OGDEN-WEBER TECHNICAL COLLEGE

A Component Unit of the State of Utah

Annual Financial Report

and

Government Auditing Standards Report

For the Year Ended June 30, 2023

OGDEN-WEBER TECHNICAL COLLEGE

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HINTON BURDICK
CPAs & ADVISORS

Independent Auditors' Report

Board of Trustees, Audit Committee
And Jim Taggart, President
Ogden-Weber Technical College

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of Ogden-Weber Technical College, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Ogden-Weber Technical College Foundation (Foundation), a discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Foundation were not audited in accordance with *Governmental Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2023 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

HintonBurdick, PLLC

HintonBurdick, PLLC
St. George, Utah
October 2, 2023

OGDEN-WEBER TECHNICAL COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(Unaudited)

As management of Ogden-Weber Technical College (College), we offer readers of the College's financial statements this narrative overview and analysis of the financial activities of the College for the fiscal year ended June 30, 2023.

The College is one of sixteen public colleges and universities within the Utah System of Higher Education. The College maintains a local Board of Trustees and is an independent technical college and component unit of the State of Utah.

Overview of the Financial Statements

This management discussion and analysis serves as an introduction to the College's financial statements. The College's financial statements comprise of 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 College's 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

Statement of Net Position

The following schedule presents a summary of the College's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, 2023, and 2022:

Condensed Statement of Net Position

	Year Ended June 30, 2023 Amount	Year Ended June 30, 2022 Amount	Amount of Change	Percent Change
Assets				
Current Assets	$ 13,030,289	$ 11,844,832	$ 1,185,457	10.01%
Noncurrent Assets	-	550,977	$ (550,977)	(100.00%)
Capital Assets, Net	38,884,982	39,050,838	(165,856)	(.42%)
Total Assets	51,915,271	51,446,647	468,624	.91%
Deferred Outflows of Resources	1,193,519	889,343	304,176	34.20%
Liabilities				
Current Liabilities	2,076,475	2,488,948	(412,473)	(16.57%)
Noncurrent Liabilities	2,302,117	345,296	1,956,821	566.71%
Total Liabilities	4,378,592	2,834,244	1,544,348	54.49%
Deferred Inflows of Resources	244,465	2,683,573	(2,439,108)	(90.89%)
Net Position				
Net Investment in Capital Assets	38,884,982	39,050,838	(165,856)	(.42%)
Unrestricted	9,600,751	7,767,335	1,833,416	23.60%
Total Net Position	$ 48,485,733	$ 46,818,173	$ 1,667,560	3.56%

Total assets of the College increased by $468,624, or 0.91%, during the fiscal year. The increase in current assets of $1,185,457, consists of an increase in cash and cash equivalents of $2,220,702, due to higher balances in the bank and PTIF cash accounts; a decrease in receivables of $839,565, as COVID relief federal grants ended and it reduced the amount of funding waiting for drawdowns; a decrease in prepaid expenses of $96,439, due to the benefit invoices being paid in the same month the funds were collected from the employee; an increase for lease receivables of $3,588 because of the increase in cost each year (see note 6 in the Notes to the Financial Statements for additional information); and a decrease in inventories totaling $102,829, due to a reorganization of the College Store.

The decrease in noncurrent assets of $550,977, is due to the net pension asset of $0 as reported by Utah Retirement Systems, as required for GASB 68, at June 30,2023.

The College's capital assets (net of accumulated depreciation) as of June 30, 2023, amount to $38,884,982. This investment in capital assets includes land, construction in progress, buildings, improvements, and equipment. The net decrease of $165,856 include an increase in accumulated depreciation of $2,706,738, an increase in improvements of $1,936,266, an increase in equipment of $1,201,961, and a decrease in construction in progress of $597,345 due to prior year projects being completed and recognized as capital assets.

Deferred outflows of resources are related to information gathered for GASB 68. The difference of $304,176 comes from information provided by the Utah Retirement System (URS) as outlined by GASB 68. The difference represents contributions made by the College to URS prior to the fiscal year end, but after the measurement date of December 31, 2022, and the net difference between projected and actual earnings on pension plan investments. (See note 7 in the Notes to the Financial Statements for additional information.)

Total liabilities of the College increased by $1,544,348, or 54.49%, during the fiscal year. Current liabilities decreased by $412,473, comprises of decreases in payables of $457,917, and accrued sick leave of $36,975, and increases in unearned revenue of $45,865, and compensated absences of $36,554. Noncurrent liabilities increased by $1,956,821, comprised of increases in net pension liability of $1,866,129 and long term accrued sick and vacation liabilities of $90,692. The net pension liability provided by URS is based on estimates derived from their actuarial calculation.

Deferred inflows of resources are related to information provided by URS, as outlined in GASB 68, and calculations based on current and probable extensions of lease contracts, as outlined in GASB 87. The decrease of $2,439,108, comprises of a decrease of $2,442,696, for the difference between expected and actual returns on investments and changes in assumptions used by the actuaries for GASB 68, and an increase of $3,588 for lease contracts for GASB 87. (See Notes 6 & 7 in the Notes to the Financial Statements for additional information).

OGDEN-WEBER TECHNICAL COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(Unaudited)

Changes in Net Position

The following schedule presents a summary of changes in net position for the College for the fiscal years ended June 30, 2023, and 2022:

Condensed Statement of Revenue, Expenses, and Changes in Net Position

	Year Ended June 30, 2023 Amount	Year Ended June 30, 2022 Amount	Amount of Change	Percent Change
Operating Revenues	$ 5,430,558	$ 5,714,851	$ (284,293)	(4.97%)
Operating Expenses	30,834,390	27,974,273	2,860,117	10.22%
Operating Income (Loss)	(25,403,832)	(22,259,422)	(3,144,410)	(14.13%)
Nonoperating Revenues	26,570,490	24,270,114	2,300,376	9.48%
Income (Loss) Before Other Items	1,166,658	2,010,692	(844,034)	(41.98%)
Other Revenues and Expenses	500,902	457,255	43,647	9.55%
Increase (Decrease) in Net Position	1,667,560	2,467,947	(800,387)	(32.43%)
Net Position – Beginning of Year	46,818,173	44,927,127	1,891,046	4.21%
Prior Period Adjustment (Note 4)	-	(576,901)	576,901	(100.00%)
Net Position – Beginning of Year (Restated)	46,818,173	44,350,226	2,467,947	5.56%
Net Position – End of Year	$ 48,485,733	$ 46,818,173	$ 1,667,560	3.56%

The College experienced a net operating loss of $25,403,832, during the fiscal year. The College is a state institution and receives most of its funding from State appropriations. The appropriations fall under nonoperating revenues on the financial statements and is a means of covering most costs to operate the College. During fiscal year 2023, the State appropriation of $22,074,400, was sufficient to offset all but $3,329,432 of the amount shown on the financial statements as an operating loss. The remaining nonoperating revenues and other revenues of the College consisted mostly of federal grants of $2,891,167; state and local grants of $609,070; gifts of $463,462 transferred to the College from the Foundation; other revenue for capital appropriations of $500,902; and investment income of $532,391.

After considering nonoperating revenues and expenses the College had an increase in net position of $1,667,560.

Revenues

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

	Year Ended June 30, 2023 Amount	Percent of Total Revenue	Year Ended June 30, 2022 Amount	Amount of Change	Percent Change
Operating Revenues					
Student Tuition and Fees	$ 2,371,047	7.30%	$ 2,559,432	$ (188,385)	(7.36%)
Federal Grants and Contracts	807,182	2.48%	754,974	52,208	6.92%
State Grants and Contracts	120,208	.37%	336,655	(216,447)	(64.29%)
Sales and Services of Educational Activities	1,198,424	3.69%	1,106,524	91,900	8.31%
Auxiliary Enterprises	933,697	2.87%	957,266	(23,569)	(2.46%)
Total Operating Revenues	5,430,558	16.71%	5,714,851	(284,293)	(4.97%)
Nonoperating Revenues					
State Appropriations	22,074,400	67.92%	19,717,500	2,356,900	11.95%
Federal Grants and Contracts	2,891,167	8.90%	3,805,811	(914,644)	(24.03%)
State Grants and Contracts	609,070	1.87%	454,077	154,993	34.13%
Gifts	463,462	1.43%	400,063	63,399	15.85%
Investment Income	532,391	1.64%	56,831	475,560	836.80%
Loss on Sale of Capital Assets	-	.00%	(164,168)	164,168	(100.00%)
Total Nonoperating Revenues	26,570,490	81.75%	24,270,114	2,300,376	9.48%
Other Revenues					
Capital Appropriations	500,902	1.54%	457,255	43,647	9.55%
Total Other Revenues	500,902	1.54%	457,255	43,647	9.55%
Total Revenues	$ 32,501,950	100.00%	$ 30,442,220	$ 2,059,730	6.77%

The revenue comparison between fiscal year 2023 and fiscal year 2022 shows an increase in total revenue of $2,059,730, the vast majority of which is attributable to an increase in state appropriation funding.

Operating revenues decreased by $284,293. Tuition and Fee revenue decreased by $188,385 due to a change in the upcoming tuition model that accrues unearned tuition to the upcoming year. Federal Grants and Contracts increased by $52,208, due to another year of the Americorps grant that started. State Grants and Contracts decreased by $216,447, due to the ending of state grants that were not available in FY23. Sales and Services of Educational Activities increased by $91,900, due to an increase in private training through Custom Fit and an increase in services by students such as the cosmetology salon and the campus grille. Finally, Auxiliary Enterprises' revenue decreased by $23,569, because of a reorganization of the college store.

Nonoperating revenues increased by $2,300,376. State appropriations increased by $2,356,900. Federal Grants and Contracts decreased by $914,644, due to the CARES grant funding ending and not having needs to use the funding. State grants and contracts increased by $154,993, due to an additional amount of Re-Engagement funding from USHE. Gift revenue increased by $63,399. Investment income increased by $475,560, as interest rates rose significantly through the year. There was not a loss on capital assets this year, thus showing an increase of $164,168.

Other revenues for capital appropriations are attributable to DFCM capital improvement projects. Capital appropriations funding increased by $43,647 due to transfers from DFCM for projects that completed, or far enough along they were "substantially" complete, by June 30, 2023.

Expenses

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

	Year Ended June 30, 2023 Amount	Percent of Total Expense	Year Ended June 30, 2022 Amount	Amount of Change	Percent Change
Operating Expenses					
Cost of Goods Sold	$ 1,063,108	3.45%	$ 1,118,375	$ (55,267)	(4.94%)
Salaries and Wages	11,705,728	37.96%	10,604,640	1,101,088	10.38%
Employee Benefits	3,966,169	12.86%	3,538,855	427,314	12.07%
Actuarial Calculated Pension Expense	379,491	1.23%	(488,302)	867,793	(177.72%)
General	8,084,581	26.22%	7,508,977	575,604	7.67%
Financial Aid	2,315,189	7.51%	2,620,034	(304,845)	(11.64%)
Non-capitalized Equipment Purchases	474,800	1.54%	804,967	(330,167)	(41.02%)
Travel	71,666	.23%	34,335	37,331	108.73%
Depreciation	2,773,657	9.00%	2,232,392	541,265	24.25%
Total Operating Expenses	$ 30,834,389	100.00%	$ 27,974,273	$ 2,860,116	10.22%

Total operating expenses for the year increased by $2,860,116. Salaries and wages increased by $1,101,088, based on a salary range study that aligned salaries and wages with market comparable minimums. Employee benefits increased by $427,314 due to salaries and wages increasing. The Utah Retirement Systems provides the information for actuarial calculated pension expenses which shows a change resulting in an increase of $867,793. General increased by $575,604, to accommodate supplies needed with the integration of a new point of sale system in culinary as well as additional increased spending in other areas of the College. Depreciation increased by $541,265 and non-capitalized equipment purchases decreased by $330,167. Additional changes were decreases in the cost of goods sold to $55,267, financial aid for $304,845 and an increase in travel for $37,331. Travel has been slowly transitioning back to in person thus the expense is increasing to reflect the same data.

Economic Outlook

Traditionally, companies looking to expand often are unable to find enough employees with the appropriate skills needed for employment. To meet this demand the College is focusing on increasing access for secondary students and working to provide training to underemployed adults. Stackable credentials and pathways streamline the time to completion for both secondary and adult students. Evening programs and apprenticeship opportunities help meet the needs of working adults. When an individual completes a certificate, they find it much easier to obtain related employment and in the long term will better withstand changes in the labor market.

Requests for Information

This financial report provides a general overview of the College's finances and to show the College's accountability for the money it receives. Please send questions concerning any of the information provided in this report or requests for additional financial information to: Ogden-Weber Technical College, Attn: Fiscal Office, 200 North Washington Blvd., Ogden, Utah 84404.

This financial report contains the audited financial statement information for the College's Foundation under the heading "Foundation." For a copy of the Foundation's independent audit report, please send a request to the same location listed above.

OGDEN-WEBER TECHNICAL COLLEGE

STATEMENT OF NET POSITION
JUNE 30, 2023

	College	Foundation
Current Assets		
Cash and Cash Equivalents (Notes 1 and 2)	$ 12,280,418	$ 187,043
Investments (Notes 1 and 2)	-	2,736,982
Pledges Receivable, net	-	-
Accounts Receivable, net (Note 3)		11,650
Related Party	128,717	-
Other	372,208	-
Lease Receivable, net (Notes 3 and 6)	84,388	
Prepaid Expenses	6,778	-
Inventories (Note 1)	157,780	-
Total Current Assets	13,030,289	2,935,675
Noncurrent Assets		
Land (Notes 1 and 4)	453,128	-
Buildings (Notes 1 and 4)	41,499,172	-
Improvements (Notes 1 and 4)	20,645,357	-
Construction In Progress	159,515	
Equipment (Notes 1 and 4)	11,984,193	-
Less Accumulated Depreciation (Notes 1 and 4)	(35,856,383)	-
Total Noncurrent Assets	38,884,982	-
Total Assets	51,915,271	2,935,675
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Relating to Pensions (Note 7)	1,193,519	-
Total Deferred Outflows of Resources	1,193,519	-
LIABILITIES		
Current Liabilities		
Accounts Payable (Note 3)		
Related Party	7,448	-
Other	574,557	62,465
Accrued Payroll	222,836	
Unearned Revenue	1,056,894	-
Accrued Sick Leave (Notes 5 and 10)	22,557	-
Accrued Compensated Absences (Notes 5 and 9)	192,183	-
Total Current Liabilities	2,076,475	62,465
Noncurrent Liabilities		
Net Pension Liability (Note 5 and 7)	1,866,129	-
Accrued Sick Leave (Notes 5 and 10)	45,799	-
Accrued Compensated Absences (Notes 5 and 9)	390,189	-
Total Noncurrent Liabilities	2,302,117	-
Total Liabilities	4,378,592	62,465
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Relating to Pensions (Note 7)	160,077	-
Deferred Inflows Relating to Lease Receivables (Note 6)	84,388	-
Total Deferred Inflows of Resources	244,465	-
NET POSITION		
Net Investment in Capital Assets	38,884,982	-
Restricted	-	1,483,584
Unrestricted	9,600,751	1,389,626
Total Net Position	$ 48,485,733	$ 2,873,210

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

OGDEN-WEBER TECHNICAL COLLEGE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	College	Foundation
REVENUES		
Operating Revenues (Note 1)		
Student Tuition and Fees (Net of Scholarship Allowance of $581,856)	$ 2,371,047	$ -
Federal Grants and Contracts	807,182	-
State Grants and Contracts	120,208	-
Sales and Services of Educational Activities	1,198,424	-
Auxiliary Enterprises:		
Bookstore (Net of Scholarship Allowance of $74,879)	604,910	-
Other	328,787	-
Gifts	-	192,856
Other Revenue	-	239,656
Investment Income	-	60,320
Net Realized Gain on Investments	-	15,964
Net Unrealized (Loss) on Investments	-	(568,356)
Total Operating Revenues	5,430,558	(59,560)
EXPENSES		
Operating Expenses (Notes 1 and 15)		
Cost of Goods Sold	1,063,108	-
Salaries and Wages	11,705,728	-
Employee Benefits	3,966,170	-
Actuarial Calculated Pension Expense (Note 7)	379,491	-
General	8,084,581	-
Financial Aid	2,315,189	-
Non-capitalized Equipment Purchases	474,800	-
Travel	71,666	-
Depreciation (Note 4)	2,773,657	-
Scholarships and Awards	-	264,339
Donations to the College	-	157,841
Support Services	-	68,652
Total Operating Expenses	30,834,390	490,832
Operating (Loss) Income	(25,403,832)	(550,392)
NONOPERATING REVENUES		
State Appropriations	22,074,400	-
Federal Grants and Contracts	2,891,167	-
State Grants and Contracts	609,070	-
Gifts	463,462	-
Investment Income	532,391	-
Loss on Disposal of Capital Assets	-	-
Total Nonoperating Revenues	26,570,490	-
OTHER REVENUES		
Capital Appropriations	500,902	-
Total Other Revenues	500,902	-
Increase (Decrease) in Net Position	1,667,560	(550,392)
NET POSITION		
Net Position − Beginning of Year	46,818,173	3,423,602
Net Position − End of Year	$ 48,485,733	$ 2,873,210

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

OGDEN-WEBER TECHNICAL COLLEGE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

		College
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Tuition and Fees	$	2,416,912
Receipts from Grants and Contracts		927,390
Receipts from Auxiliary Enterprise Charges		933,697
Receipts from Sales and Services of Educational Activities		1,198,424
Payments to Employees for Salaries and Benefits		(16,331,626)
Payments to Students and Suppliers		(12,161,493)
Net Cash Used by Operating Activities		(23,016,696)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations		22,074,400
Nonoperating Grants and Contracts		4,342,882
Gifts for Other than Capital Purposes		394,625
Net Cash Provided by Noncapital Financing Activities		26,811,907
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets		(2,106,900)
Capital Grants and Gifts		-
Capital Appropriations		-
Gain on Sale of Capital Assets		-
Repayments of Capital Leases		-
Net Cash Used by Capital and Related Financing Activities		(2,106,900)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments		532,391
Net Cash Provided by Investing Activities		532,391
Net Increase in Cash and Cash Equivalents		2,220,702
CASH AND CASH EQUIVALENTS − BEGINNING OF YEAR		10,059,716
CASH AND CASH EQUIVALENTS − END OF YEAR	$	12,280,418
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	$	(25,403,832)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities		
Depreciation Expense		2,773,657
Difference between Actuarial Calculated Pension Expense and Actual Contributions		(2,746,872)
Changes in Assets and Liabilities		
Accounts Receivable		616,735
Prepaid Expenses		96,439
Inventories		102,829
Accounts Payable		(457,917)
Penson Liability		1,866,129
Sick Leave		(20,498)
Compensated Absences		110,769
Unearned Revenue		45,865
Net Cash Used by Operating Activities	$	(23,016,696)
NONCASH INVESTING, NONCAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS		
Disposal of Fixed Assets	$	-
Capital Appropriations		500,902
Total Noncash Investing, Capital, and Financing Activities	$	500,902

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 an independent college within the Utah System of Higher Education (USHE), is a component unit of the State of Utah, and is in the State's *Annual Comprehensive Financial Report.* The College is a component unit because of the establishment under Utah statute, receives appropriations from the State, and is financially accountable to the State.

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

The College's financial statements encompass all its operations, including auxiliary enterprises, restricted and unrestricted funds, and Ogden-Weber Technical College Foundation (Foundation). The Foundation is a discrete component unit reported in a separate column labeled "Foundation" to emphasize that it is legally separate from the College. The Foundation's economic resources show the direct benefit of the college and the close financial relationship between the College and Foundation is such that excluding the Foundation would cause the College's financial statements to be misleading or incomplete.

The Foundation has a year ending December 31 and issues separate financial statements audited by independent auditors. These statements follow the Financial Accounting Standards Board (FASB) guidelines. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The component unit's financial information included in the College's financial report does not reflect any modifications. Contact the College for a copy of the Foundation's independent audit report. See note eleven and twelve for further information about the Foundation.

Measurement Focus and Basis of Accounting

The financial statements of the College use the economic resources measurement focus and the accrual basis of accounting. Revenues record when earned and expenses record when a liability incurs, regardless of the timing of the related cash flows. Grants and comparable items recognize as revenue as soon as all eligibility requirements imposed by the provider are present.

The College distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services in connection with the College's principal mission of instruction. Operating expenses include the cost of services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition report as nonoperating revenues and expenses.

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

Deposits and Investments

The College's cash and cash equivalents consist of cash on hand, demand deposits, short-term investments with original maturities of three months or less from the date of acquisition, and amounts invested with the Utah Public Treasurers' Investment Fund.

The administering of cash and investment management at the College is in accordance with the State of Utah Money Management Act (*Utah Code,* Title 51, Chapter 7).

Investments for the College report at fair value in accordance with GASB No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments shows an increase or decrease to investment assets and investment income. The College distributes earnings from pooled investments based on the average daily investment of each participating account; or for endowments, distributes according to the College's spending policy.

Inventories

Inventories reflect the lower of cost or market on either the first-in, first-out ("FIFO") basis or on the average cost basis.

Capital Assets

Capital assets include property, buildings, improvements, construction in progress, and equipment. The College defines capital assets as assets with an initial, individual cost of $5,000 or more and an estimated useful life of more than one year. Such assets record at historical cost. Donated capital assets record at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the capacity of the asset or materially extend the useful lives get expensed. The College capitalizes and does not depreciate land.

Depreciation for capital assets use the straight-line method over their estimated useful lives. The estimated useful life of an asset is determined at acquisition based on guidelines of the Utah System of Higher Education, GASB Statement No. 34, and the professional judgment of the applicable department head.

The following are the estimated useful lives used for depreciation:

Assets	Years
Buildings	25-40
Improvements	5-40
Equipment and Vehicles	3-15

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 (Systems) Pension Plan and additions to/deductions from the Systems' fiduciary net position are now determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) reflect when due and payable in accordance with the benefits terms. Investments report at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. 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 report 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 reflect as an inflow of resources (revenue) until that time.

Leases

For the year ended June 30, 2023, the College had three lease contracts to report where the College is the lessor as per GASB Statement No. 87, *Leases*. Evaluation of the contracts determined they were qualifying due to the fact they were noncancelable during the time frame of the contract, and it was reasonably certain that the lessee will exercise the option to extend the contract for another year. The reporting of these contracts in the financials show under a lease receivable and deferred inflows relating to lease receivables.

New Pronouncements

For the year ended June 30, 2023, the College implemented the provisions of GASB Statement No 96, *Subscription-Based Information Technology Arrangements*, which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The College had no SBITAs deemed material during the year ended June 30, 2023, that required reporting under GASB statement No. 96.

NOTE 2. DEPOSITS AND INVESTMENTS

The State of Utah Money Management Council has the responsibility to advise the Utah 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 Utah Money Management Act (*Utah Code,* Title 51, Chapter 7) (the Act) that relate to the deposit and investment of public funds.

The College follows the requirements of the Act in managing its depository and investment transactions. The Act requires the depositing of the College’s 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 certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Money Management Council.

The Foundation deposits funds in depositories approved by the Foundation’s Board of Trustees as per the bylaws. The Foundation can invest in any investment type deemed prudent and approved by the Board.

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 able to recover the value. The College and the Foundation do not have a formal deposit policy for custodial credit risk. As of June 30, 2023, $1,646,481 of the College’s bank balance of $1,896,481, was uninsured and uncollateralized. As of December 31, 2022, the Foundation’s bank balance of $186,067, would be insured by the FDIC.

Investments

The Act defines the types of securities authorized as appropriate investments for the College's funds and the conditions for making investment transactions. Investment transactions 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 Act; reciprocal deposits and negotiable brokered certificates of deposit in accordance with the Act; and the Utah 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 not registered with the Securities and Exchange Commission (SEC) as an investment company. The Act established the Money Management Council which oversees the activities of the Utah 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 college measures and records its investments using fair value measurement guidelines established by 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.

On June 30, 2023, the college had $11,088,112 held in the PTIF. The College's investment in the PTIF, valued using Level 2 measurements by applying the June 30, 2023, fair value factor, as calculated by the Utah State Treasurer, to its June 30 balance in the fund.

On December 31, 2022, the Foundation had the following investments, valued using Level 1 measurements:

Investment Type	Fair Value
Money Market	$ 59,978
Mutual Funds	704,681
Fixed Income	634,476
Equities	1,393,430
Total Investments	$ 2,792,565

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 Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days – 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. Government-sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 10 years for institutions of higher education. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years. The Foundation does not have a formal policy for interest rate risk. On June 30, 2023, the College's investment's average maturity was:

		Investment Maturities (in years)
Investment Type	Fair Value	Less than 1 year
Debt Securities – PTIF	$ 11,088,112	$ 11,088,112

On December 31, 2022, the Foundation's investments had the following average maturities:

		Investment Maturities (in years)
Investment Type	Fair Value	Less than 1 year
Debt Securities – Money Market	$ 59,978	$ 59,978

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 Act, as previously discussed. The Foundation does not have a formal policy for credit risk. The College and Foundation's related debt investments on June 30, 2023, and December 31, 2022, respectively, were all unrated.

NOTE 3. RECEIVABLES AND PAYABLES

Accounts receivable, on June 30, 2023, consisted of tuition, fees, grants, and other receivables. Tuition and fees reflect the unpaid student tuition/fee charges. Grant and contract receivables consist of monies owed from federal, state, and other grants. An estimated uncollectible amount of $20,000, net the total accounts receivable amount. See chart below for a breakout of receivables:

Accounts Receivable Breakout:		
Outside vendor uninvoiced balance	$	3,932
Grant Receivables		236,923
Other Receivables - Tuition, Auxiliary, Misc		260,070
Total Accounts Receivable	$	500,925

In accordance with GASB 87 for leases, the College recognizes a lease receivable to account for three leases where the College is the lessor and therefore shows an amount due of $84,388 for the remainder of the original terms of the lease and the extension of time offered in the contracts. More information is available in note six.

Accounts payable on June 30, 2023, consist of payments to vendors and include a total related party amount of $7,448.

NOTE 4. CAPITAL ASSETS

Additions to capital assets include those paid for by the College; as well as those paid by the Utah State Division of Facilities Construction and Management (DFCM) for transferred projects to the College. Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	$ 453,128	$ -	$ -	$ 453,128
Construction in Progress	$ 756,860	$ 159,515	$ 756,860	$ 159,515
Buildings and Improvements	41,499,172	-	-	$ 41,499,172
Site Improvements	18,709,091	1,936,266	-	$ 20,645,357
Equipment	10,782,232	1,268,880	66,920	$ 11,984,193
Total	72,200,483	3,364,661	823,780	74,741,365
Less Accumulated Depreciation: Buildings and Improvements and Equipment	(33,149,645)	(2,773,657)	(66,920)	$ (35,856,383)
Net Capital Assets	$ 39,050,838	$ 591,004	$ 756,860	$ 38,884,982

NOTE 5. LONG-TERM LIABILITIES

The College’s long-term liabilities consisted of accrued compensated absences, accrued sick leave, and net pension liability. Accrued compensated absences and accrued sick leave reflect the balances held for employees as of June 30, 2023.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Accrued Compensated Absences	$ 471,602	$ 421,411	$ 310,642	$ 582,372	$ 192,183
Accrued Sick Leave	88,854	73,131	93,629	68,356	22,557
Net Pension Liability	-	1,866,129	-	1,866,129	-
Total Long-term Liabilities	$ 560,456	$ 2,360,671	$ 404,271	$ 2,516,857	$ 214,740

In accordance with GASB No. 68, *Accounting and Financial Reporting for Pensions*, the College recognizes a net pension liability of $1,866,129. The College receives pension information from Utah Retirement Systems (URS). More information is available in note eight.

NOTE 6. LEASES

The College identified three lease contracts where the college is the lessor. Per GASB 87 statement, the amount of $84,388, is on the Statement of Net Position to recognize a lease receivable and deferred inflow of resources relating to lease receivables. The three leases comprise of the following:

Ogden-Weber Community Action Partnership/HeadStart

- The lease agreement is for a one-story building on the college campus that is approximately 4,750 square feet and is known as the children school north building. The building will remain in the College's possession and will not include any non-exclusive rights-of-way. The lessee will not make improvements unless approved by the college to comply with laws, statutes, and codes set forth by DFCM, State of Utah.
- All operating expenses are paid for by the College which includes utilities, supplies, insurance, services of independent contractors, and compensation of all persons who perform duties connected with the maintenance, repair, or improvement of the building, snow and trash removal, cost of equipment to conserve energy, license, permit, and inspection fees, etc.
- The terms are for one year starting on September 1, 2022, and ending on August 31, 2023, with a lessee option to extend for one additional period of one year. The agreed upon basic annual rent amount is $40,314.00 annually, or $3,359.50 monthly.
- The total amount of lease revenue recorded for FY23 was $36,954.50 to cover the period of July 2022, through May 2023.
- $53,631.58 of the $84,388 recognized as deferred inflows of lease receivables is for this lease agreement for the dates after FY23 to the end of the original lease term and extension period as it is certain that the lessee and lessor will exercise the option.
- The agreement can terminate at the end of the lease if the lessee gives notice of intent at least three months prior to the end of the agreement, otherwise there is a new lease agreement with updated terms and a 3% increase in the basic annual rent amount.

Weber Adult Education

- The lease agreement is for a one-story building on the college campus that is approximately 2,580 square feet and is known as the seminary building. The building will remain the college's possession and will not include any non-exclusive rights-of-way. The lessee will not make improvements unless approved by the college to comply with laws, statutes, and codes set forth by DFCM, State of Utah.
- The terms are for one year starting on January 10, 2023, and ending on January 9, 2024, with a lessee option to extend for one additional period of one year. The agreed upon basic annual rent amount is $21,630 annually, or $1,802.50 monthly. The tenant chose to pay for the full lease up-front.
- The total amount of rent revenue booked in FY22 as rent revenue collected in advance for $10,500, now recognized in FY23, covered July 2022 to December

2022. The new contract amount of $21,630, collected $10,815, now recognized in FY23, the remaining $10,815, collected in advance for FY24, reflects rent revenue collected in advance.

- $22,278.96 of the $84,388 recognized as deferred inflows of lease receivables is for this lease agreement for the dates after FY23 to the end of the original lease term and extension period as it is certain that the lessee and lessor will exercise the option.
- The agreement can terminate at the end of the lease if the lessee gives notice of intent at least three months prior to the end of the agreement, otherwise there is a new lease agreement with updated terms and a 3% increase in the basic annual rent amount.

Reagan Outdoor Advertising

- The lease agreement is for exclusive rights to use property owned by the College for the purpose of operating, maintaining, and servicing an outdoor advertising structure. The property will remain in the College's possession and will not revert to the lessee at the end of the agreement. The lessee will not make improvements unless approved by the college to comply with laws, statutes, and codes set forth by DFCM, State of Utah.
- The terms are for ten years starting on October 1, 2011, and ending on September 30, 2021, with a lessee option to renew for five additional years. The basic annual rent amount of $2,000 annually, paid monthly, or three times advertising in lieu of rent per year, with an increase of 7% every three years for the term of the lease. The college receives monthly payments.
- The total amount of rent revenue booked prior to FY23 was $23,575, the amount booked in FY23 was $2,450 and covers the dates of July 2022 to June 2023.
- $8,477.25 of the $84,388 recognized as deferred inflows of lease receivables is for this lease agreement to cover the dates after FY23 to the end of the five-year renewal term which ends on September 30, 2026.
- The College or the lessee has the right to terminate the agreement when giving notice at least ninety (90) days prior to the end of the term then in existence. The College will be seeking to terminate the agreement at the end of the five-year renewal period.

NOTE 7. RETIREMENT PLANS

As required by State law, eligible nonexempt employees (as defined by the U.S. Fair Labor Standards Act) of the College are covered by either the Utah State and School Contributory or Noncontributory 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–College Retirement Equities Fund (TIAA).

Defined Benefit Plans

The Systems are comprised of the following pension trust funds, which are multiple-employer, cost-sharing public employee retirement systems:

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

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

The Systems established and governed by the respective sections of Title 49 of the *Utah Code*. The State Legislature amended the systems' defined benefit plans according to statute. The Utah State Retirement Office Act, in Title 49, provides for the administration of the Systems under the direction of the Board, whose members appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. The Systems are a component unit of the State of Utah. Title 49 of the *Utah Code* grants the authority to establish and amend the benefit terms.

To obtain the Systems publicly available financial report, send a written request to: Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visit the website: www.urs.org.

The Systems provide retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* *Actuarial reductions are applied*

***All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding 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.*

As a condition of participation in the Systems, employers and/or employees have a requirement to contribute certain percentages of salary and wages as authorized by statute and specified by the Systems' Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), has an expectation 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 are as follows:

	Paid by College for Employee	College Contribution Rates
Noncontributory System		
State and School Division Tier 1	N/A	22.19
Contributory System		
State and School Division Tier 1	6.00	17.70
State and School Division Tier 2	N/A	19.84
Tier 2 DC Only		
State and School	N/A	10.02

For fiscal year ended June 30, 2023, the employer and employee contributions to the Systems were as follows:

	College Contributions	Employee Contributions
Noncontributory System	$ 524,264	N/A
Tier 2 Public Employees System	164,751	-
Tier 2 DC Only System	20,473	N/A
Total Contributions	$ 709,488	$ -

Contributions reporteed are the URS Board-approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

On June 30, 2023, the College reported a net pension asset of $0 and a net pension liability of $1,866,129.

	Net Pension Asset	Net Pension Liability	Proportionate Share Dec. 31, 2022	Proportionate Share Dec. 31, 2021	% Change
Noncontributory System	$ -	$ 1,831,879	0.0848377%	0.0791691%	0.0056686%
Contributory System	-	-	0.0000000%	0.0000000%	0.0000000%
Tier 2 Public Employees System	-	34,250	0.0314543%	0.0237671%	0.0076872%
Total Net Pension Asset / Liability	$ -	$ 1,866,129			

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

For the year ended June 30, 2023, the College recognized a pension expense of $379,491.

On June 30, 2023, the College's portion of the reported deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 330,450	$ 1,359
Changes in assumptions	115,940	87
Net difference between projected and actual earnings on pension plan investments	328,618	-
Changes in proportion and differences between contributions and proportionate share of contributions	62,106	158,631
Contributions subsequent to the measurement date	356,404	-
Total	**$ 1,193,518**	**$ 160,077**

Of the amount reported as deferred outflows of resources related to pensions, $356,404 resulted from contributions made by the College prior to their fiscal year end, but after the measurement date of December 31, 2022.

These contributions will recognize 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 recognize pension expense as follows:

Year Ending December 31,	Deferred Outflows (Inflows) of Resources
2023	$ (79,148)
2024	$ 70,609
2025	$ 138,249
2026	$ 532,785
2027	$ 2,907
Thereafter	$ 11,635

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

Inflation	2.50 percent
Salary Increases	3.25 - 9.25 percent, average, including inflation
Investment Rate of Return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates adopt from an actuarial experience study dated January 1, 2020. Development of the retired mortality tables use URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) developed each major asset class and applies consistently to each defined benefit pension plan. These ranges combine to produce the long-term expected rate of return by weighing 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 in the following table in summary form:

	Expected Return Arithmetic Basis		
Asset Class	**Target Asset Allocation**	**Real Return Arithmetic Basis**	**Long-Term Expected Portfolio Real Rate of Return**
Equity Securities	35%	6.58%	2.30%
Debt Securities	20%	1.08%	0.22%
Real Assets	18%	5.72%	1.03%
Private Equity	12%	9.80%	1.18%
Absolute Return	15%	2.91%	0.44%
Cash & Cash Equivalents	0%	-0.11%	0.00%
Totals	100%		5.17%
Inflation			2.50%
Expected Arithmetic Nominal Return			7.67%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, and a real return of 4.35% that is net of investment expense.

The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions made at the current contribution rate and that contributions from all participating employers made at contractually required rates are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position projects 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 applies to all periods of projected benefit payments, to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

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

Proportionate Share of Net Pension (Asset) / Liability

	1% Decrease or (5.85%)	Discount Rate of (6.85%)	1% Increase or (7.85%)
Noncontributory System	$ 4,578,596	$ 1,831,879	$ (466,506)
Contributory System	-	-	-
Tier 2 Public Employees System	149,655	34,250	(54,655)
Total	$ 4,728,251	$ 1,866,129	$ (521,161)

Detailed information about the fiduciary net position of the pension plans is available in the separately issued URS financial report.

Changes in Assumptions:

The actuarial assumptions from the prior year's evaluation did not have changes.

Defined Contribution Plans

The College participates in Utah Retirement Systems (URS) and Teachers Insurance and Annuity Association (TIAA) individual retirement funds.

Employees who participate in the State and School Noncontributory and Tier 2 pension plans also participate in qualified contributory 401(k) and 457 savings plans administered by the Systems. The College contributes 1.5% and 1.15%, respectively, of participating employees' annual salaries to a 401(k)-plan administered by the Systems. For employees participating in the Tier 2 Public Employees defined contribution plan, the requirement of the college is to contribute 20.02% of the employee's salary, of which 10% goes into the 401(k) or 457 plan while the remainder goes to the Tier 1 Public Employees System, as required by law. In September 2011, the Utah System of Technical Colleges (USTC) voted to discontinue participation in Social Security Administration. As a result, beginning October 2011, the College began contributing an additional 6.2% of State Retirement-eligible employees' salaries into their respective 401(k) accounts. Employees may also elect to participate in an IRS 457 deferred compensation plan offered through the Systems.

During the year ended June 30, 2023, the College's contributions totaled $709,488, included in the pension expense, and the participating employees' voluntary contributions totaled $560,967 to their 401(k) plans, $134,162 to their 457 plans, and $21,322 to their IRA/Roth, respectively. Detailed information regarding plan provisions is available in the separately issued Utah Retirement Systems financial report.

TIAA also provides individual retirement fund contracts with each participating employee. Benefits provided to retired employees are based on the value of the individual contracts and the estimated life expectancy of the employee at retirement fully vested from the date of employment.

Employees are eligible to participate in TIAA from the date of employment and do not have a requirement to contribute to the fund. For the year ended June 30, 2023, the College has a requirement to contribute 14.2% of the employees' annual covered salary to this defined contribution plan. The College's contributions for the year ended June 30, 2023, were $799,531. The College has no further liability than annual contributions.

NOTE 8. ACCRUED TERMINATION BENEFITS

In addition to the pension benefits described in Note 7, the College may provide a one-time payment option, as approved by the College's Board of Directors and administration. This benefit is only for qualified employees that are 55 years old with 30 years of service OR 60 years old with 10 years of service AND approved to receive retirement benefits with URS or TIAA-CREF AND retire prior to becoming eligible for full social security benefits. The benefit includes a stipend of up to 30% of the retiree's final salary, pro-rate based on the number of months the employee has remaining until they are eligible for full social security benefits. These benefits are not a guarantee as the funding comes from the college's general account. The College paid out termination benefits of $92,775 for FY23.

NOTE 9. COMPENSATED ABSENCES

The College accrues and reports annual vacation leave in the year earned. Full-time, benefits-eligible employees earn vacation leave for each pay period worked at a rate between 15 and 22 days per year. There is a maximum accumulation of 240 hours adjusted each year after pay period 13 of 26. Accumulated hours above 240 if not used prior to that time, will not be available to the employee. Upon separation from the College, the cash value of accumulated unused annual leave pays directly to the employee. The annual leave does not exceed the 240-hour limit, calculates by multiplying the employee's current hourly rate by the number of accrued hours of annual leave and is subject to the IRS rules and regulations as taxable compensation.

NOTE 10. SICK LEAVE

Employees of the college earn sick leave at a rate of twelve days per year and may accrue a maximum limit of 960 hours (6 months). Sick leave charges out when used. In the event of separation or retirement, unused sick leave will not pay out unless the employee meets specific retirement criteria. If approved, the college will pay eligible employees up to a maximum of 75% of the employees' accumulated sick leave based on years of full-time service with the college. Eligibility requirements for payout of sick leave include the following:

- Be at least 55 years old with 30 years of service with the college or 60 years old with 10 years of service with the college.
- Retire as a salaried employee of the college.
- At the time of termination of service must be eligible for benefits as a retiree under URS or TIAA.
- Unused sick leave pays out to qualifying retirees in a lump sum within 30 days following such qualifying employees' last day of work.

NOTE 11. FOUNDATION

The Foundation received a Certificate of Incorporation on March 24, 1983, under the laws of the State of Utah recognized as a "Section 501(c)3" Corporation by the Internal Revenue Service. The Foundation exists to further the charitable and educational purposes of the College.

GASB Statement No. 31 requires equity securities held by the Foundation stated in this report at fair value and approximate published market quotations as of December 31, 2022.

During the fiscal year ended June 30, 2023, the Foundation transferred $303,963 to the College to enhance scholarships, awards, and other essential College programs and $28,101 for in-kind gifts. In addition, the Foundation transferred $131,398 for supplies in various College programs.

NOTE 12. FOUNDATION ENDOWMENT

The Foundation's endowment consists of individual funds established primarily for scholarships. Its endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with endowment funds, including funds designated by the board to function as endowments, report based on existence of or absence of donor-imposed restrictions, as required by accepted accounting principles.

The State of Utah has adopted laws based on the Uniform Prudent Management of Institutional Funds Act (UPMIFA) requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Foundation classifies as permanently restricted net assets a) the original value of the gifts donated to the permanent endowment, b) the original value of subsequent gifts to the permanent endowment, and c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. There were no donor-imposed restrictions requiring the preservation of the original market value of the original gifts.

In accordance with the State adoption of the UPMIFA, the Foundation considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund.
2) The purposes of the Foundation and the donor-restricted endowment fund.
3) General economic conditions.
4) The possible effect of inflation and deflation.
5) The expected total return from income and the appreciation or depreciation of investments.
6) Other resources of the Foundation.
7) The investment policies of the Foundation.

The Foundation has reflected the allocated decrease in the market value of the assets in the endowments accordingly.

NOTE 13. RISK MANAGEMENT

The College maintains insurance coverage for commercial general liability, automobile, errors and omissions, and property (buildings and equipment) through policies administered by the Utah State Risk Management Fund. Employees of the College and authorized volunteers have coverage by workers' compensation and employees' liability through the Workers Compensation Fund of Utah.

NOTE 14. CONTINGENT LIABILITIES

The College participates in certain federal grant programs that are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to the grantor agency requesting reimbursement for any disallowed expenditures under the grant terms. Management believes such program review disallowances, if any, will not be material.

NOTE 15. NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

The College's operating expenses by functional classifications as specified in the National Association of College and University Business Officers (NACUBO) Advisory Report 2000-08 is:

NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

	Compensation								
	Salaries & Wages				Scholarships &		Supplies &		
	Faculty	Exempt Staff	Non Exempt Staff	Benefits	Fellowships	Utilities	Other Services	Depreciation	Total
Instruction	6,426,569			1,961,999			2,236,228		10,624,795
Academic Support-Other		649,466	18,371	327,276			329,057		1,324,171
Student Services-Other		1,432,050	409,215	807,657	2,315,189		1,108,354		6,072,464
Institutional Support		1,882,335	139,204	902,848			967,571		3,891,958
O & M of Plant		343,464	38,061	196,536		1,108,626	1,479,482		3,166,169
Depreciation								2,773,657	2,773,657
Auxiliary, and other Self-Support		289,118	77,875	149,345			2,464,838		2,981,176
	6,426,569	4,596,434	682,725	4,345,660	2,315,189	1,108,626	8,585,530	2,773,657	30,834,390

OGDEN-WEBER TECHNICAL COLLEGE

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

Schedule of Ogden-Weber Technical College's Proportionate Share of the Net Pension Liability Noncontributory, Contributory, and Tier 2 Public Employees Systems of the Utah Retirement Systems

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Noncontributory System									
Proportion of Net Pension Liability (Asset)	0.0848377%	0.0791691%	0.0928472%	0.1056136%	0.1040858%	0.1086631%	0.1184041%	0.1299879%	0.13074380%
Proportionate Share of Net Pension Liability (Asset)	$ 1,831,879	$ (540,918)	$ 1,237,766	$ 2,346,419	$ 3,872,530	$ 2,657,206	$ 3,837,378	$ 4,083,292	$ 3,284,975
Covered Payroll	$ 2,540,861	$ 2,370,588	$ 2,701,717	$ 3,051,059	$ 3,165,782	$ 3,237,321	$ 3,522,896	$ 3,792,433	$ 3,762,689
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	72.10%	-22.82%	45.81%	76.91%	122.32%	82.08%	108.93%	107.67%	87.30%
Plan Fiduciary Net Position as a Percentage of Total	91.60%	102.70%	94.30%	90.10%	84.10%	89.20%	84.90%	84.50%	87.20%
Contributory System									
Proportion of Net Pension Liability (Asset)	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.3861244%	0.6381009%	0.5181869%	0.44662970%
Proportionate Share of Net Pension Liability (Asset)	$ -	$ -	$ -	$ -	$ -	$ 25,409	$ 349,652	$ 324,723	$ 48,972
Covered Payroll	$ -	$ -	$ -	$ -	$ -	$ 87,854	$ 171,054	$ 164,150	$ 160,900
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	28.92%	204.41%	197.82%	30.44%
Plan Fiduciary Net Position as a Percentage of Total	0.00%	0.00%	0.00%	0.00%	0.00%	99.20%	93.40%	84.50%	98.70%
Tier 2 Public Employees System									
Proportion of Net Pension Liability (Asset)	0.0314543%	0.0237671%	0.0230617%	0.0211963%	0.0216246%	0.0202805%	0.0139258%	0.0165954%	0.0204380%
Proportionate Share of Net Pension Liability (Asset)	$ 34,250	$ (10,059)	$ 3,317	$ 4,767	$ 9,261	$ 1,788	$ 1,554	$ (36)	$ (619)
Covered Payroll	$ 685,760	$ 440,904	$ 369,086	$ 294,534	$ 252,729	$ 198,220	$ 114,203	$ 107,212	$ 100,241
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	4.99%	-2.28%	0.90%	1.62%	3.66%	0.90%	1.36%	-0.03%	-0.62%
Plan Fiduciary Net Position as a Percentage of Total	92.30%	103.80%	98.30%	96.50%	90.80%	97.40%	95.10%	100.20%	103.50%

Note: The College implemented GASB Statement 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.

OGDEN-WEBER TECHNICAL COLLEGE

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

Schedule of Ogden-Weber Technical College's Contributions
Noncontributory, Contributory, and Tier 2 Public Employees Systems of the Utah Retirement Systems
Last 10 Fiscal Years [1]

Noncontributory System [1]

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 524,264	$ 516,080	$ 513,390	$ 644,681	$ 661,736	$ 676,631	$ 706,558	$ 811,582	$ 805,576	$ 771,953
Contributions in Relation to the Contractually Required Contribution	(524,264)	(516,080)	(513,390)	(644,681)	(661,736)	(676,631)	(706,558)	(811,582)	(805,576)	(771,953)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 2,460,546	$ 2,432,826	$ 2,407,160	$ 3,011,510	$ 3,117,959	$ 3,188,614	$ 3,317,236	$ 3,765,657	$ 3,730,301	$ 3,910,121
Contributions as a Percentage of Covered Payroll [2]	21.31%	21.21%	21.33%	21.41%	21.22%	21.22%	21.30%	21.55%	21.60%	19.74%

Contributory System [1]

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014 [3]
Contractually Required Contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,100	$ 29,453	$ 28,656	$ 23,792
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-	-	(31,100)	(29,453)	(28,656)	(23,792)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ 175,708	$ 166,400	$ 161,900	$ 148,914
Contributions as a Percentage of Covered Payroll [2]	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	17.70%	17.70%	17.70%	15.98%

Tier 2 Public Employees System [1] [4]

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014 [3]
Contractually Required Contribution	$ 164,751	$ 107,951	$ 70,302	$ 68,585	$ 49,768	$ 43,184	$ 26,933	$ 18,977	$ 8,432	
Contributions in Relation to the Contractually Required Contribution	(164,751)	(107,951)	(70,302)	(68,585)	(49,768)	(43,184)	(26,933)	(18,977)	(8,432)	
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Covered Payroll	$ 830,395	$ 556,451	$ 367,280	$ 361,174	$ 263,949	$ 234,358	$ 146,688	$ 104,027	$ 100,241	
Contributions as a Percentage of Covered Payroll [2]	19.84%	19.40%	19.14%	18.99%	18.86%	18.43%	18.36%	18.24%		

[1] Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI.
[2] Contributions as a percentage of covered payroll may be different than the board certified rate due to rounding and other administrative issues.
[3] Contractually Required Contributions, Contributions, and Covered Payroll include information for Tier 2 Employees.
[4] Contributions in Tier 2 include an amortization rate to help fund the unfunded liabililites in the Tier 1 systems. Tier 2 systems were created July 1, 2011.

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

Board of Trustees, Audit Committee
And Jim Taggart, President
Ogden-Weber Technical College

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Ogden-Weber Technical College (the College), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 2, 2023. Our report includes a reference to other auditors who audited the financial statements of the Ogden-Weber Technical College Foundation (Foundation), as described in our report on the College's financial statements. The financial statements of the Foundation were not audited in accordance with Government Auditing Standards and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

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

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

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

Purpose of this Report

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

HintonBurdick, PLLC

HintonBurdick, PLLC
St. George, Utah
October 2, 2023