DAVIS APPLIED TECHNOLOGY COLLEGE

A MEMBER COLLEGE OF THE
UTAH COLLEGE OF APPLIED TECHNOLOGY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2016

KAYSVILLE, UTAH

DAVIS APPLIED TECHNOLOGY COLLEGE

A MEMBER COLLEGE OF THE
UTAH COLLEGE OF APPLIED TECHNOLOGY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2016

KAYSVILLE, UTAH

Prepared by the Fiscal Services Office

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

Jeff Lund, MBA, Controller

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DAVIS APPLIED TECHNOLOGY COLLEGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2016

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INTRODUCTORY SECTION

September 23, 2016

To the Members of the College Board of Directors
Davis Applied Technology College

Management of the Davis Applied Technology College (College), a member college of the Utah College of Applied Technology, 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 Office of the Utah State Auditor has issued an unmodified ("clean") opinion on the College's financial statements for the fiscal year ended June 30, 2016. The State Auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the State Auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. 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. Effective September 1, 2001, the Utah Legislature created the Utah College of Applied Technology (UCAT) which is composed of eight regional applied technology colleges. At that time, the existing Davis Applied Technology Center (DATC) became one of these regional applied technology colleges and became known as the Davis Applied Technology College.

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

The institution offers individualized, open-entry/open-exit, competency based career and technical education on a year-round basis not tied to pre-set dates such as the traditional college quarter or semester. Instruction is available to both adult and secondary school students and is designed to provide appropriate licensing, certification, or other evidence of proficiency to qualify students for specific employment in business and industry. This instruction features short term, intensive, task-specific instruction closely aligned with the needs of business and industry with competencies and

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Vice President of Administrative Services

length of training determined following consultation with business representatives on employer advisory committees. 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 Applied Technology College Foundation, Inc. Because the resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is included in these financial statements. Additional information on the Foundation can be found in the notes to the financial statements (See Notes 1 and 11).

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

Revenues come primarily from appropriations from the State of Utah. Over 59% of revenues came from direct State appropriations in Fiscal Year 2016. Therefore, the total State economy is important to the future outlook of the College.

Acknowledgements

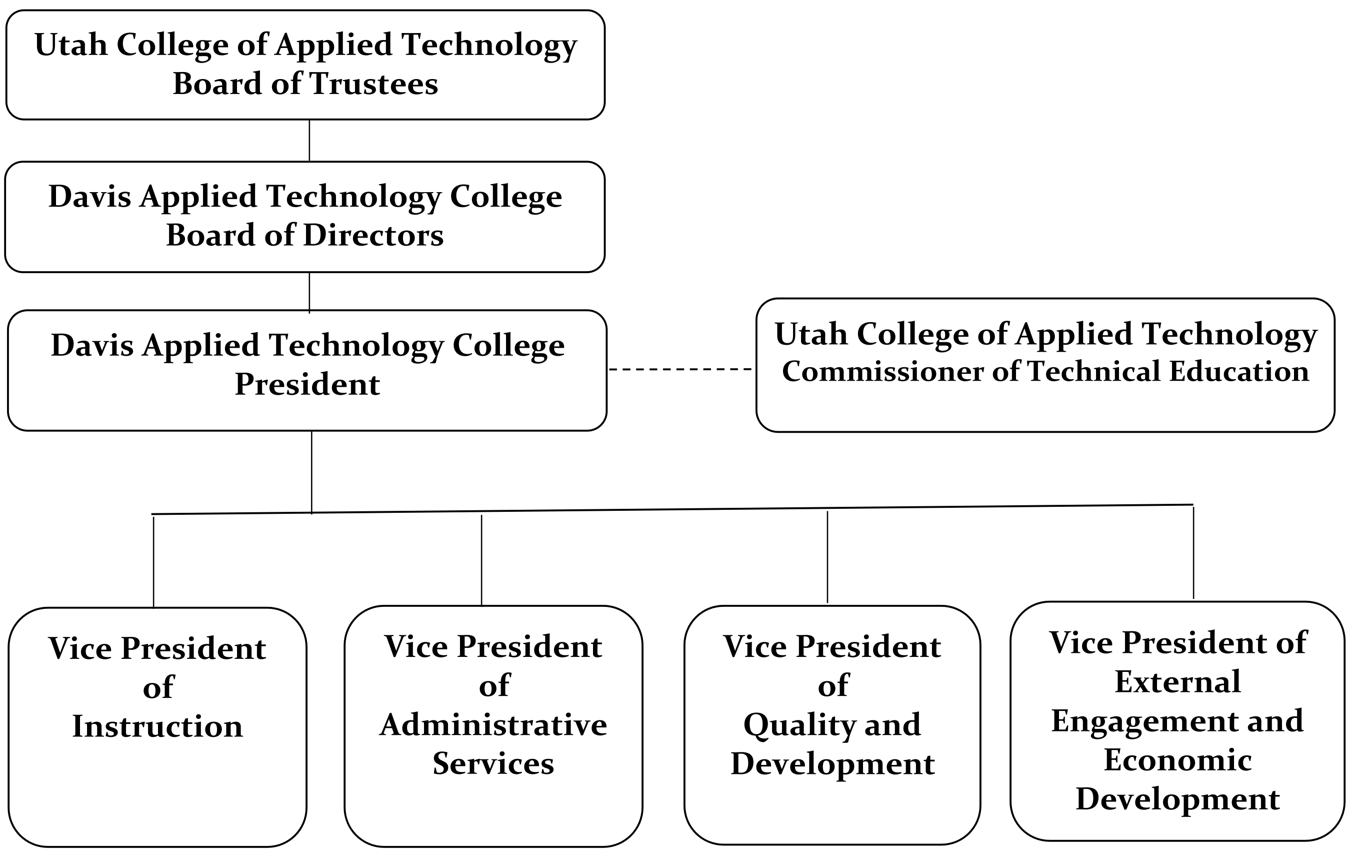
The preparation of this report would not have been possible without the skill, effort, and dedication of Jeff Lund, the Controller, and the entire staff of the Fiscal Services Department. We wish to thank all members of the Fiscal Services Department for their assistance in the preparation of this report.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

Respectfully submitted,

Michael J. Bouwhuis, M. Ed.
President

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

Organizational Chart



DAVIS APPLIED TECHNOLOGY COLLEGE
PRINCIPAL OFFICERS

Board of Directors

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

Administration

Michael J. Bouwhuis, M. Ed., President and Chief Executive Officer

Kim Ziebarth, M. Ed., Vice President of Instruction

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

Will Pierce, Ph.D., Vice President of Quality and Development

Ginger Chinn, MSOL, Vice President of External Engagement and Economic Development

FINANCIAL SECTION

INDEPENDENT STATE AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Davis Applied Technology College (the College), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the College's financial statements, as listed in the table of contents. The College is a regional college within the Utah College of Applied Technology (UCAT) which is a component unit of the State of Utah.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College as of June 30, 2016, and the changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Davis Applied Technology College and do not purport to, and do not, present fairly the financial position of UCAT, as of June 30, 2016, the changes in its financial position, or, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 17 and the College's Schedule of Proportionate Share of Net Pension Liability and Schedule of Pension Contributions on pages 45 through 47 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2016 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Office of the Utah State Auditor

Office of the Utah State Auditor
September 23, 2016

DAVIS APPLIED TECHNOLOGY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2016

As management of the Davis Applied Technology College (College), a member college within the Utah College of Applied Technology, 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, 2016. 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.

Financial Analysis

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position. The following schedule presents a summary of the College's assets, deferred outflows, liabilities, deferred inflows, and net position as of June 30, 2016 and 2015:

Net Position	Year Ended June 30, 2016 Amount	Year Ended June 30, 2015 Amount	Amount of Increase (Decrease)
Current Assets	$ 7,899,747	$ 7,928,052	$ (28,305)
Noncurrent Assets	898,811	900,590	(1,779)
Capital Assets, net	27,246,745	28,313,502	(1,066,757)
Total Assets	36,045,303	37,142,144	(1,096,841)
Deferred Outflows of Resources	1,412,478	421,249	991,229
Current Liabilities	1,301,187	1,507,281	(206,094)
Noncurrent Liabilities	4,156,669	3,316,384	840,285
Total Liabilities	5,457,856	4,823,665	634,191
Deferred Inflows of Resources	354,953	262,537	92,416
Net Position:			
Net Investment in Capital Assets	27,246,745	28,313,502	(1,066,757)
Restricted	1,494,795	1,234,789	260,006
Unrestricted	2,903,431	2,928,900	(25,469)
Total Net Position	$ 31,644,971	$ 32,477,191	$ (832,220)

The Total Assets of the College decreased by $1,096,841 during the fiscal year.

Current Assets decreased by $28,305, as decreases in Cash and Cash Equivalents of $59,682, Inventories of $23,847 and Prepaid Expenses of $22,986 were only partially offset by an increase in Accounts Receivable of $78,210.

The decrease in net Capital Assets of $1,066,757 for the year is the result of additions in assets and campus improvements of $1,388,702 being offset by the depreciation expense of $2,455,459.

Deferred Outflows increased by $991,229 to $1,412,478 and is comprised of $395,202 in contributions made by the College to the Utah Retirement Systems Pension Plan subsequent to their measurement date of December 31, 2015, $942,975 as the net difference between projected and actual earnings on pension plan investments, and $74,301 in changes to the College share of the proportionate liability.

The Total Liabilities of the College increased by $634,191 during the fiscal year. Current liabilities decreased by $206,094 as decreases in Accounts Payable of $371,432 and Accrued Termination Benefits of $47,554 were offset by an increase of $160,882 in Accrued Compensation Liabilities and a $53,168 increase in Unearned Revenue.

Noncurrent Liabilities increased by $840,285 as the College recorded an increase of $821,488 in Net Pension Liabilities. Accrued Leave also increased by $37,082 while Accrued Termination Benefits decreased $15,285.

Deferred Inflows related to pensions increased by $92,416 and represents $283,037 in the differences between expected and actual experience in the plans' participants and $71,916 due to changes in assumptions used by the actuaries.

The Total Net Position of the College decreased by $832,220 from the previous fiscal year. The College's net position at year end was $31,644,971.

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, 2016 and 2015:

Changes in Net Position	Year Ended June 30, 2016 Amount	Year Ended June 30, 2015 Amount	Amount of Increase (Decrease)
Operating Revenues	$ 7,218,822	$ 7,195,497	$ 23,325
Operating Expenses	(22,819,014)	(21,589,225)	(1,229,789)
Operating Income (Loss)	(15,600,192)	(14,393,728)	(1,206,464)
Nonoperating Revenues	14,507,366	13,626,778	880,588
Nonoperating Expenses	(1,189)	(857)	(332)
Nonoperating Income (Loss)	14,506,177	13,625,921	880,256
Income Before Other Items	(1,094,015)	(767,807)	(326,208)
Other Revenues and Expenses	261,795	707,292	(445,497)
Increase (Decrease) in Net Position before Extraordinary Item	(832,220)	(60,515)	(771,705)
Extraordinary Item	-	117,336	(117,336)
Increase (Decrease) in Net Position	(832,220)	56,821	(889,041)
Net Position - Beginning of Year	32,477,191	35,324,708	(2,847,517)
Prior Period Adjustment	-	(2,904,338)	2,904,338
Net Position - Beginning of Year Restated	32,477,191	32,420,370	56,821
Total Net Position	$ 31,644,971	$ 32,477,191	$ (832,220)

The College experienced a net operating loss of $15,600,192. 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 2016, the State appropriation of $13,057,900 was sufficient to offset all but $2,542,292 of the amount shown on the financial statements as an operating loss.

After considering nonoperating revenues and expenses, and other items, the College had a decrease in Total Net Position of $832,220. Prior to recording depreciation expenses of $2,455,459, the College had an increase in net position of $1,623,239. The Other Revenues of the College consisted of $117,482 in capital projects on the campus completed by the State of Utah's Division of Facilities Construction and Management and $144,313 in Capital Gifts donated through the College Foundation.

The College's net position at year end was $31,644,971.

Revenues. The following schedule presents a summary of College revenues for the fiscal years ended June 30, 2016, and 2015:

Revenues	Year Ended June 30, 2016 Amount	Percent of Total	Year Ended June 30, 2015 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Operating Revenues:					
Student Tuition and Fees	$ 2,217,755	10.09%	$ 2,453,525	$ (235,770)	(9.61%)
Federal Grants and Contracts	338,165	1.54%	272,487	65,678	24.10%
State Grants and Contracts	1,607,378	7.31%	1,586,187	21,191	1.34%
Local Grants and Contracts	6,511	0.03%	63,444	(56,933)	(89.74%)
Nongov Grants & Contracts	468,177	2.13%	499,071	(30,894)	(6.19%)
Sales & Services of Ed Depts	17,914	0.08%	19,913	(1,999)	(10.04%)
Auxiliary Enterprises	1,849,584	8.41%	1,624,744	224,840	13.84%
Other Operating Revenues	91,737	0.42%	92,370	(633)	(0.69%)
Independent Operations	621,601	2.83%	583,756	37,845	6.48%
Total Operating Revenues	7,218,822	32.83%	7,195,497	23,325	0.32%
Nonoperating Revenues:					
State Appropriations	13,057,900	59.39%	12,183,800	874,100	7.17%
Gifts	294,912	1.34%	300,797	(5,885)	(1.96%)
Investment Income	88,136	0.40%	37,134	51,002	137.35%
Disposal of Capital Assets	5,000	0.02%	4,200	800	19.06%
Federal Pell Grants	1,043,185	4.74%	1,017,606	25,579	2.51%
Other Nonoperating Revenues	18,233	0.08%	24,068	(5,835)	(24.24%)
Total Nonoperating Revenues	14,507,366	65.98%	13,567,605	939,761	6.93%
Other Revenues:					
Capital Grants	117,482	0.53%	707,292	(589,810)	(83.39%)
Capital Gifts	144,313	0.66%	59,173	85,140	143.88%
Total Other Revenues	261,795	1.19%	766,465	(504,670)	(65.84%)
Extraordinary Item:					
Refund of Insurance Reserves	-	0.00%	117,336	(117,336)	100.00%
Total Revenues	$ 21,987,983	100.00%	$ 21,646,903	$ 341,080	1.58%

The revenue comparison between fiscal year 2016 and fiscal year 2015 shows an increase in total revenues of $341,080 or 1.58% over the prior year. The largest factors in this increase were increases in State Appropriations of $874,100 and Auxiliary Enterprises of $224,840.

Student Tuition and Fees Revenue decreased $235,770 from the prior year (net of scholarship allowances) as the College experienced declining adult student enrollment in Registered Nursing and several other training programs. The decline in Registered Nursing was a result of the restructuring of the College's agreement with Weber State University regarding the teaching of Registered Nursing at the College.

Federal Grants and Contracts increased by $65,678 as the campus increased Private Training and Federal Financial Aid Administration revenues.

State Grants and Contracts increased this year by $21,191. A decrease in funding from the Utah Department of Corrections of $32,225 was offset by an increase of $54,586 in Private Training Revenues.

Local Grants and Contracts decreased by $56,933 as the College received decreased authorization fee revenues from the Career Path High Charter School. The authorization fees received from the charter school are set by State law and decline after the first two years of the charter school's authorization.

Nongovernmental Grants and Contracts decreased $30,894 with a decrease of $52,219 in Private Company match funds related to the Custom Fit Program. This was partially offset by a $23,879 increase in Custom Diesel Mechanic training.

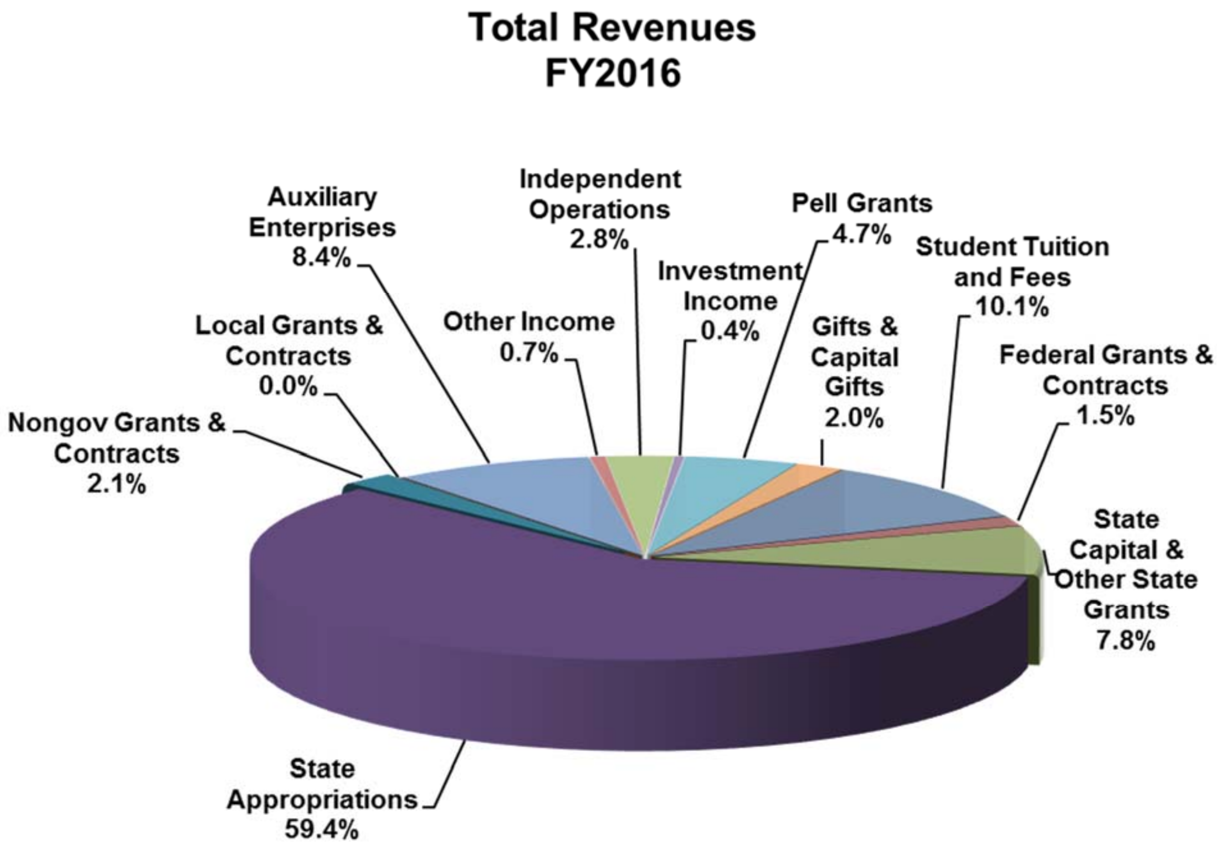
Auxiliary Enterprises revenue increased by $224,840, with increases of $120,883 being attributed to the College Bookstore, $57,036 to Food Services, $36,522 to the Northfront Business Resource Center, and $16,204 to the Salon operations.

Independent Operations of the College represent the activity of the Utah Nurse Assistant Registry whose revenues increased $37,845, where an increase in revenues from the Utah State Department of Health of $53,641 was offset by lower testing and renewal fees from individuals of $15,796.

Direct State Appropriations increased by $874,100 from the prior year, with increases of $603,900 for College equity and $270,200 towards employee compensation.

The decrease in Capital Grants of $589,810 was due to a reduction in completed projects at the College by the State of Utah's Division of Facilities Construction and Management.

The extraordinary item that the College received in fiscal year 2015 was a one-time disbursement, totaling $117,336, of excess accumulated reserves for its medical insurance from the Public Employees Health Plan (PEHP).


Total Revenues
FY2016
Independent Operations 2.8%
Auxiliary Enterprises 8.4%
Pell Grants 4.7%
Student Tuition and Fees 10.1%
Investment Income 0.4%
Local Grants & Contracts 0.0%
Other Income 0.7%
Gifts & Capital Gifts 2.0%
Federal Grants & Contracts 1.5%
Nongov Grants & Contracts 2.1%
State Capital & Other State Grants 7.8%
State Appropriations 59.4%

DAVIS APPLIED TECHNOLOGY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2016

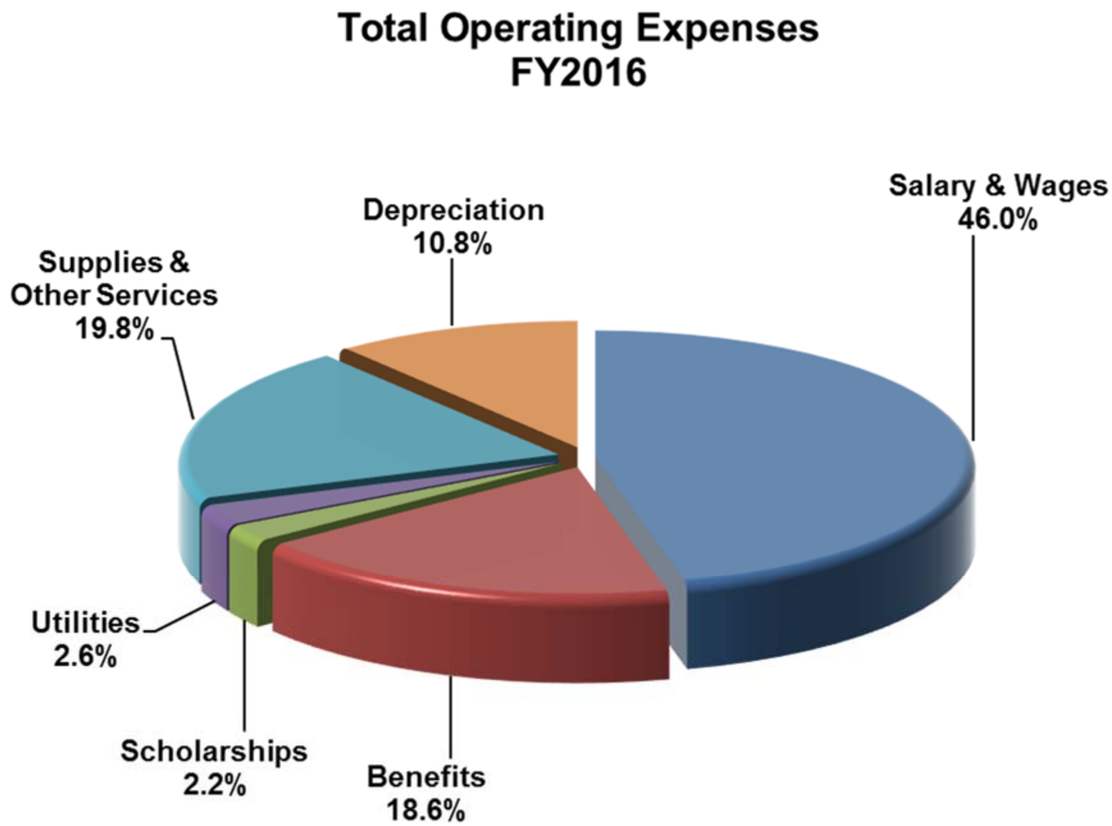
Expenses. The following schedule presents a summary of College expenses for the fiscal years ended June 30, 2016 and 2015:

Expenses	Year Ended June 30, 2016 Amount	Percent of Total	Year Ended June 30, 2015 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Operating Expenses:					
Salaries and Wages	$ 10,527,131	46.13%	$ 9,919,412	$ 607,719	6.13%
Benefits	3,540,069	15.51%	3,402,631	137,438	4.04%
Actuarial Calculated Pension Expense	704,293	3.09%	488,290	216,003	44.24%
Scholarships	491,318	2.15%	489,401	1,917	0.39%
Utilities	593,245	2.60%	582,174	11,071	1.90%
Supplies and Other Services	4,507,499	19.75%	4,142,065	365,434	8.82%
Depreciation	2,455,459	10.76%	2,565,252	(109,793)	(4.28%)
Total Operating Expenses	22,819,014	99.99%	21,589,225	1,229,789	5.70%
Nonoperating Expenses:					
Unrealized Loss on FMV of Investment	1,189	0.01%	857	332	38.74%
Total Nonoperating Expenses	1,189	0.01%	857	332	
Total Expenses	$ 22,820,203	100.00%	$ 21,590,082	$ 1,230,121	5.70%

Total Expenses for the year increased by $1,230,121 from the prior year. Salaries and Wages expenses increased by $607,719 due to campus-wide cost-of-living adjustments and other increases in wages and additional employees in Diesel, Facilities, Esthetician, Cosmetology, Welding, and Academic Administration, offset by decreases in Nursing, ASL Interpreting, and Institutional Effectiveness.

Benefits expenses increased by $137,438 from the prior year, due to $94,345 in additional Health Insurance premiums and $32,455 in Retirement Benefits. The Actuarial Calculated Pension Expense increased by $216,003 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.

The increase of $365,434 for Supplies and Other Services is related to; an $85,969 increase for supply expenses with the Utah Department of Corrections, a $129,118 increase in Bookstore operations, and a $72,757 increase for the Private Training Department, with the remaining increases spread over multiple departments as their budgets were increased with additional appropriations from the State of Utah and other revenue sources. The Depreciation Expense for the campus decreased $109,793 as prior year improvements and equipment purchases have become fully depreciated.


Total Operating Expenses
FY2016
Salary & Wages
46.0%
Depreciation
10.8%
Supplies &
Other Services
19.8%
Utilities
2.6%
Scholarships
2.2%
Benefits
18.6%

Capital Asset Administration

Capital Assets. The College's investment in capital assets as of June 30, 2016 amounts to $27,246,745 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and equipment. There were additions of $1,388,702 before depreciation during the fiscal year. Of this amount, $117,482 was for projects completed at the College by the State Division of Facilities Construction and Management. The College also retired $30,252 worth of assets that had been fully depreciated and were no longer in service. Depreciation for the year was $2,455,459. This resulted in a net decrease in capital assets of $1,066,757 for the fiscal year. Additional information on the College's capital assets can be found in Note 4 of the Notes to the Financial Statements.

The following schedule presents a summary of College Capital Assets for the fiscal years ended June 30, 2016 and 2015:

Capital Assets (net of depreciation)	**Year Ended June 30, 2016 Amount**	**Year Ended June 30, 2015 Amount**	**Amount of Increase (Decrease)**
Land	$ 1,599,080	$ 1,599,080	$ -
Buildings and Improvements	23,722,984	24,806,748	(1,083,764)
Equipment	1,924,681	1,907,674	17,007
Total Capital Assets, net	$ 27,246,745	$ 28,313,502	$ (1,066,757)

Factors Effecting Net Position or Operations

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

Utah Career Path High. The College is the Authorizer for Utah Career Path High (CPH) which is a legally separate, state-funded, early-college charter school located at the College that opened for students in the fall of 2013. As Authorizer, the College does fill a limited oversight role in the operation of the charter school as outlined in Utah Code 53A-1a-521(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.

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

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

State Economic Outlook. The College 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. As Utah's economic activity has improved in recent years, the funds provided to the College through the legislative process have been increased in order to accommodate the growing needs of students and employers. It is anticipated that these annual increases in funding will continue as the State of Utah continues to experience revenue growth.

Requests for Information

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

DAVIS APPLIED TECHNOLOGY COLLEGE
STATEMENT OF NET POSITION
June 30, 2016

ASSETS	
Current Assets:	
Cash and Cash Equivalents (Note 2)	$ 6,922,445
Receivables (Note 3)	
Due from the State of Utah	389,062
Other	126,363
Inventories	427,797
Prepaid Expenses and Other Assets	34,080
Total Current Assets	7,899,747
Noncurrent Assets:	
Net Pension Asset (Note 8)	71
Cash Value of Life Insurance	62,324
Investments in Real Estate	836,416
Capital Assets, net (Note 4)	27,246,745
Total Noncurrent Assets	28,145,556
Total Assets	36,045,303
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions (Note 8)	1,412,478
LIABILITIES	
Current Liabilities:	
Accounts Payable (Note 3)	
Due to the State of Utah	25,150
Other	491,017
Accrued Compensation Liabilities	601,406
Unearned Revenue	117,319
Funds Held in Custody for Others	15,600
Accrued Termination Benefits (Note 7)	50,695
Total Current Liabilities	1,301,187
Noncurrent Liabilities:	
Net Pension Liability (Note 8)	3,636,080
Accrued Leave (Note 6)	428,701
Accrued Termination Benefits (Note 7)	91,888
Total Noncurrent Liabilities	4,156,669
Total Liabilities	5,457,856
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions (Note 8)	354,953
NET POSITION	
Net Investment in Capital Assets (Note 4)	27,246,745
Restricted For (Note 16):	
Nonexpendable	836,416
Expendable:	
Scholarships	395,324
Grants, Contracts and Other	263,055
Unrestricted	2,903,431
Total Net Position	$ 31,644,971

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

DAVIS APPLIED TECHNOLOGY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2016

REVENUES	
Operating Revenues:	
Student Tuition and Fees (net of scholarship allowances of $810,841)	$ 2,217,755
Federal Grants and Contracts	338,165
State Grants and Contracts	1,607,378
Local Grants and Contracts	6,511
Nongovernmental Grants and Contracts	468,177
Sales and Services of Educational Departments	17,914
Auxiliary Enterprises (net of scholarship allowances of $86,684)	1,849,584
Other Operating Revenues	91,737
Independent Operations	621,601
Total Operating Revenues	7,218,822
EXPENSES	
Operating Expenses (Note 10):	
Salaries and Wages	10,527,131
Benefits (Notes 6,7,8,9)	3,540,069
Actuarial Calculated Pension Expense (Note 8)	704,293
Scholarships	491,318
Utilities	593,245
Supplies and Other Services	4,507,499
Depreciation (Note 4)	2,455,459
Total Operating Expenses	22,819,014
Operating Income (Loss)	(15,600,192)
NONOPERATING REVENUES (EXPENSES)	
State Appropriations	13,057,900
Gifts	294,912
Investment Income	88,136
Unrealized Loss on FMV of Investment	(1,189)
Disposal of Capital Assets (Note 4)	5,000
Federal Pell Grants	1,043,185
Other Nonoperating Revenues (Expenses)	18,233
Net Nonoperating Revenues	14,506,177
(Loss) Before Other Revenues and Expenses	(1,094,015)
OTHER REVENUES	
Capital Grants	117,482
Capital Gifts	144,313
Total Other Revenues	261,795
Increase/(Decrease) in Net Position	(832,220)
NET POSITION	
Net Position - Beginning of Year	32,477,191
Net Position - End of Year	$ 31,644,971

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

DAVIS APPLIED TECHNOLOGY COLLEGE
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Tuition and Fees	2,270,953
Receipts from Sponsors, Grants, and Contracts	2,342,021
Payments to Suppliers	(5,274,222)
Payments for Scholarships	(491,318)
Payments to Employees	(14,713,104)
Receipts from Auxiliary Enterprise Charges	1,849,584
Other Receipts	730,064
Net Cash Flow Provided (Used) by Operating Activities	(13,286,022)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Appropriations	13,057,900
Private Gifts	108,683
Other Receipts	1,061,418
Net Cash Flow Provided (Used) by Noncapital Financing Activities	14,228,001
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Reduction in Note Payable	(3,000)
Purchases of Capital Assets	(1,121,906)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,124,906)
CASH FLOWS FROM INVESTING ACTIVITIES	
Dividend Received From Investment in Real Estate	35,109
Interest on Investments	88,136
Net Cash Provided (Used) by Investing Activities	123,245
Net Increase/(Decrease) in Cash	(59,682)
Cash - Beginning of Year	6,982,127
Cash - End of Year	$ 6,922,445

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

DAVIS APPLIED TECHNOLOGY COLLEGE
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2016
(continued)

RECONCILIATION OF NET OPERATING INCOME (LOSS) TO:		
Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	$	(15,600,192)
Difference between Actuarial Calculated Pension Expense and Actual Contributions		(76,735)
Adjustments to Reconcile Net Position (Loss) to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense		2,455,459
In-Kind Gifts Received and Expensed		151,120
Change in Assets and Liabilities:		
Receivables		(78,210)
Inventories		23,847
Prepaid Expenses and Other Assets		22,986
Accounts Payable		(371,432)
Accrued Compensation Liabilities		160,882
Unearned Revenue		53,198
Funds Held in Custody for Others		(1,188)
Accrued Leave		37,082
Accrued Early Termination Benefits		(62,839)
Net Cash Provided (Used) by Operating Activities	$	(13,286,022)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Construction projects transferred from State of Utah (DFCM)	$	117,482
Increase (Decrease) in Cash Value of Life Insurance		(1,189)
Donated Equipment or Other Assets		144,313
Total Noncash Investing, Capital, and Financing Activities	$	260,606

DAVIS APPLIED TECHNOLOGY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Davis Applied Technology College (College), a member college of the Utah College of Applied Technology, 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 member college of the Utah College of Applied Technology (UCAT). UCAT is considered a component unit of the State of Utah and is included in the State's *Comprehensive Annual Financial Report*.

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

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

Measurement Focus and Basis of Accounting
The financial statements of the College are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (continued)

The College 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. 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
Bookstore, Cosmetology Salon, and Print Center inventories are carried at the lower of cost or market utilizing an average cost basis.

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

Equity Interest in Apartment Complex
On April 24, 2002, the Foundation was gifted an equity interest in an apartment complex. The gift was made with the understanding that at least 25% of the income each year would be used for needed scholarships and to keep existing students enrolled at the College. The apartments are HUD properties and are thus subject to significant governmental regulation and control. These regulations limit the control that the Foundation and other investors have over the apartments. The interest in the apartments

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Interest in Apartment Complex (continued)

is being accounted for using the cost method of accounting due to the limited control over the investment.

Capital Assets

Capital assets include property, buildings and equipment. Capital assets are defined by the College as assets with an initial, individual cost of more than $3,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Assets	Years
Buildings	40
Building Improvements	1-30
Portable Classrooms	25
Equipment	5-15
Vehicles	5-10
Furniture	10
Computer Equipment	3-5

Compensated Absences

It is the College'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. Unused vacation leave is paid to employees upon termination.

Pensions

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources
In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and 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, 2016, $309,255 of the College's bank balances of $659,335 was uninsured and uncollateralized and all of the Foundation's $32,026 bank balances were insured.

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

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.

NOTE 2 - DEPOSITS AND 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.

At June 30, 2016, the College and Foundation had the following recurring fair value measurements.

		Fair Value Measurements Using		
Investment Type	Fair Value	Level 1	Level 2	Level 3
State of Utah Public Treasurers' Investment Fund	$6,425,368	-	$6,425,368	-

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days —15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of institutions of political subdivisions to 10 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk (continued)

As of June 30, 2016, the College and Foundation had the following investments and maturities:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
State of Utah Public Treasurers' Investment Fund	$6,425,368	$6,425,368	-	-	-

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, 2016, the College's and Foundation had the following investments and quality ratings:

		Quality Ratings	
Investment Type	Fair Value	AAA	Unrated
State of Utah Public Treasurers' Investment Fund	$6,425,368	-	$6,425,368

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 APPLIED TECHNOLOGY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2016

NOTE 3 – ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

The following schedule presents the Accounts Receivable of the College as of June 30, 2016, and June 30, 2015:

	June 30, 2016	June 30, 2015
Amounts due from the State of Utah		
Student Tuition and Fees	$ 10,933	$ 8,742
State Grants and Contracts	277,183	108,428
Operations	5,943	10,035
Independent Operations	95,003	33,519
Total due from State of Utah	389,062	160,724
Amounts due from Others		
Student Tuition and Fees	19,789	54,779
Federal Grants and Contracts	12,955	139,541
Nongovernmental Grants and Contracts	27,276	26,155
Operations	64,988	55,397
Independent Operations	1,355	619
Total due from Others	126,363	276,491
Total Accounts Receivable	$ 515,425	$ 437,215

The following schedule presents the Accounts Payable of the College as of June 30, 2016, and June 30, 2015:

	June 30, 2016	June 30, 2015
Amounts due to the State of Utah	$ 25,150	$ 60,364
Amounts due to Others:		
Students	89,442	298,895
Sponsors	1,713	2,916
Vendors	396,136	521,655
Employees	3,726	3,769
Total amounts due to Others	491,017	827,235
Total Accounts Payable	$ 516,167	$ 887,599

DAVIS APPLIED TECHNOLOGY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Fiscal Year Ended June 30, 2016

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.

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	Balance June 30, 2015	Additions from College	Additions from DFCM	Retirements	Balance June 30, 2016
Capital Assets					
Buildings & Improvements	$ 43,097,932	$ 520,613	$ 117,482	$ -	$ 43,736,027
Equipment	7,082,865	750,607	-	30,252	7,803,220
Land	1,599,080	-	-	-	1,599,080
Total	51,779,877	1,271,220	117,482	30,252	53,138,327
Less Accumulated Depreciation					
Buildings & Improvements	18,291,184	1,721,859	-		20,013,043
Equipment	5,175,191	733,600	-	(30,252)	5,878,539
Total Accumulated Depreciation	23,466,375	2,455,459	-	(30,252)	25,891,582
Net Capital Assets	$ 28,313,502	$ (1,184,239)	$ 117,482	$ -	$ 27,246,745

NOTE 5 - OBLIGATIONS UNDER OPERATING LEASES

The College has entered into an operating lease for a building used for instructional purposes away from the main College facility. This lease expires on November 30, 2016 and it is anticipated that the lease will be renewed. Operating lease payments are recorded as expenses when paid or incurred. The total operating lease expense for the year ended June 30, 2016 was $47,765. Future minimum rental payments required are as follows:

Fiscal Year	Amount
2017	$19,975

NOTE 6 - ACCRUED LEAVE

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

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

	Accrued Leave
Balance at June 30, 2015	$ 391,619
Additions to Accrued Leave	552,893
Accrued Leave Used	(515,811)
Balance at June 30, 2016	$ 428,701
Amount due through June 30, 2017	$ -

NOTE 7 - ACCRUED TERMINATION BENEFITS

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

	Stipends	Medical Insurance	Total
Balance at June 30, 2015	$ 91,884	$ 113,538	$ 205,422
Additions	27,540	34,623	62,163
Deletions (Payments)	(46,740)	(78,262)	(125,002)
Balance at June 30, 2016	$ 72,684	$ 69,899	$ 142,583
Amount due through June 30, 2017	$ (31,695)	$ (19,000)	$ (50,695)

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, including five years of current service at the College, (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 10 years of service
B) Age 60 with 20 years of service
C) Any age with 25 years of service

NOTE 7 - ACCRUED TERMINATION BENEFITS (Continued)

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

Employees of the College 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 prior to age 65. 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 annuity account.

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

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

NOTE 8 - DEFINED BENEFIT PENSION PLANS

As required by state law, eligible non-exempt employees (as defined by the U.S. Fair Labor Standards Act) of the College are covered by the Utah State Retirement Systems (Systems) and eligible exempt employees (as defined by the U.S. Fair Labor Standards Act) are covered by the Teachers Insurance and Annuity Association (TIAA-CREF).

Plan Description

The Systems are comprised of the following 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)

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. 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.

Benefits Provided

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

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

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

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy

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

	Employer Contribution Rates	Employer Rate for 401K Plan
Noncontributory System	22.19%	1.50%
Noncontributory System, Post Retired Amortization	9.94%	0%
Tier 2 Public Employees System*	18.24%	1.78%
Tier 2 Public Employees System DC Only*	10.02%	10.00%

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

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

	Employer Contributions	Employee Contributions
Noncontributory System	$696,334	N/A
Tier 2 Public Employees System	66,622	-
Tier 2 Public Employees System DC Only	18,145	N/A

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

At June 30, 2016, the College reported a net pension asset of $71 and a net pension liability of $3,636,080. The net pension liability increased $821,488 from the June 30, 2015 balance of $2,814,592. None of this is due within the next fiscal year.

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

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

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.1157513%	$ -	$ 3,636,080
Tier 2 Public Employees System	0.0325978%	71	-
		$ 71	$ 3,636,080

The net pension asset and liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2015 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, 2016, the College recognized a pension expense of $704,293.

At June 30, 2016, 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	$ -	$ 283,037
Changes in assumptions	-	71,916
Net difference between projected and actual earnings on pension plan investments	942,975	-
Changes in proportion and differences between contributions and proportionate share of contributions	74,301	-
Contributions subsequent to the measurement date	395,202	-
Total	$ 1,412,478	$ 354,953

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

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

The College reported $395,202 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, 2015. 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
2016	$146,213
2017	$146,213
2018	$156,007
2019	$214,853
2020	($181)
Thereafter	($780)

Actuarial assumptions: The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 %
Salary increases	3.50 % - 10.5 % average, including inflation
Investment rate of return	7.50 %, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2015, valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2013.

The following assumption changes were adopted from the most recent actuarial experience study: There was a decrease in the wage inflation assumption for all employee groups from 3.75% to 3.50%, a modification to the rate of salary increases for most groups, a decrease in the payroll growth assumption from 3.5% to 3.25%. The post

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

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

retirement mortality assumption for female educators improved and the pre-retirement mortality assumption had minor changes.

Additional changes were made to certain demographic assumptions. As a result, more members are anticipated to terminate employment prior to retirement, slightly fewer members are expected to become disabled, and members are expected to retire at a slightly later age.

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

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

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

Discount rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

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

determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of Net Pension (asset)/liability			
Noncontributory System	$6,581,167	$3,636,080	$1,166,620
Tier 2 Public Employees System	$ 13,050	$ (71)	(10,016)

Pension Plan Fiduciary Net Position

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

Payables Due to Pension Plan

As of June 30, 2016 the College liabilities include $29,463 from the final payroll of the year related to the Pension Plan.

NOTE 9 - DEFINED CONTRIBUTION PLANS

Utah Retirement Systems

The College participates in the 401(k) plan administered by the Utah Retirement Systems (URS). This plan is a defined contribution plan. The plan is established and governed by Chapter 49 of the Utah Code Annotated, 1953, as amended. The 401(k) plan is a supplemental plan to basic retirement benefits of the Utah Retirement Systems. The

NOTE 9 - DEFINED CONTRIBUTION PLANS

Utah Retirement Systems (Continued)

College is required by statute to contribute 1.5% of eligible employees' salaries which vests immediately. During the year ended June 30, 2016, the College contributed $72,621.

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 1 Contributory Public Employee System, as required by law.

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

As a result, beginning in October of 2011, the College began contributing 6.2% of these eligible employee's salaries into their respective URS 401(k) accounts in place of the Employer's Social Security contribution. These contributions totaled $499,043 for the Year ended June 30, 2016. 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, 2016, College employees made voluntary contributions to the plan of $253,775.

Teachers Insurance and Annuity Association / College Retirement Equities Fund
Eligible Faculty and Professional/Administrative employees of the College participate in the Teachers Insurance and Annuity Association / College Retirement Equities Fund (TIAA/CREF). Eligible College Faculty and Professional/Administrative employees who were employed by the College 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/CREF.

TIAA/CREF provides individual retirement fund contracts with each participating employee. The benefits provided to retired employees are based on the value of the individual contracts and the estimated life expectancy of the employee at retirement. Participation in TIAA/CREF is authorized by Chapter 49 of the Utah Code Annotated, 1953, as amended. Contributions by the College 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, 2016, the College's contribution to this defined contribution pension plan was 14.2% of the participating employees' annual salaries. The College has no further liability once contributions are made. During the year ended June 30, 2016, the College contributed $666,816 to the plan, and employees made voluntary contributions to the plan of $91,315.

NOTE 10 - NATURAL AND FUNCTIONAL EXPENSE CLASSIFICATIONS

The following is a summary of natural expense classifications with functional expense classifications for the year ended June 30, 2016:

	Salary and Wages	Employee Benefits*	Scholarships	Utilities	Supplies & Other	Depreciation	Total
Instruction	$ 5,109,944	$ 1,812,245	$ -	$ 520	$ 1,518,725	$ -	$ 8,441,434
Academic Support	1,199,570	540,891	-	9,300	82,819	-	1,832,580
Student Services	1,254,249	558,785	-	4,329	328,382	-	2,145,745
Institutional Support	1,560,073	763,147	-	540,204	414,802	-	3,278,226
Operations and Maintenance	665,512	307,959	-	10,750	495,187	2,455,459	3,934,867
Scholarships	-	-	491,318	-	-	-	491,318
Auxiliary	545,821	177,019		26,942	1,404,205	-	2,153,987
Independent Operations	191,962	84,316	-	1,200	263,379	-	540,857
Total	$ 10,527,131	$ 4,244,362	$ 491,318	$ 593,245	$ 4,507,499	$ 2,455,459	$ 22,819,014

* Employee Benefits includes the Actuarial Calculated Pension Expense

NOTE 11 - DATC FOUNDATION -Blended Presentation Component Unit

The Davis Applied Technology College Foundation, Inc. (Foundation) is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily 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 Directors approves the individuals who are appointed to serve on the Foundation's separate Board of Trustees.

The restricted resources held by the Foundation can only be used by, or for the benefit of, the College. For these reasons 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, 2016, the Foundation distributed $442,476 to the College for both restricted and unrestricted purposes.

NOTE 11 - DATC FOUNDATION - Blended Presentation Component Unit (Continued)

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

DAVIS APPLIED TECHNOLOGY COLLEGE FOUNDATION
CONDENSED FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Statement of Net Position

Assets	
Current Assets	
Cash and Investments	$ 455,900
Noncurrent Assets	
Restricted Cash and Investments	296,436
Other Non Current Assets	898,740
Total Assets	1,651,076
Liabilities and Net Assets	
Current Liabilities	7,615
Unearned Revenue	38,300
Total Liabilities and Unearned Revenue	45,915
Net Position	
Nonexpendable	836,416
Expendable	600,194
Unrestricted	168,551
Total Net Position	$1,605,161

Statement of Revenues, Expenses, and Changes in Net Position

Operating Revenues:	
Gifts	$ 404,117
Fund Raisers	60,689
Total Operating Revenues	464,806
Operating Expenses:	
Staff Support	12,000
Scholarships	126,262
Equipment Donations	300,433
Other Expenses	34,267
Total Operating Expenses	472,962
Operating Income	(8,156)
Nonoperating Revenues:	
Interest & Other Income	38,970
Change in Net Position	30,813
Net Position at beginning of year	1,574,348
Net Position at end of year	$1,605,161

DAVIS APPLIED TECHNOLOGY COLLEGE FOUNDATION
Statement of Cash Flows

Cash Flows From Operating Activities	
Cash received through contributions & fundraisers	$ 167,187
Cash payments for operations	(37,376)
Cash payments for scholarships	(126,262)
Net Cash Provided by (Used in) Operating Activities	3,549
Cash Flows From Investing Activities	
Interest and Dividends	5,050
Real Estate income	35,109
Net Cash Provided by (Used in) Investing Activities	40,159
Increase in Cash and Cash Equivalents	43,708
Cash and Cash Equivalents at Beginning of Year	708,628
Cash and Cash Equivalents at End of Year	$ 752,336

NOTE 12 - NOTES PAYABLE

In conjunction with the establishment of the Morgan Business Resource Center (MBRC), the College entered into a deferred loan/grant agreement in April 2011with the Morgan City Redevelopment Agency (Agency) wherein the College would receive $20,000 to be used towards necessary improvements to the MBRC building. The terms of this agreement were fulfilled during the current year and the final reduction in the amount due was $3,000.

NOTE 13 – 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 that opened in the fall of 2013. As Authorizer, the College fills a limited oversight role in the operation of the charter school as outlined in the Utah State Code 53A-1a-521(7). The relationship between the entities does not meet the requirements that would necessitate their inclusion in the College 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 Directors, and the College may only appoint a minority of the members to that Governing Board.

NOTE 14 – CONTINGENT LIABILITIES

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

NOTE 15 – 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 16 - RESTRICTIONS ON NET ASSETS

The restrictions on net assets at June 30, 2016 relate to College contracts and grants, Foundation donations of partnership interest, cash value of life insurance, capital projects, and various scholarships.

Restricted net assets are available for the following purposes:

Nonexpendable Assets:	
Interest in Skyline Apartments	$ 836,416
Expendable Assets:	
Scholarships	395,324
Capital Projects	136,449
Cash value of life insurance	62,324
Contracts and Grants	64,282
Total Expendable:	$ 658,379
Total Restricted Net Assets	$1,494,795

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

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REQUIRED SUPPLEMENTARY INFORMATION

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

	Dec 31, 2015	Dec 31, 2014
Noncontributory System		
Proportion of the net pension liability (asset)	0.1157513%	0.1120223%
Proportionate share of the net pension liability (asset)	$ 3,636,080	$ 2,814,592
Covered payroll	$ 3,194,598	$ 3,154,934
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	113.82%	89.20%
Plan fiduciary net position as a percentage of the total pension liability	84.50%	87.20%
Tier 2 Public Employees System		
Proportion of the net pension liability (asset)	0.0325978%	0.0218031%
Proportionate share of the net pension liability (asset)	$ (71)	$ (661)
Covered payroll	$ 210,680	$ 106,918
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-0.03%	-0.60%
Plan fiduciary net position as a percentage of the total pension liability	100.20%	103.50%

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

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

DAVIS APPLIED TECHNOLOGY COLLEGE
SCHEDULE OF PENSION CONTRIBUTIONS
Last Ten Fiscal Years

	2016*	2015*	2014*
Noncontributory System			
Actuarial determined contributions	$ 696,334	$ 688,592	$ 640,328
Contributions in relation to the contractually required contribution	(696,334)	(688,592)	(640,328)
Contribution deficiency (excess)	-	-	-
Covered employee payroll	$ 3,171,667	$ 3,138,607	$ 3,250,820
Contributions as a percentage of covered payroll ***	21.95%	21.94%	19.70%
Tier 2 Public Employees System**			
Actuarial determined contributions	$ 66,622	$ 24,537	$ 20,541
Contributions in relation to the contractually required contribution	(66,622)	(24,537)	(20,541)
Contribution deficiency (excess)	-	-	-
Covered employee payroll	$ 365,251	$ 134,302	$ 122,633
Contributions as a percentage of covered payroll ***	18.24%	18.27%	16.75%
Tier 2 Public Employees DC Only System			
Actuarial determined contributions	$ 18,145	$ 16,510	$ 10,739
Contributions in relation to the contractually required contribution	(18,145)	(16,510)	(10,739)
Contribution deficiency (excess)	-	-	-
Covered employee payroll	$ 181,088	$ 164,283	$ 128,764
Contributions as a percentage of covered payroll ***	10.02%	10.05%	8.34%

* 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.

2013	2012	2011	2010	2009	2008	2007
$ 610,106	$ 567,237	$ 557,874	$ 489,201	$ 555,938	$ 587,671	$ 598,404
(610,106)	$ (567,237)	$ (557,874)	$ (489,201)	$ (555,938)	$ (587,671)	$ (598,404)
-	-	-	-	-	-	-
$ 3,242,164	$ 3,364,397	$ 3,417,958	$ 3,440,226	$ 3,909,550	$ 4,132,707	$ 4,208,183
18.81%	16.86%	16.32%	14.22%	14.22%	14.22%	14.22%
$ 24,078	$ 4,033					
(24,078)	(4,033)					
-	-					
$ 159,880	$ 31,657					
15.06%	12.74%					

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STATISTICAL SECTION

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

	2016	2015	2014	2013
Net Investment in Capital Assets	$ 27,246,745	$ 28,313,502	$ 29,216,171	$ 29,015,988
Restricted for:				
Scholarships	395,324	318,799	285,400	152,080
Grants, Contracts and Other	1,099,471	915,990	1,340,800	1,384,440
Unrestricted	2,903,431	2,928,900	4,482,337	4,488,850
Total Net Position	$ 31,644,971	$ 32,477,191	$ 35,324,708	$ 35,041,358

Source: Annual Reports on Financial Statements for years presented.

2012	2011	2010	2009	2008	2007
$ 29,419,452	$ 29,865,486	$ 30,982,477	$ 31,223,742	$ 18,480,567	$ 17,504,128
167,204	185,923	156,386	171,439	184,793	185,189
1,514,378	1,455,106	1,622,239	1,515,420	1,891,188	1,967,677
3,857,159	3,375,883	2,359,674	1,690,315	1,153,553	1,115,262
$ 34,958,193	$ 34,882,398	$ 35,120,776	$ 34,600,916	$ 21,710,101	$ 20,772,256

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

	2016	2015	2014	2013
REVENUES				
Operating Revenues:				
Student Tuition and Fees (net of scholarship allowances)	$ 2,217,755	$ 2,453,525	$ 2,373,117	$ 2,613,125
Federal Grants and Contracts	338,165	272,487	282,956	364,541
State Grants and Contracts	1,607,378	1,586,187	1,640,045	1,319,735
Local Grants and Contracts	6,511	63,444	43,178	-
Nongovernmental Grants and Contracts	468,177	499,071	323,331	260,008
Sales and Services of Educational Departments	17,914	19,913	16,597	11,305
Auxiliary Enterprises (net of scholarship allowances)	1,849,584	1,624,744	1,468,241	1,531,938
Other Operating Revenues	91,737	92,370	84,176	68,435
Independent Operations	621,601	583,756	592,092	588,888
Total Operating Revenues	7,218,822	7,195,497	6,823,733	6,757,975
EXPENSES				
Operating Expenses:				
Salaries and Wages	10,527,131	9,919,412	9,262,757	8,974,269
Benefits	3,540,069	3,402,631	3,725,521	3,422,634
Actuarial Calculated Pension Expense	704,293	488,290	-	-
Scholarships	491,318	489,401	476,781	539,251
Utilities	593,245	582,174	612,831	553,906
Supplies and Other Services	4,507,499	4,142,065	3,656,003	3,682,578
Depreciation	2,455,459	2,565,252	2,062,220	1,877,235
Total Operating Expenses	22,819,014	21,589,225	19,796,113	19,049,873
Operating Income (Loss)	(15,600,192)	(14,393,728)	(12,972,380)	(12,291,898)
NONOPERATING REVENUES (EXPENSES)				
State Appropriations	13,057,900	12,183,800	10,963,000	9,947,800
Gifts	294,912	300,797	432,660	321,971
Investment Income	88,136	37,134	37,294	44,141
Unrealized Loss on FMV of Investment	(1,189)	(857)	(884)	-
Disposal of Capital Assets	5,000	4,200	-	-
Federal Pell Grants	1,043,185	1,017,606	997,980	1,093,603
Other Nonoperating Revenues (Expenses)	18,233	24,068	50,511	11,512
Net Nonoperating Revenues	14,506,177	13,566,748	12,480,561	11,419,027
(Loss) Before Other Revenues and Expenses	(1,094,015)	(826,980)	(491,819)	(872,871)
Capital Grants	117,482	707,292	735,169	930,036
Capital Gifts	144,313	59,173	40,000	26,000
Extraordinary Items	-	117,336	-	-
Increase/(Decrease) in Net Position	$ (832,220)	$ 56,821	$ 283,350	$ 83,165

Source: Annual Reports on Financial Statements for years presented

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

DAVIS APPLIED TECHNOLOGY COLLEGE
EXPENSES BY FUNCTION
Last Ten Fiscal Years

	2016	2015	2014	2013
Instruction	$ 8,441,434	$ 8,343,883	$ 7,324,428	$ 7,180,417
Academic Support	1,832,580	1,569,816	1,453,835	1,584,102
Student Services	2,145,745	1,828,804	1,909,263	1,803,791
Institutional Support	3,278,226	2,646,253	2,488,202	2,288,556
Operation and Maintenance of Plant	3,934,867	4,356,732	3,827,354	3,390,378
Scholarships	491,318	489,401	476,781	539,251
Auxiliary Enterprises	2,153,987	1,821,343	1,819,534	1,767,634
Independent Operations	540,857	532,993	496,716	495,744
Total Expenses	$ 22,819,014	$ 21,589,225	$ 19,796,113	$ 19,049,873

(Percent of Total Expenses)

	2016	2015	2014	2013
Instruction	36.99%	38.65%	37.00%	37.69%
Academic Support	8.03%	7.27%	7.34%	8.32%
Student Services	9.40%	8.47%	9.64%	9.47%
Institutional Support	14.37%	12.26%	12.57%	12.01%
Operation and Maintenance of Plant	17.24%	20.18%	19.33%	17.80%
Scholarships	2.15%	2.27%	2.41%	2.83%
Auxiliary Enterprises	9.44%	8.44%	9.19%	9.28%
Independent Operations	2.38%	2.46%	2.52%	2.60%
Total Expenses	100.00%	100.00%	100.00%	100.00%

Source: Annual Reports on Financial Statements for years presented.

2012	2011	2010	2009	2008	2007
$ 7,531,695	$ 7,481,871	$ 7,743,952	$ 7,278,910	$ 6,891,222	$ 6,575,231
1,596,148	1,522,040	1,213,917	1,376,076	1,364,656	1,230,226
1,749,448	1,759,478	1,747,483	2,057,298	1,908,572	1,889,789
2,221,888	2,119,538	1,940,786	1,938,846	1,954,614	1,891,096
3,379,027	3,359,495	3,215,148	3,358,435	2,407,119	2,261,359
650,654	1,056,789	882,196	482,413	307,550	330,110
1,837,902	1,832,401	1,759,978	1,541,248	1,365,496	1,408,402
499,301	500,758	489,866	467,589	430,298	375,218
$ 19,466,063	$ 19,632,370	$ 18,993,326	$ 18,500,813	$ 16,629,527	$ 15,961,431

2012	2011	2010	2009	2008	2007
38.69%	38.11%	40.77%	39.06%	41.44%	41.19%
8.20%	7.75%	6.39%	7.38%	8.21%	7.71%
8.99%	8.96%	9.20%	11.04%	11.48%	11.84%
11.41%	10.80%	10.22%	10.40%	11.75%	11.85%
17.36%	17.11%	16.93%	18.02%	14.47%	14.17%
3.34%	5.38%	4.64%	3.30%	1.85%	2.07%
9.44%	9.33%	9.27%	8.27%	8.21%	8.82%
2.57%	2.56%	2.58%	2.52%	2.59%	2.35%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

	2016	2015	2014	2013
Salaries and Wages	$ 10,527,131	$ 9,919,412	$ 9,262,757	$ 8,974,269
Benefits	3,540,069	3,402,631	3,725,521	3,422,634
Actuarial Calculated Pension Expense	704,293	488,290	-	-
Scholarships	491,318	489,401	476,781	539,251
Utilities	593,245	582,174	612,831	553,906
Supplies and Other Services	4,507,499	4,142,065	3,656,003	3,682,578
Depreciation	2,455,459	2,565,252	2,062,220	1,877,235
Total Expenses	$ 22,819,014	$ 21,589,225	$ 19,796,113	$ 19,049,873

(Percent of Total Expenses)

	2016	2015	2014	2013
Salaries and Wages	46.13%	45.95%	46.79%	47.11%
Benefits	15.51%	15.76%	18.82%	17.97%
Actuarial Calculated Pension Expense	3.09%	2.26%	0.00%	0.00%
Scholarships	2.15%	2.27%	2.41%	2.83%
Utilities	2.60%	2.70%	3.10%	2.91%
Supplies and Other Services	19.75%	19.19%	18.47%	19.33%
Depreciation	10.77%	11.87%	10.41%	9.85%
Total Expenses	100.00%	100.00%	100.00%	100.00%

Source: Annual Reports on Financial Statements for years presented.

2012	2011	2010	2009	2008	2007
$ 9,097,443	$ 9,002,281	$ 8,836,231	$ 8,526,538	$ 8,064,098	$ 7,629,887
3,448,057	3,261,672	2,787,631	3,193,265	3,165,894	2,886,614
-	-	-	-	-	-
650,654	1,062,789	882,196	482,413	309,818	331,831
455,902	486,862	467,607	435,733	382,612	372,272
3,928,518	3,973,243	4,198,555	4,353,870	3,546,448	3,616,284
1,885,489	1,845,523	1,821,106	1,508,994	1,160,657	1,124,543
$ 19,466,063	$ 19,632,370	$ 18,993,326	$ 18,500,813	$ 16,629,527	$ 15,961,431

2012	2011	2010	2009	2008	2007
46.73%	45.85%	46.52%	45.75%	47.61%	47.80%
17.71%	16.61%	14.68%	17.14%	18.70%	18.08%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3.34%	5.41%	4.64%	3.31%	1.86%	2.08%
2.34%	2.48%	2.46%	2.34%	2.30%	2.33%
20.18%	20.25%	22.11%	23.36%	22.55%	22.66%
9.70%	9.40%	9.59%	8.10%	6.98%	7.05%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

DAVIS APPLIED TECHNOLOGY COLLEGE
REVENUES BY SOURCE
Last Ten Fiscal Years

	2016	2015	2014
Operating Revenues:			
Student Tuition and Fees	$ 2,217,755	$ 2,453,525	$ 2,373,117
Federal Grants and Contracts	338,165	272,487	282,956
State Grants and Contracts	1,607,378	1,586,187	1,640,045
Local Grants and Contracts	6,511	63,444	43,178
Nongovernmental Grants & Contracts	468,177	499,071	323,331
Sales & Services of Educational Departments	17,914	19,913	16,597
Auxiliary Enterprises	1,849,584	1,624,744	1,468,241
Other Operating Revenues	91,737	92,370	84,176
Independent Operations	621,601	583,756	592,092
Total Operating Revenues	7,218,822	7,195,497	6,823,733
Nonoperating Revenues:			
State Appropriations	13,057,900	12,183,800	10,963,000
Gifts	294,912	300,797	432,660
Investment Income	88,136	37,134	37,294
Federal Pell Grants	1,043,185	1,017,606	997,980
Other Nonoperating Revenues	23,233	24,068	50,511
Total Nonoperating Revenues	14,507,366	13,563,405	12,481,445
Other Revenues:			
Capital Grants	117,482	707,292	735,169
Capital Gifts	144,313	59,173	40,000
Total Other Revenues	261,795	766,465	775,169
Extraordinary Items:	-	117,336	-
Total Revenues	$ 21,987,983	$ 21,642,703	$ 20,080,347

(Percent of Total Revenues)

	2016	2015	2014
Operating Revenues:			
Student Tuition and Fees	10.09%	11.33%	11.82%
Federal Grants and Contracts	1.54%	1.26%	1.41%
State Grants and Contracts	7.31%	7.33%	8.17%
Local Grants and Contracts	0.03%	0.29%	0.22%
Nongovernmental Grants & Contracts	2.13%	2.31%	1.61%
Sales & Services of Educational Departments	0.08%	0.09%	0.08%
Auxiliary Enterprises	8.41%	7.51%	7.31%
Other Operating Revenues	0.42%	0.43%	0.42%
Independent Operations	2.83%	2.70%	2.95%
Total Operating Revenues	32.84%	33.25%	33.99%
Nonoperating Revenues:			
State Appropriations	59.39%	56.28%	54.60%
Gifts	1.34%	1.39%	2.15%
Investment Income	0.40%	0.17%	0.19%
Federal Pell Grants	4.74%	4.70%	4.97%
Other Nonoperating Revenues	0.11%	0.13%	0.25%
Total Nonoperating Revenues	65.98%	62.67%	62.16%
Other Revenues:			
Capital Grants	0.53%	3.27%	3.66%
Capital Gifts	0.65%	0.27%	0.19%
Total Other Revenues	1.18%	3.54%	3.85%
Extraordinary Items:	0.00%	0.54%	0.00%
Total Revenues	100.00%	100.00%	100.00%

Source: Annual Reports on Financial Statements for years presented.

2013	2012	2011	2010	2009	2008	2007
$ 2,613,125	$ 2,695,973	$ 2,805,788	$ 2,646,854	$ 2,248,293	$ 1,837,637	$ 1,737,281
364,541	1,009,390	914,365	1,225,706	543,319	294,301	450,336
1,319,735	1,250,380	1,326,648	1,133,529	919,182	1,313,192	846,199
-	108,327	48,312	77,137	100,453	99,093	293,411
260,008	323,620	417,836	561,364	693,625	543,296	596,742
11,305	14,340	23,846	20,869	20,713	19,294	22,108
1,531,938	1,548,885	1,616,622	1,506,588	1,292,174	986,770	930,029
68,435	108,926	58,666	60,300	82,983	91,500	82,295
588,888	616,739	653,760	707,813	621,144	525,280	443,979
6,757,975	7,676,580	7,865,843	7,940,160	6,521,886	5,710,363	5,402,380
9,947,800	9,177,700	9,256,200	9,466,100	9,677,200	9,765,300	8,997,400
321,971	296,454	166,863	358,792	579,257	598,606	1,076,802
44,141	263,298	34,770	43,902	77,933	148,470	160,781
1,093,603	1,233,371	1,576,204	1,144,642	494,061	302,472	335,489
11,512	18,291	54,028	17,119	15,171	20,023	-
11,419,028	10,989,114	11,088,065	11,030,555	10,843,622	10,834,871	10,570,472
930,036	876,164	440,084	762,724	14,050,368	1,122,921	-
26,000	-	-	-	-	-	-
956,036	876,164	440,084	762,724	14,050,368	1,122,921	-
-	-	-	-	-	-	-
$ 19,133,039	$ 19,541,858	$ 19,393,992	$ 19,733,439	$ 31,415,876	$ 17,668,155	$ 15,972,852

2013	2012	2011	2010	2009	2008	2007
13.66%	13.80%	14.47%	13.41%	7.16%	10.40%	10.88%
1.91%	5.17%	4.71%	6.21%	1.73%	1.67%	2.82%
6.90%	6.40%	6.84%	5.74%	2.93%	7.43%	5.30%
0.00%	0.55%	0.25%	0.39%	0.32%	0.56%	1.84%
1.36%	1.66%	2.15%	2.84%	2.21%	3.08%	3.74%
0.06%	0.07%	0.12%	0.11%	0.07%	0.11%	0.14%
8.01%	7.93%	8.34%	7.63%	4.11%	5.59%	5.82%
0.36%	0.56%	0.30%	0.31%	0.26%	0.52%	0.52%
3.08%	3.16%	3.35%	3.57%	1.96%	2.95%	2.76%
35.34%	39.30%	40.53%	40.24%	20.76%	32.32%	33.82%
51.99%	46.96%	47.73%	47.97%	30.80%	55.27%	56.33%
1.68%	1.52%	0.86%	1.82%	1.84%	3.39%	6.74%
0.23%	1.35%	0.18%	0.22%	0.25%	0.84%	1.01%
5.72%	6.31%	8.13%	5.80%	1.57%	1.71%	2.10%
0.06%	0.09%	0.28%	0.09%	0.05%	0.11%	0.00%
59.68%	56.24%	57.18%	55.90%	34.52%	61.32%	66.18%
4.86%	4.47%	2.29%	3.87%	44.72%	6.36%	0.00%
0.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4.98%	4.47%	2.29%	3.87%	44.72%	6.36%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

	2016	2015	2014	2013
External Sources of Tuition and Fees				
Self Pay	$ 1,856,740	$ 1,871,807	$ 1,797,449	$ 1,821,026
Weber State University Contracts [1]	-	307,011	228,935	252,154
Utah Department of Workforce Services [2]	-	-	-	-
Utah State Office of Rehabilitation	17,162	47,688	76,046	88,740
Other Sponsorships	343,853	227,019	270,687	451,205
Total External Tuition and Fees	2,217,755	2,453,525	2,373,117	2,613,125
Internal Sources of Tuition and Fees [3]				
DATC Foundation Scholarships	125,163	107,277	113,968	108,544
Pell Grants used for Tuition & Fees	529,131	513,987	510,102	537,767
Other Internal Sponsorships	308,253	348,069	297,090	177,664
Total Internal Tuition and Fees	962,547	969,333	921,160	823,975
Total External/Internal Tuition & Fees	$ 3,180,302	$ 3,422,858	$ 3,294,277	$ 3,437,100

(Percent of Total Tution and Fees)

	2016	2015	2014	2013
Self Pay	58.38%	54.69%	54.56%	52.98%
Weber State University Contracts	0.00%	8.97%	6.95%	7.34%
Department of Workforce Services	0.00%	0.00%	0.00%	0.00%
Office of Rehabilitation	0.54%	1.39%	2.31%	2.58%
Other Sponsorships	10.81%	6.63%	8.22%	13.13%
Internal Sources:				
Scholarships	3.94%	3.13%	3.46%	3.16%
Pell Grants	16.64%	15.02%	15.48%	15.65%
Other Sponsorships	9.69%	10.17%	9.02%	5.16%
Total Tuition and Fees	100.00%	100.00%	100.00%	100.00%

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

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

Note 2: Beginning in FY2009 DWS clients paid for services with a prepaid debit card; therefore, these payments are not shown separately here.

Note 3: Internal Sources of Tuition and Fees represent transfers within the College which are eliminated in the preparation of the comprehensive financial statements.

2012	**2011**	**2010**	**2009**	**2008**	**2007**
$ 2,041,998	$ 1,974,753	$ 1,990,540	$ 1,845,831	$ 1,339,188	$ 1,283,031
237,173	204,955	219,759	115,800	233,084	192,645
-	-	-	-	48,927	71,014
109,406	128,365	99,305	60,235	60,010	79,033
307,396	497,715	337,250	226,427	156,428	111,558
2,695,973	2,805,788	2,646,854	2,248,293	1,837,637	1,737,281
95,668	97,198	136,595	133,059	100,363	113,235
550,828	528,777	297,950	84,526	79,498	82,246
162,588	161,088	181,968	208,446	147,431	173,756
809,084	787,063	616,513	426,031	327,292	369,237
$ 3,505,056	$ 3,592,851	$ 3,263,367	$ 2,674,324	$ 2,164,929	$ 2,106,518

2012	**2011**	**2010**	**2009**	**2008**	**2007**
58.26%	54.96%	61.00%	69.02%	61.86%	60.91%
6.77%	5.70%	6.73%	4.33%	10.77%	9.15%
0.00%	0.00%	0.00%	0.00%	2.26%	3.37%
3.12%	3.57%	3.04%	2.25%	2.77%	3.75%
8.77%	13.85%	10.33%	8.47%	7.23%	5.30%
2.73%	2.72%	4.19%	4.98%	4.64%	5.38%
15.72%	14.73%	9.13%	3.16%	3.67%	3.90%
4.63%	4.47%	5.57%	7.78%	6.80%	8.24%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

DAVIS APPLIED TECHNOLOGY COLLEGE
HISTORIC ENROLLMENT
Last Ten Fiscal Years

HISTORIC STUDENT MEMBERSHIP HOURS

Fiscal Year	High School Student Hours	%	Adult Student Hours	%	Total Student Hours	Annual Growth	Weighted Average Tuition Rate
2016	355,731	25%	1,095,761	75%	1,451,492	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	-5.94%	1.81
2013	206,604	15%	1,199,516	85%	1,406,120	-8.35%	1.65
2012	219,937	14%	1,314,258	86%	1,534,195	-10.19%	1.54
2011	263,040	15%	1,445,298	85%	1,708,338	5.13%	1.52
2010	322,329	20%	1,302,707	80%	1,625,036	28.00%	1.52
2009	274,572	22%	995,020	78%	1,269,592	16.79%	1.56
2008	282,010	26%	805,080	74%	1,087,090	-3.44%	1.77
2007	328,789	29%	797,062	71%	1,125,851	-1.46%	2.07

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

DAVIS APPLIED TECHNOLOGY COLLEGE
HISTORIC TUITION RATES
Last Ten Fiscal Years

HISTORIC TUITION RATES

Fiscal Year	Base Rate Per Hour	Tuition including Campus Fees	Full-time Annual Tuition	Annual Tuition Increase Dollars	Annual Tuition Increase Percent
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%
2011	1.50	2,484	2,124	142	7.14%
2010	1.40	2,342	1,982	70	3.70%
2009	1.35	2,272	1,912	71	3.85%
2008	1.30	1,969	1,841	71	4.00%
2007	1.25	1,862	1,770	142	8.70%

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

Davis County

Year	Population	Personal Income ($millions)	Per Capita Personal Income	Unemployment Rate
2015	336,043	*na	*na	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%
2010	306,479	$10,364	$33,817	7.3%
2009	307,656	$10,184	$33,104	7.0%
2008	301,915	$10,048	$33,283	3.2%
2007	296,029	$ 9,798	$33,100	2.5%
2006	286,547	$ 9,012	$31,451	2.9%

Morgan County

Year	Population	Personal Income ($millions)	Per Capita Personal Income	Unemployment Rate
2015	11,065	*na	*na	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%
2010	9,469	$306	$32,241	6.9%
2009	9,947	$291	$31,266	6.3%
2008	9,645	$294	$32,264	3.3%
2007	9,265	$276	$31,476	2.6%
2006	8,888	$217	$27,070	3.0%

Sources: Department of Workforce Services Website - Labor Force/Wages and Income, Bureau of Economic Analysis.
Davis County Comprehensive Annual Financial Report (CAFR) 2015
* Note: 2015 per capita income and personal income information were not available at the time the CAFR report was released.

Davis Applied Technology College
Schedule of Principal Employers
Davis and Morgan Counties 2015

Davis 2015

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

Morgan 2015

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

Source: Department of Workforce Services Website - Annual Profiles

Davis Applied Technology College
Operating Indicators and Employees
Fiscal Years 2015 and 2016

		2015	2016
Completers			
Certificate Seeking		1,261	1,429
Occupational Upgrade		618	739
Other Post-Secondary		1,132	867
Secondary		829	929
	Total Completers	3,840	3,964
Student Headcount		6,246	6,007
Faculty			
Full Time*		63	65
Part Time*		210	212
	Total Faculty	273	277
Average Annual Faculty Salary 2016		$57,777	$58,385
Staff			
Full Time*		83	80
Part Time*		71	77
	Total Staff	154	157
Membership Hours per Faculty/Staff			
Membership Hours per Faculty		5,193	5,240
Membership Hours per Staff		9,205	9,245
Completers per Faculty Staff			
Completers per Faculty		14	14
Completers per Staff		25	25
Students per Faculty/Staff			
Students per Faculty		23	22
Students per Staff		41	38

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, 2016 and include Executives and Workstudies

Davis Applied Technology College
Building Information
Fiscal Years 2015 and 2016

Location	**2015**	**2016**
Main Campus	308,467	308,467
Freeport Y-16	12,000	12,000
Freeport West D-5	32,000	32,000
Warehouse Space Freeport West	88,000	88,000
Morgan BRC	2,592	2,592
Morgan School District	6,303	6,303
Total Gross Square Feet	449,362	449,362
Total Acres Main Campus	**65**	**65**

Source: Physical Facilities DSD/DATC Space FY 2016

All amounts reported in Gross Square Ft

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GOVERNMENT AUDIT SECTION

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

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

We have audited the financial statements of the Davis Applied Technology College (the College), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the College's financial statements, and have issued our report thereon dated September 23, 2016. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Office of the Utah State Auditor

Office of the Utah State Auditor
September 23, 2016