	13.13%	8.77%
4.37%	3.94%	3.13%	3.46%	3.16%	2.73%
15.30%	16.64%	15.02%	15.48%	15.65%	15.72%
13.20%	9.69%	10.17%	9.02%	5.16%	4.63%
<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**

<b>Fiscal Year</b>	<b>High School Student Hours</b>	<b>%</b>	<b>Adult Student Hours</b>	<b>%</b>	<b>Total Student Hours</b>	<b>Annual Growth</b>	<b>Weighted Average Tuition Rate</b>
2021	403,627	28%	1,037,128	72%	1,440,755	-3.34%	\$1.97
2020	399,819	27%	1,090,704	73%	1,490,523	-0.56%	1.89
2019	409,735	27%	1,089,183	73%	1,498,918	-0.04%	1.83
2018	395,295	26%	1,104,218	74%	1,499,513	5.77%	1.82
2017	368,834	26%	1,048,844	74%	1,417,678	-2.33%	1.75
2016	355,730	25%	1,095,761	75%	1,451,491	2.39%	1.80
2015	251,798	18%	1,165,779	82%	1,417,577	7.19%	2.00
2014	229,301	17%	1,093,240	83%	1,322,541	-5.83%	1.81
2013	206,592	15%	1,197,770	85%	1,404,362	-8.46%	1.65
2012	219,937	14%	1,314,258	86%	1,534,195	-10.19%	1.54

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



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

**HISTORIC TUITION RATES**

<b>Fiscal Year</b>	<b>Base Rate Per Hour</b>	<b>Tuition including Campus Fees</b>	<b>Full-time Annual Tuition</b>	<b>Annual Tuition Increase</b>	
				<b>Dollars</b>	<b>Percent</b>
2021	\$ 2.10	\$ 3,469	\$ 2,974	\$ -	0.00%
2020	2.10	3,469	2,974	-	0.00%
2019	2.10	3,767	2,974	-	0.00%
2018	2.10	3,696	2,974	71	2.50%
2017	2.05	3,540	2,903	71	2.50%
2016	2.00	3,441	2,832	-	0.00%
2015	2.00	3,441	2,832	142	5.28%
2014	1.90	3,441	2,690	283	11.76%
2013	1.70	3,328	2,407	212	9.68%
2012	1.55	2,555	2,195	71	3.33%

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**

<b>Year</b>	<b>Population</b>	<b>Personal Income (\$millions)</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2020	362,679	*n/a	*n/a	4.1%
2019	355,481	\$17,213	\$48,423	2.4%
2018	351,713	\$16,279	\$46,286	2.9%
2017	347,637	\$15,332	\$44,106	3.1%
2016	342,281	\$14,149	\$41,339	3.3%
2015	336,043	\$13,441	\$40,000	3.3%
2014	329,692	\$12,782	\$38,770	3.6%
2013	322,094	\$12,359	\$38,372	4.2%
2012	315,809	\$11,724	\$37,124	5.0%
2011	312,603	\$10,864	\$34,755	6.2%

**Morgan County**

<b>Year</b>	<b>Population</b>	<b>Personal Income (\$millions)</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2020	12,295	n/a	n/a	3.3%
2019	12,124	\$679	\$55,967	2.5%
2018	12,045	\$631	\$52,426	2.8%
2017	11,873	\$583	\$49,013	2.9%
2016	11,437	\$523	\$45,755	3.1%
2015	11,065	\$496	\$44,916	3.1%
2014	10,608	\$457	\$43,111	3.4%
2013	10,198	\$430	\$42,187	4.1%
2012	9,913	\$403	\$41,160	5.0%
2011	9,668	\$348	\$36,124	5.8%

**Sources:** Department of Workforce Services Website - Quick Facts; Utah Economic Data Viewer; Wages & Income  
Davis County Comprehensive Annual Financial Report 2019  
U.S Census Bureau QuickFacts Morgan population  
\* Note: 2020 Personal Income and Per Capita Income information were not yet available.

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

**Davis 2020**

<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total</b>
			<b>County Employment</b>
Department of Defense (Hill Air Force Base)	10000-14999	1	8.9%
Davis County School District	7000-9999	2	5.9%
Wal-Mart	2000-2999	3	1.8%
Kroger Group Cooperative	2000-2999	4	1.8%
Lifetime Products	1000-1999	5	1.2%
ATK Space Systems	1000-1999	6	1.2%
Progrexion Teleservices	1000-1999	7	1.2%
Lagoon Corporation	1000-1999	8	1.2%
ATK Launch Systems	1000-1999	9	1.2%
Northrop Grumman	500-999	10	0.6%

**Morgan 2020**

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

Source: Department of Workforce Services Website - Annual Profiles

**DAVIS TECHNICAL COLLEGE**  
**OPERATING INDICATORS AND EMPLOYEES**  
Fiscal Years 2020 and 2021

<b>Enrollment Objective</b>	2020	2021
Certificate Seeking	1,139	1,037
Secondary	374	404
Total	1,513	1,441
<b>Student Headcount**</b>	6,271	6,709
<b>Faculty</b>		
Full Time*	83	86
Part Time*	200	161
Total Faculty	283	247
<b>Average Annual Faculty Salary</b>	\$66,577	\$70,020
<b>Staff</b>		
Full Time*	114	115
Part Time*	66	69
Total Staff	180	184
<b>Membership Hours per Faculty/Staff</b>		
Membership Hours per Faculty	5,264	5,833
Membership Hours per Staff	8,277	7,830
<b>Students per Faculty/Staff</b>		
Students per Faculty	22	27
Students per Staff	35	36

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 2020 and 2021**

<b><u>Location</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
Main Campus	303,431	389,882
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
Farmington High School	2,025	2,025
Morgan High School	4,908	4,908
Northridge High School	400	400
Syracuse High School	1,200	1,200
Total Gross Square Feet	453,785	540,236
 <b>Total Acres Main Campus</b>	 <b>65</b>	 <b>65</b>

Source: Physical Facilities Morgan School District/Davis Tech Space FY 2021  
All amounts reported in Gross Square Feet

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**DAVISTECH**  
DAVIS TECHNICAL COLLEGE

# GOVERNMENT AUDIT



**Independent Auditors' Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Board of Directors, Audit Committee  
And Darin Brush, Campus President  
Davis Technical College  
Kaysville, UT

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the comptroller General of the United States, the financial statements of Davis Technical College, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Davis Technical College's basic financial statements, and have issued our report thereon dated October 1, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Davis Technical College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Davis Technical College's internal control. Accordingly, we do not express an opinion on the effectiveness of Davis Technical 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 detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Davis Technical 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



HintonBurdick, PLLC  
St. George, Utah  
October 1, 2021

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