

# ***Comprehensive Annual Financial Report of Davis County, Utah***

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**FOR THE YEAR ENDED DECEMBER 31, 2007**

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**Davis County MBA DMV Building, Farmington, Utah**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**OF**  
**DAVIS COUNTY, UTAH**

**For the Year Ended December 31, 2007**

Prepared by:

Davis County Clerk / Auditor's Office

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Clerk / Auditor

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Lead Auditor

**DAVIS COUNTY, UTAH**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
For the Year Ended December 31, 2007

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**DAVIS COUNTY, UTAH**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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# Davis County

COUNTY CLERK/AUDITOR  
Steve S. Rawlings, CGFM



June 17, 2008

To The Honorable Board of County Commissioners  
and Citizens of the County:

This letter introduces the Comprehensive Annual Financial Report (CAFR) of Davis County (the County) for the year ended December 31, 2007. The County's CAFR is prepared by the County Clerk/Auditor's Office. Technical assistance is provided by our independent auditors; Crane, Christensen & Ambrose P.C.

Publication of this report provides important information of a financial and non-financial nature. Management of the County is responsible for the accuracy, completeness, and fairness of the presentation and the inclusion of all pertinent disclosures.

We believe the information in this CAFR is accurate in all material respects and presents fairly the financial position and the results of operations of the County in accordance with accounting principles generally accepted in the United States of America (GAAP). We also believe that all disclosures necessary to enable the reader to gain a proper understanding of Davis County's financial affairs have been included.

**Management's Discussion and Analysis (MD&A).** The discussion and analysis beginning on page 19 provides an overview and analysis of the County's Basic Financial Statements. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

**Independent Auditors.** In compliance with state laws, an annual financial audit of the County is completed each year by independent certified public accountants who are selected by the Board of County Commissioners. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The independent auditor's report on the Basic Financial Statements is included in the Financial Section of this report.

Federal regulations also require the County to undergo an annual "Single Audit" in conformity with the Federal Single Audit Act of 1984, as amended, and the U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Government and Non-Profit Organizations*. Information related to the Single Audit, including the schedule of expenditures of federal awards, audit findings and recommendations, summary of prior audit findings, and the auditor's report, are contained in Section IV, Single Audit, beginning on page 135.

## PROFILE OF THE COUNTY

For those who may be unfamiliar with the County, we offer a brief introduction. Davis County is Utah's smallest county in land area. It is a narrow strip of land containing only 223 square miles. It is the third largest county in population. An estimated 296,029 residents live in the County's fifteen communities. Frequented by Shoshone Indians during historic times, the area was among the first settled by members of The Church of Jesus Christ of Latter-day Saints who arrived in the Great Salt Lake Valley in 1847. The lush lake-bottom pastures, fertile soils of the bench lands, and streams flowing out of the high Wasatch

Mountains on the east attracted early settlers, who established small farms and close-knit communities. These early settlers established schools, built homes and churches, and created productive farms and shops.

Named after the early pioneer leader, Daniel C. Davis, the County was established as a territory in 1850. The territorial legislature created Davis County in 1852 and designated its County seat at Farmington, midway between boundaries at the Weber River on the north and the mouth of the Jordan River on the south. Westward, the County includes a portion of the Great Salt Lake and its largest island, on which Antelope Island State Park is now located.

During its first half-century, Davis County grew slowly. It supported a hardy pioneer people engaged in irrigation agriculture and livestock raising. The Utah Central Railroad (now the Union Pacific) crossed the County from Ogden on the north to Salt Lake City on the south in 1870 and offered welcome transportation links to bring in manufactured products. This was the beginning of a transition in the County's history that led to mechanized agriculture and a surge of commerce, banking, and local business, along with improved roads, new water systems, and the electrification of homes and businesses. After the turn of the century, the County's 8,000 residents joined in a chorus of boosterism that encouraged growth, but by 1940 the population was barely 16,000. The small family farms and local businesses could support no greater increase. Consequently, many of the younger generation left for new settlements in northern Utah and nearby Idaho and Wyoming.

As the age of the automobile and interurban railways created greater mobility, many County citizens looked to Ogden and Salt Lake City for employment and cultural enrichment. Market gardens, dairy farms, beef cattle, orchards, and fields of grain and sugar beets continued to sustain local farmers. World War II then introduced a new way of life in Davis County. The establishment of Hill Air Force Base in northern Davis County and other defense installations nearby created a surge of civilian employment. Hill AFB quickly became and remains one of the state's largest employers.

Diversification brought rapid post-war growth. The County doubled in population between 1940 and 1950, and doubled again in the next decade. Between 1960 and 1980, the population more than doubled again, from 65,000 to 147,000. By 1990 the population had reached 188,000 and the 2000 census recorded 238,994. Being the fastest growing of the four major urban communities along the Wasatch Front, Davis County is projected to build out with a population near 460,000 by the year 2030.

Accompanying this growth has been a diversification of population and a new prosperity. Davis County now enjoys a wide mix of people representing many ethnic, cultural, and religious backgrounds. The County has moved from its traditional agricultural dependency to an interlocking network of suburban communities around a core of original towns with a closeness in proximity to downtown Salt Lake City. The communications age has tied Davis County to the world. Its citizens today are part of an economic and social pattern that reaches far beyond the County's tiny geographical limits.

Today, many nationally known commercial, industrial, recreational, and service companies provide diversified employment opportunities for residents of Northern Utah. The Freeport Center is the largest distribution center in the United States with more than nine million square feet of covered storage and five million square feet of open storage occupied by more than 125 renowned companies employing some 6,500 employees.

A three-member elected Board of Commissioners is the governing body of Davis County. All Commissioners serve four-year terms, which overlap to enhance continuity for the governing board. Administrative Officers reporting to the Commissioners serve as exempt (appointed) non-merit employees. According to Utah Code 17-53-106, The Commissioners have general oversight to insure compliance with



County rules, policies, and ordinances. Seven other elected officials have authority to direct and supervise their respective elected offices and their Deputies while performing the professional duties to which they were elected.

Commissioners approve the adoption and amendment to the budget; they also serve as the legislative body, the property tax Board of Equalization, and regulate business licensing in the unincorporated areas of the County.

The seven other elected officials, as shown on the organization chart located on page 14; all serve four-year terms and are eligible for re-election in the same county-wide elections as the Commissioners. Chief Deputies serving each of the other elected officials are also exempt (appointed) non-merit employees.

Elected Officials and Administrative Officers are responsible for the daily management of the various services and programs provided by the County. The County Treasurer is responsible for the collection, safekeeping, and investing of all County funds. The County Commission, Clerk/Auditor, and Treasurer work together to insure compliance with the Utah Fiscal Procedures Act.

The County provides a diversified range of county-wide services as well as certain municipal type services which are provided only in the unincorporated areas of the County. Examples of county-wide services include the following: General government services (such as property tax assessing and collecting, auditing, budgeting, elections, marriage licenses, passports, real estate records, surveying, criminal justice services, and ordinance enactment and enforcement), Educational Services (such as libraries and agricultural extension), Social Service (such as senior programs), Recreation and tourism services (such as golf courses, tourism and travel facilities, and County Fair activities), County support services (such as human resources, information systems, finance, purchasing, and facilities management), Public Safety services (such as correctional facilities, emergency 911, police protection, paramedic, emergency medical, and animal control), Public Health services (such as mental health and substance abuse, clinical, nursing, dental health, vehicle inspection and maintenance, environmental health, and also health education and promotion), and Public Works services (such as flood control and noxious weeds).

Municipal type services include fire protection (delivered by contract), public works (road construction and maintenance), building inspection, and business licenses. These services are funded by property and sales taxes and user fees generated by the citizens of the unincorporated area of the County. They are accounted for in the Special Service Area Fund.

## **ECONOMIC CONDITION AND OUTLOOK**

### **BUSINESS AND INDUSTRY**

In 2007, Davis County's seasonally adjusted unemployment rate was 2.6 percent, compared to the prior year's rate of 2.9 percent for 2006. This is in line with the State rate of 2.6 percent and favorable to the National rate of 4.7 percent. The County and the State continue to have one of the best labor and business climates in the western United States. The work force is young and well educated and, overall, wages are competitive. Employment in Davis County is distributed among many industries. The County is unique, primarily because of its proportion of total jobs made up by the government. One of Utah's largest employers, Hill Air Force Base, is located within the County. This skews the County's class of workers classification with 22.8 percent of all non-farm jobs being in the government sector, and Hill AFB as the dominant employer employs nearly one-half of all government workers in the County (along with state and local government, mainly schools).

Other larger industry sectors include manufacturing (12 percent) and retail and wholesale trade (13 percent). The County expects the unemployment rate to continue to remain steady. In 2007, the employment picture for Davis County continued to improve. Average job growth for Davis County was 2.2 percent (2,990 new jobs in 2007), when compared to 2006. The Statewide average was 3.0 percent. The increase in the rate of job growth, comparable with the state average, is very positive and evidence of a continued strong market.

Interest rates continue to stay low while the economy begins to slow down. Total permit-authorized construction in Davis County has begun to decrease. However, the average number of construction and manufacturing jobs in the County increased by 2.6 percent in 2007. The value of total permit authorized construction in the County fell 20.4 percent in 2007 compared to 2006 figures. The total number of Residential Building permits issued also decreased 30.6 percent. However, Non Residential permits continue to increase at 21.1 percent. Mortgage rates are expected to remain between 6 to 7 percent. The average sales price of existing homes grew by 11.2 percent even though the number of existing homes sales declined by 18.4 percent.

In 2007, the County's total sales taxes grew by \$1.2 million, or 8.1 percent. Davis County continues to experience steady growth in existing business expansion and new business growth, especially in commercial, restaurant, and retail.

The major employers in Davis County are:

<u>BUSINESS</u>	<u>EMPLOYEES</u>
Hill Air Force Base	10,000 – 14,999
Davis County School District	5,000 – 6,999
Smith's Distribution Services	1,000 – 1,999
Lagoon Inc	1,000 – 1,999
Lifetime Products	1,000 – 1,999
Utility Trailer and Manufacturing	1,000 – 1,999
Wal-Mart	1,000 – 1,999
Albertson's	500 – 999
Citicorp Credit Services	500 – 999
Davis County	500 – 999
Davis Hospital and Medical Center	500 – 999
Lakeview Hospital	500 – 999
Icon Health and Fitness	500 – 999

## **TRANSPORTATION AND ACCESSIBILITY**

Davis County has superb highway accessibility. Interstate 15 runs north and south through the County, providing easy access to Interstate 80 and other major highways throughout the state. Many major western cities are only a day's haul away by commercial carrier, while many others can be reached in a few days.

The Salt Lake International Airport is readily accessible to all of Davis County. The airport is anchored by Delta Airlines and Southwest Airlines and has a total of 14 airlines operating over 800 scheduled daily departures. Almost 22 million passengers traveled through the airport in 2007 making it the 22nd busiest airport in North America and 54th in the world. Several air cargo/express mail services have daily flights in and out of Salt Lake International Airport.

Amenities at the airport include vehicle rental, restaurants, a golf course, news shops, barber and beauty salons, a full service bank, fax machines, currency exchange, and translation services with ample parking.

In addition to the Salt Lake International Airport, private plane operators enjoy easy access and accommodations to Sky Park Airport, located in southern Davis County.

Rail services in Utah are provided by Southern Pacific and Union Pacific as well as Amtrak. Second-morning freight service is offered to 90 percent of the western market, and all west coast cities can be served directly by rail from Utah without backtracking. Amtrack provides daily passenger service both east and west. Interstate bus service is provided by Greyhound while the Utah Transit Authority (UTA) provides daily mass transit service in the County and along the Wasatch Front. During April 2008, UTA



opened its commuter rail through Davis County with three rail stops within the County. It is anticipated that “Front Runner” will soon open its fourth Davis County rail stop.

## **MAJOR INITIATIVES AND OTHER ACCOMPLISHMENTS**

### **TEAM MANAGEMENT**

The County strongly supports the development of the concept of team building. This concept creates a formal working group or team of individuals responsible for similar or related functions within the County. These individuals may report to several different Administrative Officers but have a need to interact with the other members of the team to efficiently and effectively manage their responsibilities.

The Administrative Officers, Information Services Team, Users Service Team, Risk Management Team, Property Tax Team, Facilities Management Team and the Financial Services Team continued to meet and accomplish their annual objectives. As individuals from different departments organize themselves into teams, communication flow is facilitated and issues are addressed and resolved in an atmosphere of unity and productivity.

### **DAVIS COUNTY JUSTICE COMPLEX**

Rapid growth within the County created a need for additional court and detention facilities. During the last decade, the State constructed court facilities. The County contracted with the federal marshals to construct a work release facility to house 120 work release inmates. Work release inmates are now housed in a less expensive minimum-security setting. Other inmates use the existing traditional security structure.

Projections made in previous years showed that the County would require almost double the inmate capacity within 15-20 years. When this need was recognized, a construction plan was made. During 2004, Citizens of the County approved a \$24.8 million General Obligation Bond to finance jail expansion construction costs. The construction on the 400-bed jail expansion began in the Spring of 2005, was completed in late-2006, and officially opened in 2007. With the expanded jail, the County’s Jail now has a maximum bed count of 896.

### **UTAH STATE UNIVERSITY (USU) EXTENSION PROGRAM**

USU Extension is a cooperative program between Davis County, Utah State University, and the U.S. Department of Agriculture. A satellite system was installed at the main office of the County and is being used as a communication link between USU and the County Extension. This greatly enhances the ability of County citizens to access the abundant resources of the Federal/State Land-Grant system. Classes are regularly scheduled on many topics of current interest. Extension services go beyond the simple transfer of knowledge to the idea of helping people identify their problems and find tools with which to solve them. Services offered to Davis County residents include Family and Consumer Science, Agriculture, 4-H, Food & Nutrition Program, Horticulture, and Independent and Distance Education.

The County has partnered with USU in the development of the Utah Botanical Center. The new development has been built on 94 acres of property in the center of the County. The Utah House is a sustainable building and landscape demonstration house and yard with a water-wise landscape. A nearby trail wanders through demonstration gardens, fishing ponds, bird watching areas, and the garden view pavilion. The entire Center is an operating educational facility that demonstrates principles of sustainability that can significantly reduce our impact on the land and its resources. The four ponds have been dredged and redesigned to greatly improve fishing and bird watching. Much earth work was accomplished on the grounds and trails of the Gardens with the material dredged from the ponds. The Utah House is now open and many visitors are enjoying it.

## **CONFERENCE CENTER**

The Conference Center finished its third full year of operations in 2007. For several years the County had been creating a master plan to construct a destination conference center in the County. In 1998, the County purchased one-half of a 12-acre property in the heart of the commercial area of northern Davis County. During 2000 the County purchased an adjoining 3 acres to complete the land area for the project. The County purchased the remaining one-half of the 12-acre property in 2001. During 2002, proposals were solicited, a developer was selected, and negotiations began. The first phase of the project was funded by tourism tax dollars with the issuance of \$9 million in sales tax revenue bonds to cover most of the project costs.

The Conference Center is designed to be an economic engine attracting convention and conference business, as well as, local business to Davis County. It is adjoined with the Hilton Garden Inn and is surrounded by several other hotels and shopping malls. Construction was completed on the 41,000 square foot facility in the Fall of 2004. The Conference Center opened for business on September 1, 2004.

As the Conference Center has stimulated the local economy through increased tourism, sales, and restaurant taxes through its events and conferences, it has been a huge success and the demand for more meeting space and exhibit space has been answered. In the spring of 2008, the Conference Center opened a 43,000 square foot expansion which includes an 18,000 sq. ft. exhibit hall (Eclipse Expo Hall) and an additional 7,000 sq. ft. of breakout space, prefactory space, open space, and restrooms. The new Stratus Ballroom divides into five break-outs and features the latest technology and elegant but modern décor. The newly expanded Davis Conference Center now has over 65,000 square feet of flexible meeting space. To fund the expansion, the County issued a \$9.955 million sales tax revenue bond in September, 2006.

## **PUBLIC WORKS EXPANSION**

The expansion of the public works facility in Fruit Heights has been completed. Old outdated buildings have been replaced with a new office structure, 5 bay mechanics repair shop, 5 bay garage, covered fuel station, paved parking lot, and salt storage shed. In 2007, security for the entire public works facility including key card access to all building, outside camera observation, and mechanical gates were added. Still to be completed is a covered storage area between the mechanics repair shop and the 5 bay garage;

## **LEGACY PARKWAY**

On September 21, 2005, the State of Utah and the Sierra Club (acting on behalf of numerous groups opposing the Legacy Highway) officially signed a compromise regarding the Legacy Highway. Some of the agreements reached include no billboards along the freeway, no trucks allowed on the freeway (excepting cases where they are used in response to an accident or there is construction on I-15), and a 55 mph (90 km/h) speed limit. This is in exchange for the promise that the environmentalists will stop obstructing the construction of the highway. These restrictions hold until 2020. Construction on this segment of the freeway began again in the spring of 2006. The first portion to be built will be the Legacy Parkway, or South Davis Segment, which will run from the junction of U.S. 89 in Farmington to Interstate 215 in northern Salt Lake City. This segment is anticipated to be completed in the fall of 2008.

## **SHERIFF'S "CITIZEN'S ACADEMY"**

Under the direction of the Sheriff, a training program called "Citizen's Academy" continues to be funded. Leaders and citizens in the community are invited to participate. The training is being offered to achieve better community understanding of the functions of law enforcement.

Community Oriented Policing is about teamwork providing greater opportunities for all citizens, government agencies and officials, law enforcement professionals, and private agencies working together to improve the quality of life in our communities. It is a well-known premise that better communication between citizens and those who provide law enforcement protection greatly enhances our communities.

The nine-week course taught one night a week for four hours each night is a “hands-on” course with instruction from highly qualified Sheriff’s Department personnel. Participants actually perform the skills taught in the course. These are the same skills taught at the police academy and used daily by professional law enforcement officers. Included are hands-on training in firearms, arrest and control tactics, use of force, alcohol and drug enforcement, emergency vehicle operation, crimes in progress, routine traffic stops, and felony police tactics.

Due to the specialized service the Sheriff’s office provides through its Paramedic program and Corrections Division, training is also offered to enhance the participants understanding of these special services. Participant’s knowledge and use of medical skills is improved as a result of this training.

## **FINANCIAL INFORMATION**

### **FINANCIAL REPORTING AND ACCOUNTING STANDARDS**

Local government accounting principles are established and promulgated by the Governmental Accounting Standards Board (GASB). This report conforms to all current, relevant pronouncements of GASB, which, taken as a whole, are referred to as "Generally Accepted Accounting Principles" (GAAP).

### **THE REPORTING ENTITY**

This CAFR includes all funds of the County as follows:

<b><u>DESCRIPTION</u></b>	<b><u>FUND TYPE</u></b>
General Fund	General Government
Paramedic Fund	Special Revenue
Health Fund	Special Revenue
Tourism Fund	Special Revenue
Library Fund	Special Revenue
Flood Control Fund	Special Revenue
Aging Services Fund	Special Revenue
Emergency 911 Dispatch Fund	Special Revenue
Municipal Building Authority Fund	Special Revenue
Special Service Area Fund	Special Revenue
General Obligation Bond Fund	Debt Service
Conference Center Bond Fund	Debt Service
Municipal Building Authority Bond Fund	Debt Service
Jail Expansion Construction Fund	Capital Projects
MBA DMV Construction Fund	Capital Projects
Davis Conference Center Construction Fund	Capital Projects
Capital Projects Fund	Capital Projects
Golf Courses Fund	Enterprise
Commissary Fund	Enterprise
Insurance Fund	Internal Service
Telephone Fund	Internal Service
Buildings and Grounds Fund	Internal Service
County Agency Fund	Agency
Treasurer’s Tax Collection Fund	Agency
Employee Benefits Fund	Agency

The CAFR also reports consolidated information of Davis Behavioral Health and Wasatch Integrated Waste Management as related entities of Davis County. Davis Behavioral Health was created in 1983 by the County as a public non-profit organization to provide behavioral and also alcohol and drug services for the residents of Davis County. Wasatch Integrated Waste Management is a regional solid waste energy recovery district organized in 1982 by the County to process solid waste. The "burn plant" as it is commonly known, incinerates solid waste and produces steam that is sold to Hill Air Force Base.

## **ACCOUNTING SYSTEM AND BUDGETARY CONTROLS**

The County operates an integrated budgetary and accounting system that incorporates the adoption of a formal legal budget for each department. The budget is adopted in December each year for the ensuing year.

State statutes define the legal level of budgetary control at the department level. Expenditures should not exceed appropriations at that level. Monthly financial reports are electronically distributed to each department head and/or elected official with a charge that obligations must be closely monitored. The budget is reopened as required (usually twice each year) to consider necessary adjustments.

The modified accrual basis of accounting is used for governmental funds, with revenues recognized when measurable and available. Expenditures are recognized when a fund liability is incurred. These transactions are recorded using the fund accounting approach, where each fund is a distinct entity with a set of self-balancing records.

Automation and modernization of the accounting system have received the strong support of County officials. These efforts continue to move forward as new technology becomes available. As financial reporting requirements change we will be allowed to provide the most current and meaningful accounting information to all users.

Safeguarding assets and providing reasonable assurance that financial transactions are properly recorded requires implementation of adequate internal controls. The County's internal controls are presently accomplishing this objective in all material respects. Further discussion of accounting and budgeting matters may be found in the "Notes to Financial Statements."

## **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the *Certificate of Achievement for Excellence in Financial Reporting* to Davis County for its Comprehensive Annual Financial Report for the calendar year ended December 31, 2006. This is the fourteenth year in a row that Davis County has received this award.

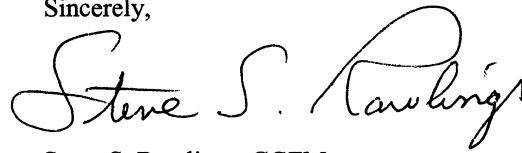
This prestigious award requires a government unit to publish an easily readable and efficiently organized comprehensive annual financial report that must conform to rigorous program standards. Qualifying reports must satisfy both GAAP and applicable legal requirements.

The Certificate of Achievement program demands that all applicable requirements be met each year the award is given. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. Our highly qualified and professional staff is dedicated to making the continued receipt of this award possible.

## CONCLUSION

This report has been prepared in an effort to provide meaningful data that will be useful in evaluating the financial activity of Davis County. The preparation of this report is a team effort by the County Clerk/Auditor staff in conjunction with department accounting personnel. Their dedicated efforts have made possible the continued improvement of both form and content. We extend our sincere appreciation for their ongoing commitment to excellence in financial reporting and for their continued effort in providing pleasant and efficient services to the citizens of Davis County. The efforts of the Board of County Commissioners, other elected officials, and the department heads and their staff make it possible for the County to continue to cooperatively demonstrate fiscal responsibility and to achieve the highest of standards.

Sincerely,

A handwritten signature in black ink that reads "Steve S. Rawlings". The signature is fluid and cursive, with the first name "Steve" being the most prominent.

Steve S. Rawlings, CGFM  
Clerk/Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Davis County  
Utah

For its Comprehensive Annual Financial Report  
for the Fiscal Year. Ended  
December 31, 2006

A Certificate of Achievement for Excellence in Financial  
Reporting is presented by the Government Finance Officers  
Association of the United States and Canada to  
government units and public employee retirement -  
systems whose comprehensive annual financial  
reports (CAFRs) achieve the highest  
standards in government accounting  
and financial reporting.



*Charles S. Cox*

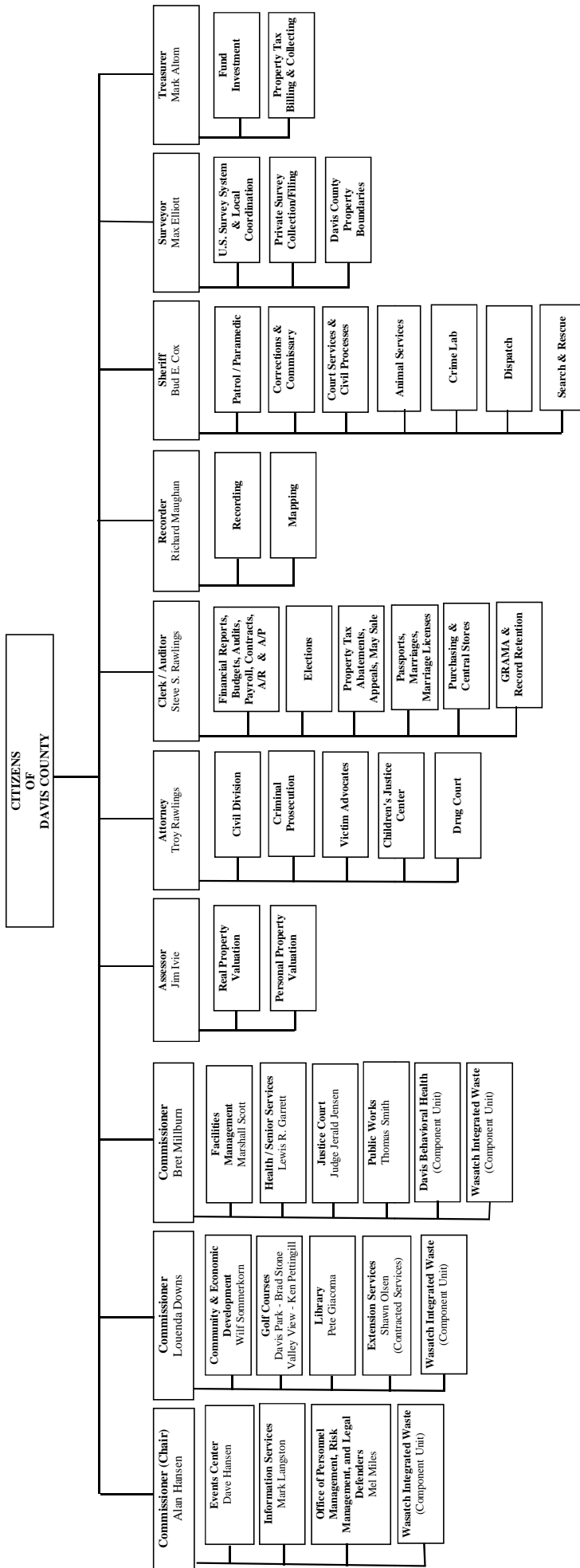
President

*Jeffrey R. Enner*

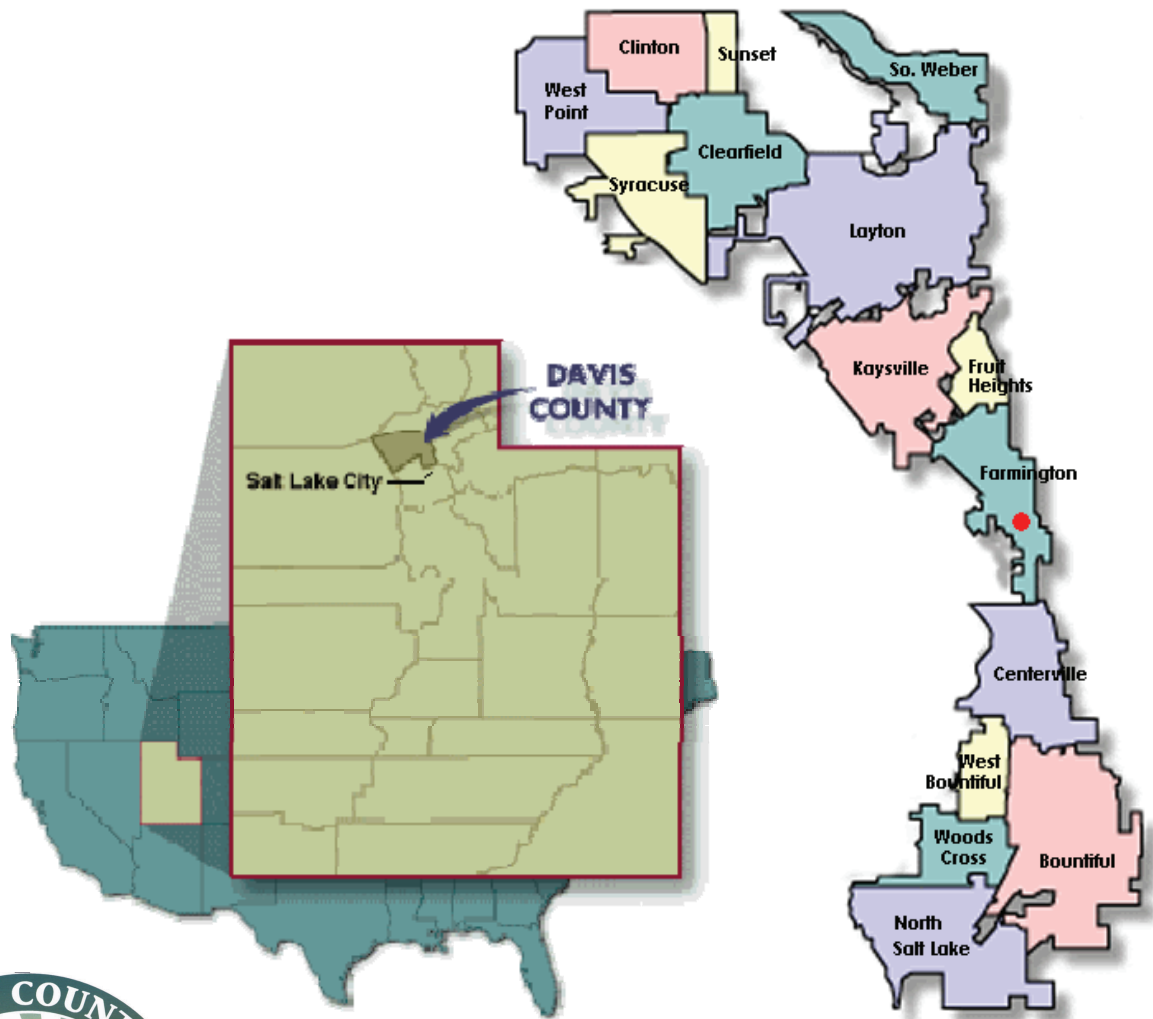
Executive Director

# DAVIS COUNTY ORGANIZATION CHART

For the Year Ended December 31, 2007



## II. Financial Section



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## INDEPENDENT AUDITORS' REPORT

The Board of County Commissioners  
Davis County, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Davis County (the County), as of and for the year ended December 31, 2007, which collectively comprises the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Davis Behavioral Health which is shown as a discretely presented component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Davis Behavioral Health, is based solely on the reports of such other auditors.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with the *Government Auditing Standards*, we have also issued our report dated May 28, 2008 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of

the County. The combining and individual non-major fund financial statements and schedules, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Crane, Christensen & Ambrose P.C.*

May 28, 2008

**DAVIS COUNTY, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended December 31, 2007

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## **INTRODUCTION**

The following is a discussion and analysis of Davis County's financial performance and activities for the year ended December 31, 2007. When read in conjunction with the letter of transmittal and the notes to the financial statements, this section's financial highlights, overview and analysis should assist the reader to gain a more complete knowledge of the County's financial performance. This is the fifth year since the County implemented new reporting standards established by Governmental Accounting Standards Board (GASB) Statement 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Comparative analyses to the previous year's results are provided.

## **HIGHLIGHTS**

### **Government-wide**

- The County's total net assets increased by approximately \$9.9 million or about 10.5 percent over the prior year. The increase is primarily due to the increase in net assets of governmental activities. Net assets of business-type activities decreased by approximately \$8 thousand, which represents a decrease of 0.2 percent.

### **Fund Level**

- Fund balances in the County's governmental funds decreased by \$422.4 thousand, or 1.3 percent from the prior year to a total of \$32.9 million. This slight decrease in fund balance was primarily due to construction costs related to the Davis Conference Center Expansion, the Jail Expansion, and the new DMV building, offset by an increase in revenues. The Jail Expansion and the DMV Capital Projects were both completed during 2007. Without the funds held for the Jail Expansion, the Conference Center Expansion, and the MBA-DMV construction and its associated interest revenues, governmental fund balances increased approximately \$7.4 million in 2007.
- Property tax revenues were approximately \$9 million (30.9 percent) higher in 2007 than the prior year, primarily due to growth of the property tax base throughout the County and a tax increase. The County's total sales taxes also increased by \$1.2 million, or 8.1 percent, to \$16.1 million, a sign of continued growth and economic recovery.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is an introduction to the County's Basic Financial Statements. The Basic Financial Statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the Basic Financial Statements, this report also contains the required supplementary information, additional supplementary information and fund data (including combining statements for non-major funds), and a statistical section.

### **Government-wide Statements – Reporting the County as a Whole**

The Statement of Net Assets and the Statement of Activities beginning on page 29 comprise the government-wide financial statements. These statements provide a broad overview with a long-term focus of the County's finances as a whole and are prepared using the *full-accrual* basis of accounting, similar to private-sector companies. This means all revenues and expenses are recognized regardless of when cash is received or spent, and all assets and liabilities, including capital assets and long-term debt, are reported at the entity level.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets measure whether the County's overall financial condition is getting better or worse. In evaluating the government's overall condition, however, additional non-financial factors should be considered such as the County's economic outlook, changes in its demographics, and the condition of its capital assets and infrastructure.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or most of their costs through user fees and charges (*business-type activities*). Davis County's governmental activities include general government, public safety, public health, and public works. The County has two business-type activities – 1) operation of the County's Golf Courses and 2) operation of the Jail Commissary.

The government-wide statements also include information about two *component units*, Davis Behavioral Health (DBH) and Wasatch Integrated Waste Management Inc. (WIWMD). A legally separate entity meets the criteria of a component unit if the County's governing body appoints a voting majority of the organization's governing body and either has the ability to impose the County's will on that organization or that organization may provide specific financial benefits or burden to the County. An organization may also be considered a

**DAVIS COUNTY, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended December 31, 2007

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component unit of the County if the organization is fiscally dependent upon the county or if its relationship is of a nature that it would be misleading to exclude it. The basic criterion to include Davis Behavioral Health's information into the financial statements is that the financial statement may be misleading if it were not included. The basic criterion to include WIWMD as a component unit is that WIWMD is fiscally dependent on the County.

**Fund Financial Statements – Reporting the County's Most Significant Funds**

The fund financial statements beginning on page 34, provide detailed information about individual major funds, not the County as a whole. A fund is a group of related accounts that the County uses to keep track of specific resources that are segregated for a specific purpose. Some funds are required by law to exist, while others are established internally to maintain control over a particular activity. All of the County's funds can be divided into three types: governmental funds, proprietary funds, and fiduciary funds.

*Governmental Funds* – Most of the County's basic services are accounted for in governmental funds and are essentially the same functions reported as governmental activities in the government-wide statements. Governmental funds use the *modified accrual* basis of accounting, which measures the flow of current financial resources that can be converted to cash and the balances left at year-end that are available for future spending. This *short-term* view of the County's financial position helps determine whether the County has sufficient resources to cover expenditures for its basic services in the near future.

*Proprietary Funds* – Proprietary funds are presented using the *full-accrual* basis of accounting. Davis County uses two different types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County has two enterprise funds – the Golf Course and Jail Commissary Funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County maintains three internal service funds – the Insurance, Telephone, and Building and Grounds Funds. Because those services predominantly benefit governmental rather than business-type activities, they are included with *governmental activities* in the government-wide statements.

*Fiduciary Funds* – Fiduciary funds account for resources held for the benefit of parties outside the government. Fiduciary funds use *full-accrual* accounting but are not included in the government-wide statements because the assets in those funds are not available to finance the County's own programs.

**Reconciliation between Government-wide and Fund Statements**

The financial statements include schedules on pages 37 and 40 that reconcile the amounts reported for governmental activities on the government-wide statements (full-accrual accounting, long-term focus) with amounts reported on the governmental fund statements (modified accrual accounting, short-term focus). Following are some of the major differences between the two statements:

- Capital assets and long-term debt are included on the government-wide statements but are not reported on the governmental fund statements.
- Capital outlays result in capital assets on the government-wide statements but are expenditures on the governmental fund statements.
- Bond proceeds result in liabilities on the government-wide statements but are other financing sources on the governmental fund statements.
- Certain tax revenues that are earned but not yet available are reported as revenue on the government-wide statements but are deferred revenue on the governmental fund statements.

**Notes to the Financial Statements**

The notes beginning on page 48 provide additional schedules and information that are essential to a complete understanding of the financial statements. The notes apply to both the government-wide financial statements and the fund financial statement.

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

**Net Assets**

The largest component of the County's net assets, 67.1 percent, reflects investments in capital assets (land, buildings, equipment, construction-in-progress, roads, and other infrastructure) less all outstanding debt that was issued to buy or build those assets. As Capital assets, these resources are not available for future spending, nor can they all be readily liquidated to pay off the related liabilities. Resources needed to repay capital-related debt must be provided from other sources. Increases in the County's 2007 capital assets are primarily due to the Davis Conference Center Expansion, the Jail Expansion, and the MBA DMV construction projects.

Restricted net assets comprised of \$14.7 million or 14 percent of total net assets and are subject to external restrictions on how they may be used. The remaining proceeds from the Conference Center Expansion bond accounted for \$5.6 million, while all other capital projects accounted \$5.3 million of the total restrictions. B-Road accounted for \$1.4 million of the restriction, while Debt Service restrictions accounted for another \$2.4 million. Unrestricted net assets at December 31, 2007 was approximately \$20.3 million for governmental activities. Unrestricted net assets for business-type activities improved by approximately \$7 thousand in 2007.

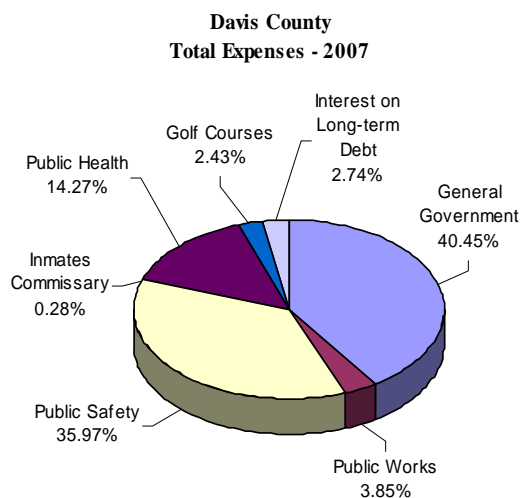
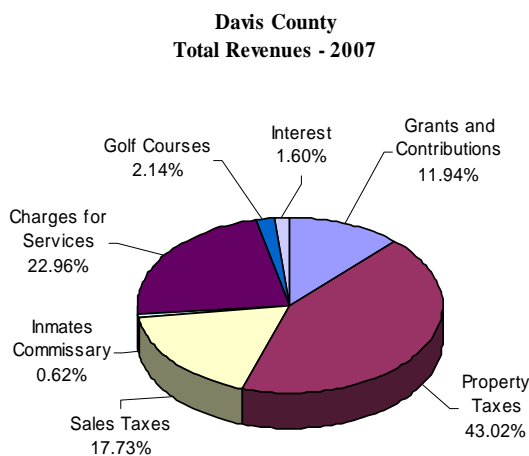
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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**Davis County**  
**Net Assets**  
**December 31,**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2007</b>	<b>2006</b> (as restated)	<b>2007</b>	<b>2006</b> (as restated)	<b>2007</b>	<b>2006</b> (as restated)
Current and Other Assets	\$ 41,332,980	\$ 39,909,759	\$ (159,872)	\$ (397,580)	\$ 41,173,108	\$ 39,512,179
Capital Assets	111,740,347	103,951,018	4,696,201	4,711,003	116,436,548	108,662,021
<b>Total Assets</b>	<b>153,073,327</b>	<b>143,860,777</b>	<b>4,536,329</b>	<b>4,313,423</b>	<b>157,609,656</b>	<b>148,174,200</b>
Current and Other Liabilities	3,857,964	2,884,135	288,560	39,692	4,146,524	2,923,827
Long-term Liabilities	48,690,330	50,403,081	95,035	112,911	48,785,365	50,515,992
<b>Total Liabilities</b>	<b>52,548,294</b>	<b>53,287,216</b>	<b>383,595</b>	<b>152,603</b>	<b>52,931,889</b>	<b>53,439,819</b>
Net Assets:						
Invested in Cash Assets						
Net of related Debt	65,565,679	55,892,112	4,696,201	4,711,003	70,261,880	60,603,115
Restricted	14,663,159	26,698,852	-	-	14,663,159	26,698,852
Unrestricted	20,296,195	7,982,597	(543,467)	(550,183)	19,752,728	7,432,414
<b>Total Net Assets</b>	<b>\$ 100,525,033</b>	<b>\$ 90,573,561</b>	<b>\$ 4,152,734</b>	<b>\$ 4,160,820</b>	<b>\$ 104,677,767</b>	<b>\$ 94,734,381</b>

**Changes in Net Assets**

The County's combined net assets increased by approximately \$9.9 million or 10.5 percent from the prior year. The increase is primarily due to the increase in Net Assets of governmental activities. Net assets of business-type activities decreased \$8 thousand which represents a 0.2 percent decrease from its prior ending balances. Before transfer outs, the County's business-type activities (the Golf Course and Jail Commissary) had an increase in net assets of \$319 thousand. Transfers to the General Fund of \$327 thousand were comprised of \$293 thousand from the Commissary Fund and \$34 thousand from the Golf Fund for administration charges. The following charts and schedules summarize the County's revenues and expenses relative to each other and to the prior year.



**DAVIS COUNTY, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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**Governmental Activities**

Total tax revenues showed continued increases during 2007. General sales taxes increased approximately \$1.2 million, or about 8.1 percent. Property taxes increased approximately 33.3 percent due to continued development of residential and commercial real estate throughout the County and an increase in tax rates. The County did not report any "Other General Revenues" during 2007, because it was determined that all revenues were program revenues except for taxes and interest. Stable interest rates applied to the County's fund balances accounted for the \$1.4 million in interest revenues. The table below shows the comparison of revenue and expenses of governmental activities and business type activities from 2007 compared to 2006.

Davis County Changes in Net Assets For the Years Ended December 31,						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
<b>Revenues</b>						
General Revenues:						
Taxes	\$ 55,013,248	\$ 44,090,376	\$ -	\$ -	\$ 55,013,248	\$ 44,090,376
Other General Revenues	-	1,646,697	-	-	-	1,646,697
Interest Revenue	1,437,070	1,243,491	10,059	6,947	1,447,129	1,250,438
Program Revenues:						
Charges for Services	20,793,537	15,526,523	2,496,318	2,062,814	23,289,855	17,589,337
Operating Grants	10,450,647	9,673,000	-	-	10,450,647	9,673,000
Capital Grants	358,648	803,373	-	-	358,648	803,373
<b>Total Revenues</b>	<b>88,053,150</b>	<b>72,983,460</b>	<b>2,506,377</b>	<b>2,069,761</b>	<b>90,559,527</b>	<b>75,053,221</b>
<b>Expenses</b>						
General Government	32,609,337	29,778,524	-	-	32,609,337	29,778,524
Public Safety	28,996,517	23,891,430	-	-	28,996,517	23,891,430
Public Health	11,503,649	11,430,314	-	-	11,503,649	11,430,314
Public Works	3,107,421	3,498,580	-	-	3,107,421	3,498,580
Interest on Long-term Debt	2,211,960	1,746,590	-	-	2,211,960	1,746,590
Golf Courses	-	-	1,962,402	1,715,142	1,962,402	1,715,142
Commissary	-	-	224,855	151,663	224,855	151,663
<b>Total Expenses</b>	<b>78,428,884</b>	<b>70,345,438</b>	<b>2,187,257</b>	<b>1,866,805</b>	<b>80,616,141</b>	<b>72,212,243</b>
<b>Changes in Net Assets before Transfer</b>	9,624,266	2,638,022	319,120	202,956	9,943,386	2,840,978
Transfer In (Out)	327,206	279,143	(327,206)	(279,143)	-	-
<b>Changes in Net Assets</b>	9,951,472	2,917,165	(8,086)	(76,187)	9,943,386	2,840,978
Net Assets - Beginning, as restated	90,573,561	87,656,396	4,160,820	4,237,007	94,734,381	91,893,403
<b>Net Assets - Ending</b>	<b>\$ 100,525,033</b>	<b>\$ 90,573,561</b>	<b>\$ 4,152,734</b>	<b>\$ 4,160,820</b>	<b>\$ 104,677,767</b>	<b>\$ 94,734,381</b>

The table on the next page shows to what extent the County's governmental activities relied on taxes and other general revenues to cover all of their costs. For 2007, these programs generated \$31.6 million or 40.3 percent of their total expenses through charges for services and grants. This amount increased \$5.6 million or 21.5 percent from 2006. Taxes and other general revenues covered the remaining 59.7 percent of expenses. The most significant increase in both program revenues and expenses was in the Public Safety activity, where net program costs increased by \$2.4 million or 13.7 percent. This increase was the direct result of the increase in capacity at the County Jail with the completion of the Jail Expansion Project. The decrease in General Government and the corresponding increase in Public Health net program costs was primarily the result of program revenues (mostly grants) that had previously been classified as Public Health revenues, but are now being classified in General Government for 2007. The increase in interest paid in 2007 as compared to 2006 was the result of the two additional bonds that were issued during 2006.

**DAVIS COUNTY, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended December 31, 2007

Davis County Net Cost of Governmental Activities For the Year Ended December 31,						
	Total Program Expenses	Less Program Revenues	Net Program Costs		Program Revenue as a Percentage of Total Expenses	
	2007	2007	2007	2006	2007	2006
<b>Activities</b>						
General Government	\$ 32,609,337	\$ (12,276,710)	\$ 20,332,627	\$ 22,428,648	37.6%	24.7%
Public Safety	28,996,517	(9,004,700)	19,991,817	17,581,268	31.1%	26.4%
Public Health	11,503,649	(9,153,817)	2,349,832	575,103	79.6%	95.0%
Public Works	3,107,421	(1,167,605)	1,939,816	2,010,933	37.6%	42.5%
Interest on Long-term Debt	2,211,960	-	2,211,960	1,746,590	0.0%	0.0%
<b>Total Government Activities</b>	<b>\$ 78,428,884</b>	<b>\$ (31,602,832)</b>	<b>\$ 46,826,052</b>	<b>\$ 44,342,542</b>	<b>40.3%</b>	<b>37.0%</b>

**Business-type Activities**

In 2007, Davis County's Golf Courses generated an operating loss of \$26,294. In addition, there was a \$34,000 transfer out to the General Fund for administrative expenses related to the golf courses. Revenues were higher than the prior year by \$263,153, mainly due to more rounds played by golfers. Expenses were \$247,260 higher than the prior year due to inflationary factors as well as the retirement of some managerial personnel.

The Jail Commissary continues to generate sufficient revenues to cover its operating costs. Net income for 2007 was approximately \$345 thousand, an increase of 40.9 percent over last year's net income of \$245 thousand. Of this amount, \$293,206 was transferred to the General Fund to help cover Jail operations. Commissary revenue increased by \$170 thousand while expenses increased by \$73 thousand. The main reason for the increases in revenue and expenses was the result of the increase in capacity at the County Jail with the completion of the Jail Expansion Project.

**CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION**

**Capital Assets**

Davis County added approximately \$12.4 million in new capital assets during 2007, of which approximately \$5.7 million was related to the Davis Conference Center Expansion project, \$1.5 million was for the new DMV building, another \$1.5 million was for Flood Control Infrastructure, and \$1.2 million was for the Jail Expansion. Other general capital purchases for buildings, equipment, and improvements comprised the remaining \$2.5 million. Additional information can be found in Note 6 of the Notes to the Financial Statement beginning on page 57.

**Long-term Debt**

Total bonded debt outstanding at December 31, 2007 was \$43.8 million, as compared to \$45.4 million at the end of the prior year. This 3.5 percent decrease from 2006 is the result of the County making its required debt service payments. The balance on the County's Line of credit was also reduced by a \$276,238 principal payment. The County had the following long-term debt outstanding. Additional information can be found in Note 8 of the Notes to the Financial Statement beginning on page 58.

Davis County Long-term Liabilities December 31,						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
General Obligation Bonds, net						
of premiums/discounts	\$ 23,745,000	\$ 24,610,000	\$ -	\$ -	\$ 23,745,000	\$ 24,610,000
Revenue Bonds	17,400,000	17,940,000	-	-	17,400,000	17,940,000
Municipal Building Authority Bonds	2,640,000	2,843,000	-	-	2,640,000	2,843,000
Lease Purchase Line of Credit	2,389,668	2,665,906	-	-	2,389,668	2,665,906
Compensated Absences	2,515,662	2,344,175	95,035	112,911	2,610,697	2,457,086
<b>Total</b>	<b>\$ 48,690,330</b>	<b>\$ 50,403,081</b>	<b>\$ 95,035</b>	<b>\$ 112,911</b>	<b>\$ 48,785,365</b>	<b>\$ 50,515,992</b>

**DAVIS COUNTY, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended December 31, 2007

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

**Fund Balances**

At December 31, 2007, Davis County's governmental funds reported combined fund balances of approximately \$32.9 million. Of this amount, approximately \$1.4 million is reserved for B-Roads. The following chart presents the County's 2007 ending fund balances.

**Davis County**  
**Governmental Fund Balances**  
**For the Year Ended December 31,**

	Reserved	2007 Unreserved	Total	2006 Total	% Change from prior year
General Fund	\$ -	\$ 11,055,808	\$ 11,055,808	\$ 6,590,777	67.7%
Health Fund	-	77,146	77,146	34,107	126.2%
Tourism Fund	-	1,670,836	1,670,836	2,869,260	-41.8%
Library Fund	-	1,139,127	1,139,127	677,912	68.0%
Aging Services Fund	-	625,420	625,420	464,747	34.6%
Special Service Area Fund	1,410,031	1,484,192	2,894,223	2,381,568	21.5%
G/O Debt Fund	-	2,369,795	2,369,795	1,966,984	20.5%
Capital Proj. Conf. Ctr. Fund	-	5,556,260	5,556,260	9,893,017	-43.8%
Capital Project	-	5,313,808	5,313,808	3,174,286	67.4%
NonMajor Fund	-	2,164,292	2,164,292	5,236,471	-58.7%
Total	<u>\$ 1,410,031</u>	<u>\$ 31,456,684</u>	<u>\$ 32,866,715</u>	<u>33,289,129</u>	<u>-1.3%</u>

**General Fund**

During 2007, the fund balance in the General Fund increased \$4.5 million or 67.7 percent. As the national and local economy continued to improve in 2007, General Fund sales taxes increased by \$856 thousand or 8.1 percent to a total of \$11.4 million; as compared to an increase of \$1.3 million or a 14.4 percent increase in 2006. Property tax revenues for the General Fund increased \$7.8 million or 35.2 percent. Overall, the total General Fund revenues increased \$12.5 million or 27.7 percent. General Fund charges for services increased by \$2.8 million, or 34.4 percent over the prior year. This increase in charges for services was the direct result of the increase in capacity at the County Jail with the completion of the Jail Expansion Project.

Total General Fund expenditures increased by approximately \$6 million or 15.3 percent from 2006. This increase was due mainly to an increase in Jail operating expenses of approximately \$4.4 million, or approximately 48.6 percent resulting from staffing and operational needs related to the expanded jail. The remaining \$1.6 increase in expenditures was attributable to normal operational increases throughout the General Fund.

General fund transfers changed dramatically from the previous year. For the year ended December 31, 2007, transfers in were approximately \$2.5 million, an increase of \$610 thousand from the 2006 level. 2007 transfers in were again generous due primarily to a transfer of \$1.3 million from the Jail Expansion Capital Projects Fund to reimburse the General Fund for construction costs paid out of the General Fund. Excellent management of the Jail Commissary and the profit sharing arrangement with Canteen Food Services and transfer back of some excess revenues from the paramedic fund accounted for an additional \$1 million transferred in.

Transfers out from the General Fund also increased in 2007. The Commission authorized a total of approximately \$10.7 million in transfers out of the General Fund. This is an increase of approximately \$3.6 million over 2006 due primarily to additional year-end transfers of approximately \$2 million from the General Fund to the Capital Project revolving fund for future capital projects. Additional transfers of approximately \$8.6 million went to support County operations in Aging Services, Health Services, Flood Control, and Paramedics. A complete list of transfer activity can be found in Note 5 of the Notes to the Financial Statements.



**DAVIS COUNTY, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended December 31, 2007

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***General Fund Budgetary Highlights***

Davis County prepares its budget according to state statutes, as described more fully in Note 1.G. The most significant budgeted fund is the General Fund. The County amended the General Fund budget during the year to meet the needs of the departments as issues arose. Significant changes to the original adopted budget included the following:

- The General Fund's tax revenues budget was increased overall by approximately \$980 thousand to better match the revenues projected through the certified tax rate process.
- Various minor budget changes, from normal day to day activities to meet the needs of the departments, made up the change of approximately \$1 million from original to final budgets on the expenditure side.

Actual General Fund revenues were \$57.5 million, which was only \$251 thousand or approximately 0.4 percent above the final budgeted revenues. Actual expenditures were approximately \$45 million, which was \$4.5 million (9.1 percent) below the final budgeted expenditures. As the result of fiscally responsible management, the County was not required to draw upon existing fund balance in the General Fund this year to cover its expenditures.

**Other Major Governmental Funds**

During 2007, the County's contribution to the Health department increased from approximately \$1.7 million in 2006 to \$2.3 million in 2007. Fund balance at year end was approximately \$77 thousand, an increase of approximately \$43 thousand from the ending 2006 fund balance. Health Fund total revenues increased by \$450 thousand (5.2 percent) while expenditures increased by \$104 thousand (0.9 percent) from the 2006 level. These increases can be attributed to natural growth required meet the needs of the County's citizens.

The fund balance in the Tourism Fund decreased approximately \$1.2 million to approximately \$1.7 million. This decrease can be attributed to a transfer out of \$2.1 million to fund debt service payments and construction costs related to the Davis Conference Center expansion. Before transfers out, the increase in fund balance was \$942 thousand. Strong economic growth contributed to growth in the County's tourism related taxes which totaled \$4 million in 2007, an increase of \$473 thousand or 13.4 percent over the prior year. It is expected that the Davis Conference Center and the associated exhibition hall will be an economic engine that will further stimulate the local economy and the County will reap benefits from its investment through increased tourism, transient room tax, and sales tax revenues.

The fund balance in the Library Fund increased by approximately \$461 thousand to \$1.1 million. This was due to a combination of planned tax surplus revenue for future library capital projects and fiscally responsible management.

The fund balance in the Aging Services Fund increased by approximately \$161 thousand to \$625 thousand in 2007. This was due to a portion of the tax increase that the County took to support expanded senior service programs. Expenditures increased by \$1 million over the previous year to \$3.6 million in order to meet the needs of the increasing number of seniors who benefit from these programs.

The fund balance in the Special Service Fund increased by \$513 thousand (21.5 percent) during 2007. This increase was primarily the result of fewer capital purchases in 2007 than in 2006.

The General Obligation Debt Service Fund had a total fund balance of \$2.4 million at December 31, 2007, all of which will be used for the payment of future debt service payments. The net increase in fund balance during the current year was approximately \$403 thousand (20.5 percent).

The fund balance in the Conference Center Expansion Capital Projects Fund decreased by \$4.3 million as the construction of the exhibition hall facility proceeded throughout the year. The facility was completed in Spring 2008. Fund balance at December 31, 2007 for the fund was approximately \$5.6 million.

The fund balance in the Capital Projects Fund increased by \$2.1 million (67.4 percent) primarily as the result of the aforementioned transfer of approximately \$2 million from the General Fund for future capital projects.

**Proprietary Funds**

The County's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Golf Courses Fund at the end of the year amounted to a negative \$605 thousand, and those for the Commissary amounted to \$50 thousand. The total change in net assets for both funds was a \$70 thousand decrease for Golf and a \$50 thousand increase for the Commissary. Other factors concerning the finances of these two funds have already been addressed in the discussion of the County's business-type activities.

**DAVIS COUNTY, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended December 31, 2007

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**OTHER MATTERS**

Legislative changes to the Utah State Code that may impact Davis County's future financial position include the following:

- Legislation was enacted which changed the property tax treatment of the first \$3,500 in personal property for those with less than \$3,501 in personal property. The legislature exempted the tax, if a tax-payer applies for the reduction.
- Legislation was enacted which created a Military Installment Redevelopment Authority (Military RDA). Like normal RDA increments, the Military RDA will enhance development of commercial areas around military bases; in Davis County, it will primarily be Hill Air Force Base. It is planned that once underway, seventy-five percent of increment tax dollars in the Military RDA will be given to the Military Installation Development Authority and will be passed on to the Cities for infrastructure improvements.
- The uniform statewide fee on motor homes was reduced to 1%, effective January 1, 2008. Tax on tangible personal property, such as recreation vehicles, personal watercrafts, and snowmobiles continue to be on an aged-based fee system.
- The Veteran Abatement's ceiling was increased to \$214,263 of taxable value for personal and primary residence in 2007. This amount will continue to be adjusted in the future by the consumer price index (CPI) of the preceding year. Preliminary numbers for 2008 indicate that the Veteran Abatement's ceiling will be \$219,164.
- Legislation was enacted during 2008, which amends the collection of certain personal property taxes and the calculation of the certified tax rate. This legislation will take effect on January 1, 2009.

In June 2004, the Governmental Accounting Standards Board (GASB) issued Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This new statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities and note disclosures in governments' financial reports. The County expects to fully implement Statement 45 in 2008, as required by the GASB.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of Davis County's finances and to demonstrate the County's accountability for the money it receives. It is available on the County's Clerk/Auditor's website at [www.daviscountyutah.gov](http://www.daviscountyutah.gov). Questions concerning any of the information in this report or any other matters related to the County's finances should be addressed to:

Davis County Clerk/Auditor  
P.O. Box 618  
Farmington, Utah 84025

# Basic Financial Statements



**2nd Annual Davis County Balloon Festival**  
**Antelope Island State Park**  
**Sept. 20 - 23, 2007**

**DAVIS COUNTY**

**EXHIBIT A**

**STATEMENT OF NET ASSETS  
DECEMBER 31, 2007**

	Primary Government			Component Units (as of June 30, 2007)	
	Governmental	Business-type	Total	Davis	Wasatch
	Activities	Activities		Behavioral Health	Integrated Waste
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 31,620,606	\$ 206,302	\$ 31,826,908	\$ 1,774,921	\$ 1,113,049
Investments	-	-	-	133,308	18,955,040
Accounts Receivable	5,846,166	59,667	5,905,833	3,437,147	1,606,899
Taxes Receivable	1,674,685	-	1,674,685	-	-
Inventories and other assets	1,764,082	1,600	1,765,682	231,730	1,611,604
Internal Balances	427,441	(427,441)	-	-	-
Capital Assets:					
Land and Related Non-depreciable Assets	30,025,366	3,451,511	33,476,877	1,999,219	16,833,679
Construction-in-progress	6,643,098	13,407	6,656,505	-	272,400
Depreciable Infrastructure	18,979,605	-	18,979,605	-	-
Buildings, Equipmt., & Other Depreciable Assets	95,806,268	3,544,368	99,350,636	12,009,177	61,726,204
Less Accumulated Depreciation	(39,713,990)	(2,313,085)	(42,027,075)	(4,530,905)	(45,538,163)
Total Capital Assets	111,740,347	4,696,201	116,436,548	9,477,491	33,294,120
<b>TOTAL ASSETS</b>	<b>153,073,327</b>	<b>4,536,329</b>	<b>157,609,656</b>	<b>15,054,597</b>	<b>56,580,712</b>
<b>LIABILITIES</b>					
Accounts Payable and Accrued Liabilities	3,837,613	288,560	4,126,173	2,045,178	4,049,216
Unearned Revenue	20,351	-	20,351	426,504	-
Long-term Debt					
Due Within One Year	2,251,806	9,504	2,261,310	501,692	-
Due in More Than One Year	46,438,524	85,531	46,524,055	4,205,930	-
<b>TOTAL LIABILITIES</b>	<b>52,548,294</b>	<b>383,595</b>	<b>52,931,889</b>	<b>7,179,304</b>	<b>4,049,216</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	65,565,679	4,696,201	70,261,880	5,290,582	33,294,120
Restricted for:					
B-Roads	1,410,031	-	1,410,031	-	-
Debt Service	2,383,060	-	2,383,060	-	-
Capital Projects	10,870,068	-	10,870,068	-	-
Closure and post-closure costs	-	-	-	-	4,332,906
Unrestricted	20,296,195	(543,467)	19,752,728	2,584,711	14,904,470
<b>TOTAL NET ASSETS</b>	<b>\$ 100,525,033</b>	<b>\$ 4,152,734</b>	<b>\$ 104,677,767</b>	<b>\$ 7,875,293</b>	<b>\$ 52,531,496</b>

The Notes to the Financial Statements are an integral part of this statement.

# DAVIS COUNTY

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2007

Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental:				
General Government	\$ 32,609,337	\$ 8,723,667	\$ 3,401,871	\$ 151,172
Public Safety	28,996,517	8,720,283	222,709	61,708
Public Health	11,503,649	3,317,563	5,836,254	-
Public Works	3,107,421	32,024	989,813	145,768
Interest and Other Charges on Long-term Debt	2,211,960	-	-	-
Total Governmental Activities	78,428,884	20,793,537	10,450,647	358,648
Business-type:				
Golf Courses	1,962,402	1,936,108	-	-
Inmates Commissary	224,855	560,210	-	-
Total Business-type Activities	2,187,257	2,496,318	-	-
Total Primary Government	80,616,141	23,289,855	10,450,647	358,648
<b>Component Units:</b>				
Davis Behavioral Health	16,429,471	925,400	15,962,250	516,340
Wasatch Integrated Waste	14,618,537	15,212,055	-	-
Total Component Units	\$ 31,048,008	\$ 16,137,455	\$ 15,962,250	\$ 516,340

### General Revenues:

Property Tax  
Sales Tax  
Total Taxes  
Unrestricted Interest Earned  
Gain on Sale of Capital Assets  
Total General Revenues

### Transfers

Total General Revenues and Transfers  
Change in Net Assets  
Net Assets-Beginning, as restated  
Net Assets-Ending

See notes to financial statements.

**EXHIBIT B**

<b>Net (Expense) Revenue and Changes in Net Assets</b>				
<b>Primary Government</b>			<b>Component Units</b>	
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Davis Behavior Health</b>	<b>Wasatch Integrated Waste</b>
\$ (20,332,627)	\$ -	\$ (20,332,627)	\$ -	\$ -
(19,991,817)	-	(19,991,817)	-	-
(2,349,832)	-	(2,349,832)	-	-
(1,939,816)	-	(1,939,816)	-	-
(2,211,960)	-	(2,211,960)	-	-
(46,826,052)	-	(46,826,052)	-	-
-	(26,294)	(26,294)	-	-
-	335,355	335,355	-	-
-	309,061	309,061	-	-
(46,826,052)	309,061	(46,516,991)	-	-
-	-	-	974,519	-
-	-	-	-	593,518
\$ -	\$ -	\$ -	\$ 974,519	\$ 593,518
38,961,134	-	38,961,134	-	-
16,052,114	-	16,052,114	-	-
55,013,248	-	55,013,248	-	-
1,437,070	10,059	1,447,129	-	917,113
-	-	-	-	367,171
56,450,318	10,059	56,460,377	-	1,284,284
327,206	(327,206)	-	-	-
56,777,524	(317,147)	56,460,377	-	1,284,284
9,951,472	(8,086)	9,943,386	974,519	1,877,802
90,573,561	4,160,820	94,734,381	6,900,774	50,653,694
\$ 100,525,033	\$ 4,152,734	\$ 104,677,767	\$ 7,875,293	\$ 52,531,496



[www.daviscountyutah.gov](http://www.daviscountyutah.gov)

## **Governmental Fund Financial Statements**

### **General Fund**

This fund is the principal operating fund of the County. It accounts for all financial resources of the government except those required to be accounted for in another fund.

### **Health Fund**

This fund accounts for taxes levied, grants, and other revenues and expenditures by the County to provide health services.

### **Tourism Fund**

This fund accounts for transient room tax, restaurant tax, car rental tax, and other revenues and expenditures of the County related to the promotion and development of tourism within the County.

### **Library Fund**

This special revenue fund accounts for the operation of the County's main library and its four branches. The Library Fund's principal revenue source is property taxes.

### **Aging Services Fund**

This fund accounts for all activities of the Aging Services Department. It includes services provided for senior citizens and also for the Tri-County Weatherization projects managed by the County.

### **Special Services Area Fund**

This fund accounts for revenues and expenses related to providing municipal type services in the unincorporated areas of Davis County. In addition, it includes the County's B-Roads and the Vehicle Service Department.

### **General Obligation Debt Fund**

This fund accounts for the accumulation of property taxes for the payment of principal, interest, and related costs of the County's general obligation bonds.

### **Capital Projects / Davis Conference Center Expansion Fund**

This fund accounts for the revenue and expenses related to the construction of the Davis Conference Center Exhibition Hall expansion.

### **Capital Projects Fund**

This fund accounts for funds accumulated and spent for routine capital projects.

### **Nonmajor Governmental Funds**

Nonmajor governmental funds are presented individually beginning on page 79.



# DAVIS COUNTY

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2007

	General Fund	Health Fund	Tourism Fund	Library Fund	Aging Services Fund
ASSETS:					
Cash and Cash Equivalents	\$ 7,715,270	\$ 2,760	\$ 864,102	\$ 1,230,730	\$ 229,198
Accounts Receivable	3,628,804	603,668	594,138	-	534,103
Taxes Receivable	1,321,214	-	-	247,720	-
Due from other funds	908,706	-	-	-	-
Inventories and other assets	180,208	110,356	316,510	1,812	148
TOTAL ASSETS	<u>\$ 13,754,202</u>	<u>\$ 716,784</u>	<u>\$ 1,774,750</u>	<u>\$ 1,480,262</u>	<u>\$ 763,449</u>
LIABILITIES					
Accounts Payable and Accrued Liabilities	1,374,586	170,246	99,414	93,415	138,029
Due to other funds	-	469,392	-	-	-
Deferred Revenue	1,323,808	-	4,500	247,720	-
TOTAL LIABILITIES	<u>2,698,394</u>	<u>639,638</u>	<u>103,914</u>	<u>341,135</u>	<u>138,029</u>
FUND BALANCES					
Reserved for "B" Roads	-	-	-	-	-
Unreserved, reported in:					
General Fund	11,055,808	-	-	-	-
Special Revenue Funds	-	77,146	1,670,836	1,139,127	625,420
Debt Service Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
TOTAL FUND BALANCES	<u>11,055,808</u>	<u>77,146</u>	<u>1,670,836</u>	<u>1,139,127</u>	<u>625,420</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 13,754,202</u>	<u>\$ 716,784</u>	<u>\$ 1,774,750</u>	<u>\$ 1,480,262</u>	<u>\$ 763,449</u>

See notes to financial statements.

EXHIBIT C

Special Services Area Fund	G/O Debt Fund	Capital Project DCC Expansion Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,722,622	\$ 2,369,795	\$ 6,275,900	\$ 5,313,808	\$ 2,060,814	\$ 28,784,999
270,073	-	-	-	202,411	5,833,197
6,798	98,953	-	-	-	1,674,685
-	-	-	-	-	908,706
-	-	-	-	-	609,034
<u>\$ 2,999,493</u>	<u>\$ 2,468,748</u>	<u>\$ 6,275,900</u>	<u>\$ 5,313,808</u>	<u>\$ 2,263,225</u>	<u>\$ 37,810,621</u>
98,472	-	719,640	-	85,676	2,779,478
-	-	-	-	-	469,392
6,798	98,953	-	-	13,257	1,695,036
<u>105,270</u>	<u>98,953</u>	<u>719,640</u>	<u>-</u>	<u>98,933</u>	<u>4,943,906</u>
1,410,031	-	-	-	-	1,410,031
-	-	-	-	-	11,055,808
1,484,192	-	-	-	2,151,027	7,147,748
-	2,369,795	-	-	13,265	2,383,060
-	-	5,556,260	5,313,808	-	10,870,068
<u>2,894,223</u>	<u>2,369,795</u>	<u>5,556,260</u>	<u>5,313,808</u>	<u>2,164,292</u>	<u>32,866,715</u>
<u>\$ 2,999,493</u>	<u>\$ 2,468,748</u>	<u>\$ 6,275,900</u>	<u>\$ 5,313,808</u>	<u>\$ 2,263,225</u>	<u>\$ 37,810,621</u>



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**DAVIS COUNTY****EXHIBIT D****RECONCILIATION OF THE BALANCE SHEET -- GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
DECEMBER 31, 2007**

---

Total fund balance -- governmental funds \$ 32,866,715

Amount reported for governmental activities in the statement of net assets are different because:

Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. These assets consist of:

Land and related non-depreciable assets	30,025,366	
Construction-in-progress	6,210,731	
Depreciable Infrastructure	18,979,605	
Buildings, equipment, and other depreciable assets	94,907,281	
Accumulated Depreciation	<u>(38,972,396)</u>	
Total Capital Assets		111,150,587

Deferred Charges - MBA payments 1,064,000

Some of the County's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. 1,674,685

An internal charge between the governmental and business-type activities is not recorded at the fund level (11,873)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of those internal service funds that primarily benefit governmental entities are included with governmental activities in the statement of net assets. 3,191,940

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds and Line of Credit	(46,174,668)	
Accrued Interest	(748,062)	
Compensated absences	<u>(2,488,291)</u>	
Total Long-Term Debt		<u>(49,411,021)</u>

Total net assets --- governmental activities \$ 100,525,033

See notes to financial statements.

## DAVIS COUNTY

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2007

	General Fund	Health Fund	Tourism Fund	Library Fund	Aging Services Fund
REVENUES:					
Taxes	\$ 41,211,975	\$ -	\$ 4,013,565	\$ 5,846,265	\$ -
Licenses and permits	243,822	-	-	-	-
Intergovernmental revenues	1,371,580	5,836,254	9,302	122,633	2,116,219
Charges for services	10,756,886	3,317,091	495,348	1,072	247,648
Fines and forfeitures	1,631,080	-	-	186,247	-
Interest	107,791	-	133,353	-	11,551
Miscellaneous	2,143,732	470	89,635	21,518	59,277
Total	57,466,866	9,153,815	4,741,203	6,177,735	2,434,695
EXPENDITURES:					
Current:					
General government	18,518,296	-	3,561,078	5,570,631	3,477,506
Public safety	24,888,921	-	-	-	-
Public health	1,300	11,416,088	-	-	-
Public works	286,030	-	-	-	-
Debt service:					
Principal retirement	276,238	-	-	-	-
Interest and other	149,254	-	-	-	-
Capital outlay	862,072	-	238,220	146,363	134,676
Total	44,982,111	11,416,088	3,799,298	5,716,994	3,612,182
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,484,755	(2,262,273)	941,905	460,741	(1,177,487)
OTHER FINANCING SOURCES (USES):					
Transfers in	2,489,458	2,305,312	-	-	1,478,160
Transfers out	(10,686,236)	-	(2,141,000)	-	(140,000)
Sale of capital assets	177,054	-	671	474	-
Total	(8,019,724)	2,305,312	(2,140,329)	474	1,338,160
NET CHANGE IN FUND BALANCES	4,465,031	43,039	(1,198,424)	461,215	160,673
FUND BALANCES, BEGINNING OF YEAR	6,590,777	34,107	2,869,260	677,912	464,747
FUND BALANCES, END OF YEAR	\$ 11,055,808	\$ 77,146	\$ 1,670,836	\$ 1,139,127	\$ 625,420

See notes to financial statements.

**EXHIBIT E**

<b>Special Services Area Fund</b>	<b>G/O Debt Fund</b>	<b>Capital Project DCC Expansion Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,043,567	\$ 2,217,034	\$ -	\$ -	\$ -	\$ 54,332,406
-	-	-	-	-	243,822
1,135,581	-	113,282	-	-	10,704,851
32,024	-	-	-	1,168,937	16,019,006
-	-	-	-	-	1,817,327
144,474	37,102	494,267	185,055	192,885	1,306,478
39,469	-	-	-	373,724	2,727,825
<u>2,395,115</u>	<u>2,254,136</u>	<u>607,549</u>	<u>185,055</u>	<u>1,735,546</u>	<u>87,151,715</u>
294,091	-	8,130	32,641	7	31,462,380
-	-	-	-	2,691,495	27,580,416
-	-	-	-	-	11,417,388
1,079,208	-	-	-	1,206,230	2,571,468
-	865,000	-	-	743,000	1,884,238
-	986,325	-	-	940,702	2,076,281
371,423	-	5,732,973	-	3,616,044	11,101,771
<u>1,744,722</u>	<u>1,851,325</u>	<u>5,741,103</u>	<u>32,641</u>	<u>9,197,478</u>	<u>88,093,942</u>
650,393	402,811	(5,133,554)	152,414	(7,461,932)	(942,227)
159,962	-	800,000	1,975,000	6,903,312	16,111,204
(300,000)	-	(3,203)	-	(2,513,559)	(15,783,998)
2,300	-	-	12,108	-	192,607
<u>(137,738)</u>	<u>-</u>	<u>796,797</u>	<u>1,987,108</u>	<u>4,389,753</u>	<u>519,813</u>
512,655	402,811	(4,336,757)	2,139,522	(3,072,179)	(422,414)
<u>2,381,568</u>	<u>1,966,984</u>	<u>9,893,017</u>	<u>3,174,286</u>	<u>5,236,471</u>	<u>33,289,129</u>
\$ 2,894,223	\$ 2,369,795	\$ 5,556,260	\$ 5,313,808	\$ 2,164,292	\$ 32,866,715

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES --  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

---

Net change in fund balance -- total governmental funds \$ (422,414)

Amount reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital purchases (\$11,698,817) exceeded depreciation (\$4,105,825) during the current period. 7,592,992

In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the assets sold. (323,204)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 680,842

Accrued interest on long term debt is not reported as an expenditure for the current period in the fund statement but is recorded as an expense in the statement of activities. This represents the current year's change in the amount of accrued interest. (135,679)

The long-term portion of the liability for compensated absences is not recorded in the fund level, but is reported in the statement of net assets. This is the current year change in the liability, reported as an expense in the statement of activities (160,761)

Repayment of debt is reported in the statement of revenues, expenses, and changes in fund balances but not reported as an expense in the statement of activities. 1,884,238

Portion of deferred charges applicable to the current period-MBA payments (153,000)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 1,000,331

The change in internal balances between the governmental activities and the business-type activities relating to internal service funds are reflected in governmental activities but not in the governmental funds. (11,873)

Changes in net assets of governmental activities \$ 9,951,472

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See notes to financial statements.

## **Proprietary Fund Financial Statements**

### **Golf Course Fund**

This fund accounts for the operation and financial resources of the two county-owned golf courses - Davis Park and Valley View Golf Course. Revenues come from green fees and other charges to users of the facilities.

### **Jail Commissary Fund**

This fund accounts for the commissary activities related to the operation of the County Jail inmates.

### **Governmental Activities – Internal Service Funds**

These funds account for certain activities that are charged to the other departments on a cost-reimbursement basis. The County maintains internal service funds for Insurance, Telephone, and Buildings and Grounds.



## DAVIS COUNTY

## EXHIBIT G

**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2007**

	Major Enterprise Golf Courses	Nonmajor Enterprise Commissary	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 700	\$ 205,602	\$ 206,302	\$ 2,835,607
Accounts receivable	423	59,244	59,667	12,969
Inventories and other assets	1,600	-	1,600	91,048
Total Current Assets	2,723	264,846	267,569	2,939,624
Capital Assets:				
Land	754,259	-	754,259	-
Construction-in-progress	13,407	-	13,407	432,367
Buildings	1,443,426	-	1,443,426	-
Improvements other than buildings	2,697,252	-	2,697,252	-
Furnishings, fixtures, and equipment	2,100,942	-	2,100,942	898,987
Less accumulated depreciation	(2,313,085)	-	(2,313,085)	(741,594)
Total Capital Assets	4,696,201	-	4,696,201	589,760
<b>TOTAL ASSETS</b>	<b>4,698,924</b>	<b>264,846</b>	<b>4,963,770</b>	<b>3,529,384</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	73,714	214,846	288,560	310,073
Due to other funds	439,314	-	439,314	-
Total Current Liabilities	513,028	214,846	727,874	310,073
Long-term Liabilities:				
Compensated absences	95,035	-	95,035	27,371
<b>TOTAL LIABILITIES</b>	<b>608,063</b>	<b>214,846</b>	<b>822,909</b>	<b>337,444</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	4,696,201	-	4,696,201	589,760
Unrestricted	(605,340)	50,000	(555,340)	2,602,180
<b>TOTAL NET ASSETS</b>	<b>\$ 4,090,861</b>	<b>\$ 50,000</b>	<b>4,140,861</b>	<b>\$ 3,191,940</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			11,873	
Total net assets--business-type activities			<u>\$ 4,152,734</u>	

See notes to financial statements.

**DAVIS COUNTY**

**EXHIBIT H**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>Major Enterprise Golf Courses</b>	<b>Nonmajor Enterprise Fund Commissary</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
OPERATING REVENUES:				
Commissary sales	\$ -	\$ 560,210	\$ 560,210	\$ -
Golf Course green fees	1,741,002	-	1,741,002	-
Rent	48,251	-	48,251	-
Charges to other funds	-	-	-	4,418,973
Other	146,855	-	146,855	89,999
Total	<u>1,936,108</u>	<u>560,210</u>	<u>2,496,318</u>	<u>4,508,972</u>
EXPENSES:				
Salaries, wages, and benefits	1,254,137	50,628	1,304,765	1,277,670
Operations	578,639	176,435	755,074	2,304,404
Depreciation	139,291	-	139,291	57,161
Total	<u>1,972,067</u>	<u>227,063</u>	<u>2,199,130</u>	<u>3,639,235</u>
OPERATING INCOME (LOSS)	(35,959)	333,147	297,188	869,737
NONOPERATING REVENUE:				
Interest revenue	-	10,059	10,059	130,594
INCOME (LOSS) BEFORE TRANSFERS	(35,959)	343,206	307,247	1,000,331
TRANSFERS OUT	<u>(34,000)</u>	<u>(293,206)</u>	<u>(327,206)</u>	<u>-</u>
CHANGE IN NET ASSETS	(69,959)	50,000	(19,959)	1,000,331
NET ASSETS, BEGINNING OF YEAR	<u>4,160,820</u>	<u>-</u>		<u>2,191,609</u>
NET ASSETS, END OF YEAR	<u>\$ 4,090,861</u>	<u>\$ 50,000</u>		<u>\$ 3,191,940</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>11,873</u>	
Change in net assets of business-type activities			<u>\$ (8,086)</u>	

See notes to financial statements.

**DAVIS COUNTY**

**EXHIBIT I**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>Major Enterprise Golf Courses</b>	<b>Nonmajor Enterprise Fund Commissary</b>	<b>Enterprise Funds Total</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 1,938,463	\$ 559,798	\$ 2,498,261	\$ 92,938
Cash received from interfund services provided	-	-	-	4,418,973
Cash payments for payroll and benefits	(1,261,163)	(50,428)	(1,311,591)	(1,263,294)
Cash payments for goods and services	(533,977)	(43,683)	(577,660)	(2,187,367)
Net cash provided (used in) by operating activities	<u>143,323</u>	<u>465,687</u>	<u>609,010</u>	<u>1,061,250</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest earned on cash deposits	-	10,059	10,059	130,594
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Cash received from other funds	15,166	-	15,166	-
Transfers out	(34,000)	(293,206)	(327,206)	-
Net cash provided by (used in) noncapital financing activities	<u>(18,834)</u>	<u>(293,206)</u>	<u>(312,040)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES:</b>				
Cash payments for property and equipment purchases	(124,489)	-	(124,489)	(576,702)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>-</u>	<u>182,540</u>	<u>182,540</u>	<u>615,142</u>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>700</u>	<u>23,062</u>	<u>23,762</u>	<u>2,220,465</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 700</u>	<u>\$ 205,602</u>	<u>\$ 206,302</u>	<u>\$ 2,835,607</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
Operating income	\$ (35,959)	\$ 333,147	\$ 297,188	\$ 869,737
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	139,291	-	139,291	57,161
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	2,355	(59,216)	(56,861)	2,939
(Increase) decrease in inventories and other assets	(1,600)	-	(1,600)	(91,048)
Increase (decrease) in accounts payable and accrued liabilities	57,112	191,756	248,868	211,735
Increase (decrease) in compensated absences	(17,876)	-	(17,876)	10,726
Total adjustments	<u>179,282</u>	<u>132,540</u>	<u>311,822</u>	<u>191,513</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 143,323</u>	<u>\$ 465,687</u>	<u>\$ 609,010</u>	<u>\$ 1,061,250</u>

See notes to financial statements.

## **Fiduciary Fund Financial Statements**

### **Agency Funds**

These funds accounts for assets held by the County as an agent for other governments or organizations . These funds are custodial in nature and do not involve measuring the results of operations. Individual agency funds are presented in Supplemental Schedule 17 beginning on page 100.

**DAVIS COUNTY****EXHIBIT J****STATEMENT OF FIDUCIARY NET ASSETS  
AS OF DECEMBER 31, 2007**

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	<b>Agency Funds</b>
<b>ASSETS</b>	
CASH AND INVESTMENTS	\$ 5,842,406
RESTRICTED ASSETS - Cash and investments	31,420,491
ACCOUNTS RECEIVABLE	<u>2,129,024</u>
TOTAL ASSETS	<u><u>\$ 39,391,921</u></u>
<b>LIABILITIES</b>	
DUE TO INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS	<u><u>\$ 39,391,921</u></u>

See notes to financial statements.

Under paragraph 110 of GASB34, agency funds should not be reported in the statement of changes in fiduciary net assets. Davis County only has agency funds in the Statement of Fiduciary Net Assets. Thus, no Statement of Changes in Fiduciary Net Assets is required.

**DAVIS COUNTY, UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2007

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**DAVIS COUNTY, UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2007

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Davis County (the County) conform in all material respects to generally 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.

The following is a summary of the County's significant accounting policies.

**A. Reporting Entity**

The County is incorporated under the constitutional provisions of the State of Utah. The County operates under a Commission form of government where the three-member elected Commission has budgetary authority over all county departments and is accountable for all fiscal matters. County property taxes and sales taxes fund a significant portion of the costs of providing services to citizens including public safety, public health, judicial services, public works, social services, tourism promotion, libraries, assessing and collecting property taxes, and general administrative services.

The Comprehensive Annual Financial Report (CAFR) of the County includes the financial statements for all activities of the County based on the criteria set forth in GASB Statement 14. The primary criteria for including a board or agency in the CAFR is financial accountability, meaning the County appoints a majority of an organization's governing body *and* either 1) the County can impose its will on the organization, or 2) the organization has the potential to provide specific financial benefits to, or impose specific financial burdens on the County. Other criteria include whether a board or agency is fiscally dependent on the County or whether the relationship with the organization is such that it would be misleading to exclude it from the County's financial statements.

Blended component units, although legally separate entities, are in substance part of the government's operations. They are reported as part of the primary government and blended with the appropriate funds. Discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the County.

***Blended Component Units***

The Municipal Building Authority of Davis County is governed by a three-member board comprised of the County Commissioners. Its sole purpose is to finance public facilities. Activities for the Municipal Building Authority are blended with the County's special revenue funds and debt service funds. Separate financial statements are not issued or required for the Authority.

The Municipal Building Authority is considered to be a blended component unit because the governing body is the same as the governing body of Davis County.

***Discretely Presented Component Units***

**Davis Behavioral Health (DBH)** - Although the County is named as the legal behavioral health authority by State law, the County has contracted with DBH to deliver these services. DBH provides complete evaluation and treatment for behavioral health and substance abuse. The County provides significant support to these behavioral health services. Payments during 2007 were \$858,333 and pass through grants were \$5,353,310. Related party items at December 31, 2007 consisted of \$1,101,586 accounts payable from the County to DBH.

DBH has been determined to be a discretely presented component unit of the County. DBH is a nonprofit corporation exempt from federal tax under Section 501(c)(3) of the Internal Revenue Code. The basic criterion for including DBH as a component unit is the financial statements may be misleading if Davis Behavioral Health were not included. Separate financial statements for DBH may be obtained from Davis Behavioral Health, 291 South 200 West, Farmington, Utah 84025.

**Wasatch Integrated Waste Management District (WIWMD)** - Wasatch Integrated Waste Management District (WIWMD) is a regional refuse incinerator. It services the entire area of Davis County (except Bountiful City) and Morgan County. Energy created from the refuse incineration is sold to Hill Air Force Base in the form of steam. WIWMD is a special service district created by the County to construct and operate the waste to energy incinerator plant.

WIWMD has been determined to be a discretely presented component unit of the County. The County has a minority position in the management of WIWMD. Only three of the nineteen trustee positions are held by the County Commission. The basic criterion for including WIWMD as a component unit is that WIWMD is fiscally dependent on the County. The County Commission created WIWMD and has the authority to dissolve the entity. Separate financial statements for WIWMD may be obtained from Wasatch Integrated Waste Management District, 650 East Highway 193, Layton, Utah 84041.

The presentations for both Davis Behavioral Health and Wasatch Integrated Waste Management District are as of their fiscal year-ends, June 30, 2007.

The County Commissioners are also responsible for appointing or approving the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments.



**DAVIS COUNTY, UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2007

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**B. Government-wide And Fund Financial Statements**

The County's basic financial statements consist of both government-wide statements and fund statements. The government-wide statements focus on the County as a whole, while the fund statements focus on individual funds.

***Government-wide Financial Statements***

The government-wide statements present information on all non-fiduciary activities of the primary government and its component units. Primary government activities are distinguished between *governmental* and *business-type* activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The effects of interfund activity have been eliminated from the government-wide statements except for the residual amounts due between governmental and business-type activities.

The *Statement of Net Assets* presents the County's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are restricted when constraints placed upon them are either externally imposed or are imposed by constitutional provisions or enabling legislation. The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. The County does not allocate general government (indirect) expenses to other functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

***Fund Financial Statements***

The financial transactions of the County are recorded in individual funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Separate statements are provided for *governmental*, *proprietary*, and *fiduciary funds*. For governmental and proprietary funds, the emphasis is on *major funds*, with each displayed in a separate column.

The County reports the following major governmental funds:

- **General Fund** – This fund is the principal operating fund of the County. It is used to account for all financial resources not required to be accounted for in another fund.
- **Health Fund** – This special revenue fund accounts for all activities of the County Health Department.
- **Tourism Fund** – This special revenue fund accounts for operations funded by the County levied tourism taxes
- **Library Fund** – This special revenue fund accounts for the operations of the County's main library and six branches.
- **Aging Services Fund** – This special revenue fund accounts for all activities of the Aging Services Department. It includes services provided for senior citizens and also for the Tri-County weatherization projects managed by the County.
- **Special Service Area Fund** – This special revenue fund accounts for municipal type services that the County provides in unincorporated Davis County.
- **General Obligation Debt Service Fund** – This fund accounts for the accumulation of property taxes for the payment of principal, interest, and related costs on the County's general obligation bonds.
- **Capital Projects / Davis Conference Center Expansion Fund** – This fund accounts for the construction of the Davis Conference Center Expansion project.
- **Capital Projects Fund** – This fund accounts for funds accumulated and spent for routine capital projects.

Davis County's nonmajor governmental funds account for specific revenue sources that are legally restricted to expenditures for specific purposes. Funds included are Flood Control, Emergency 911 Dispatch, Paramedic, Municipal Building Authority (MBA) Operations, MBA Debt Service, MBA DMV Construction, Conference Center Debt Service, and Jail Expansion Capital Projects funds. The nonmajor funds are grouped together in a single column in the basic financial statements, and they are displayed individually in the combining statements.

The County reports the following proprietary funds:

- **Golf Courses Fund** – This fund accounts for the operations of the County owned golf courses.
- **Commissary Fund** – This fund accounts for the sale of items available to inmates in the jail.

**DAVIS COUNTY, UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2007

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- **Internal Service Funds** – These funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County maintains internal service funds for risk management (insurance), telephone systems, and buildings and grounds operations. Internal service funds are reported in a single column on the proprietary fund statements and are combined with governmental activities on the government-wide statements. They are also displayed individually in the combining statements.

The County reports the following fiduciary funds:

- **County Agency Fund** – This fund accounts for the receipt and disbursement of monies passed through the County to other entities.
- **Treasurer's Tax Collection Agency Fund** – This fund accounts for the collection and disbursement of property taxes for all taxing entities in Davis County.
- **Employee Benefits Agency Fund** – This fund accounts for monies held by the County in the payroll process until paid out for taxes, insurances, bonds, etc.

**C. Measurement Focus and Basis of Accounting**

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Other taxes and fees are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

The proprietary fund statements are also prepared using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds do not have a measurement focus but are prepared using the accrual basis of accounting. Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues generally result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating items, such as interest expense and investment earnings, result from non-exchange transactions or ancillary activities.

For business-type activities and enterprise funds, the County follows all GASB pronouncements and all Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 unless those standards conflict with a GASB pronouncement.

The governmental fund financial statements are prepared and reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Expenditures are generally recorded when the related liability is incurred.

**D. Assets, Liabilities, and Fund Balances/ Net Assets**

Following are the County's significant policies regarding recognition and reporting of certain assets, liabilities, and equity.

***Cash and Investments***

Cash and cash equivalents consist primarily of demand deposits with financial institutions and short-term investments with original maturities of three months or less from the purchase date. Investments include non-pooled investments and certificates of deposit with original maturities greater than three months. All cash equivalents and investments are stated at fair value except where there is no material difference between cost and fair value.

***Accounts Receivable***

Receivables from other governments are reasonably assured; accordingly, no allowance for uncollectible accounts has been established.

***Taxes Receivable***

Taxes receivable include accrued amounts for sales taxes and delinquent property taxes. Property taxes attach as an enforceable lien on property on January 1<sup>st</sup> of each year. Taxes are levied on property owners in July and are payable by November 30<sup>th</sup>. The County bills and collects property taxes for all taxing entities within the county through the Treasurer's Tax Collection Agency Fund. Collections are periodically distributed to the taxing entities, with final settlement due March 31<sup>st</sup> of the subsequent year. The County records a receivable and deferred revenue for delinquent taxes, but no allowance for doubtful accounts is made as uncollected taxes are deemed to be substantially collectible or recoverable through foreclosure.

***Inventories and other assets***

Inventories are valued at cost using the FIFO method and are accounted for under the consumption method.

Certain payments to vendors for goods and services reflect costs applicable to future accounting periods and are recorded as a component of other assets in both the government-wide and fund financial statements.

***Capital Assets***

The County defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost where historical cost information is not available. Donated capital assets are recorded at estimated fair value on the date of donation.

**DAVIS COUNTY, UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2007

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Capital assets purchased by governmental funds are recorded as expenditures in the governmental fund statements. Interest expense for capital asset construction related to governmental activities is not capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Infrastructure improvements, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Infrastructure	20 - 30
Buildings	40
Equipment	5 - 10

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

***Compensated Absences and Post-employment Benefits***

County employees accrue vacation leave up to a maximum of 360 hours according to the following schedule:

<u>Years of Service</u>	<u>Hours Accrued Per Pay Period</u>
0 – 5 years	4.00 (13 days per year)
6 – 10 years	4.93 (16 days per year)
11 – 15 years	5.85 (19 days per year)
Over 15 years	6.77 (22 days per year)

Employees are allowed to carry up to 360 hours of unused vacation leave into the next calendar year, and all unused vacation leave is paid to employees upon termination. Employees may also earn compensatory time but only at the discretion of the employee's supervisor. The rate is one and one-half hours for each hour worked, with a maximum of 80 hours that can be accrued.

Vacation and compensatory leave are recorded as an expenditure when used in governmental funds and as an expense when earned in proprietary funds and in the government-wide statements. A liability for unused vacation and compensatory leave is recorded in the government-wide Statement of Net Assets and proprietary funds.

Permanent full-time employees accrue sick leave at a rate of 3.7 hours for each two-week pay-period while part-time merit employees accrue sick leave at a pro-rated portion. There is no limit to the amount of sick leave accumulated. Once each year an eligible employee can convert 1/3 of that year's unused sick leave to vacation hours or pay. Sick leave is recorded as an expenditure/expense when used in all funds, and no liability is recorded for unused sick leave.

Upon retirement, the County may pay the employee up to 1/3 of unused accumulated sick leave hours. The employee may also use this amount to acquire health insurance. The County may also pay for premiums to maintain health and dental insurance coverage.

Expenditures for post-employment healthcare are recognized as premiums are paid. During 2007 Davis County incurred \$261,578 in such expenditures for 63 former employees, 51 of whom were still eligible for post-employment benefits as of December 31, 2007.

***Long-term Obligations***

In the government-wide statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities. When material, bond premiums, discounts, and issuance costs are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, bond premiums, discounts, and issuance costs are recognized as expenditures in the current period. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The face amount of debt issued is reported as other financing sources.

***Net Assets/Fund Balances***

The difference between assets and liabilities is *net assets* on the government-wide, proprietary fund, and fiduciary fund statements, and *fund balance* on the governmental fund statements.

In the governmental fund statements, fund balances are classified as reserved or unreserved. Reserves represent those portions of fund balance that are not appropriable for expenditure or are legally segregated for a specific future use. Unreserved fund balances are available for future appropriation, though some portions may be designated to represent management's tentative plans for specific future uses.

**DAVIS COUNTY, UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2007

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**E. Revenues and Expenditures**

Following are the County's significant policies related to recognition and reporting of certain revenues and expenditures.

***Revenue Availability***

Under the modified accrual basis of accounting, revenues are considered to be available when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. Davis County considers property tax revenues to be "available" if they are collected by the Treasurer's Tax Collection Agency Fund before year-end. Grants and similar items are recognized as revenue when all eligibility requirements have been met. All other revenues, including sales taxes, are considered to be available if they are collected within 60 days after year-end.

***Expenditure Recognition***

In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures, and proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

In proprietary funds and government-wide statements, expenses are recorded when the related liability is incurred. Proprietary funds distinguish operating expenses from nonoperating expenses. Operating expenses generally result from providing services in connection with the fund's principal operations. When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the County generally uses restricted resources first, then unrestricted resources.

**F. Interfund Activity and Balances**

***Government-wide Statements***

In general, eliminations have been made to minimize the double counting of internal activity, including internal service fund type activity. However, interfund services provided and used between different functional categories have not been eliminated in order to avoid distorting the direct costs and program revenues of the applicable functions. Interfund receivables and payables have been eliminated from the Statement of Net Assets, except for the residual amounts due between governmental and business-type activities, which are shown as "internal balances."

***Governmental Fund Statements***

Interfund transactions for goods and services provided and used are reported as revenues and expenditures/expenses in the funds involved. Cash transfers between funds of the County are reported as other financing sources and uses in the governmental fund statements.

**G. Budgeting and Budgetary Control**

Annual budgets are prepared and adopted before December 31 for the calendar year commencing the following January 1 in accordance with the Uniform Fiscal Procedures Act for Utah Counties. Once a budget has been adopted, it remains in effect until it has been formally revised. If any obligations are contracted for in excess of the adopted budget, they are not a valid or enforceable claim against the County. Budgets are adopted on a basis consistent with generally accepted accounting principles.

***Adopting the Annual Budget***

Each Fall the Clerk/Auditor submits a tentative operating budget to the County Commission for the calendar year commencing the following January 1st. The operating budget includes proposed expenditures and the means of financing them. The tentative operating budget is reviewed and tentatively adopted by the County Commission on or before November 1st.

Prior to December 31, the County Commission sets a date for a public hearing at which time the taxpayers' comments are heard. Copies of the proposed budget are made available for public inspection ten days prior to the budget hearing. After the budget hearing, the tentative budget, with any amendments is legally enacted through passage of a resolution. A copy of the budget is certified by the Clerk/Auditor and filed with the State Auditor within thirty days of adoption. A copy of the budget is available to the public after adoption.

Control of budgeted expenditures is exercised, under state law, at the department level. Administrative control is maintained through detailed line-item budgets for all departments. All appropriations lapse at the end of the calendar year.

Budgets for the General Fund, special revenue, debt service, and capital projects funds are legally required and are prepared and adopted on the modified accrual basis of accounting. Budgets for proprietary funds are not legally required.

***Modifying the Adopted Budget***

Transfers of unexpended appropriations from one expenditure account to another in the same department can be made by consent of the department heads. Transfers of unexpended appropriations from one department to another department, as well as budget reductions for any department, may be made with consent of the Commission. Expenditure appropriations of the General Fund may be increased by resolution only after a public hearing. Any other fund appropriation may be increased after giving public notice that the County Commission will consider such a matter. Notice must be published seven days in advance of the meeting to consider the action. During 2007, the County modified various budgets using the above procedure.

**DAVIS COUNTY, UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2007

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**NOTE 2. ACCOUNTING CHANGES AND RESTATEMENTS**

**A. Beginning Net Assets Adjustment**

The beginning net assets balance reported in the government-wide statement of activities was increased by \$993,843 as the result of revenues which should have been recognized in previous years, but were instead inadvertently reported as unearned revenue on the government-wide statement of net assets. The adjustment had no impact upon the fund financial statements.

**B. GASB Statement 48 – Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues**

Davis County has implemented GASB Statement 48, Sales and Pledges of Receivable and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues. Implementing this Statement did not result in any reporting changes during the year ended December 31, 2007.

**NOTE 3. DEPOSITS AND INVESTMENTS**

Deposits and investments for Davis County are regulated by the Utah Money Management Act ( *Utah Code*, Title 51, Chapter 7, “the Act”) and by rules of the Utah Money Management Council (“the Council”). Following are discussions of the County’s exposure to various risks related to its cash and investment activities.

**A. Custodial Credit Risk**

*Deposits.* Custodial credit risk for deposits is the risk that in the event of a bank failure, the County’s deposits may not be recovered. The County’s policy for managing custodial credit risk is to comply with the Money Management Act. The Act requires all deposits of County funds to be in a *qualified depository*, as defined as a financial institution whose deposits are insured by an agency of the federal government and which is certified by the Utah State Commissioner of Financial Institutions as meeting the requirements of the Act and complying to rules of the Utah Money Management Council.

The County’s deposits in financial institutions in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Association (NCUA) are uninsured and are not collateralized, nor are they required to be collateralized by state statutes. The County’s deposits on December 31, 2007 were \$13,197,921, of which \$12,997,921 were uninsured and uncollateralized.

*Investments.* Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. The County does not have a formal policy specific to custodial credit risk of investments. However, general risk is addressed in the adopted Investment Policy. Even though the County has held investments other than those in the Public Treasurers’ Investment Pool (PTIF) (investment pool managed by the Utah State Treasurer), such as commercial paper and medium-term notes, no investments outside the PTIF were held by the County during the calendar year 2007.

**B. Credit Risk**

Credit risk is the risk that the counterparty to an investment transaction will not fulfill its obligations. The County’s policy for limiting credit risk of investments is to comply with the Money Management Act. The Act requires investments transactions to be done only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits with qualified depositories; repurchase agreements; commercial paper classified as “first-tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s Investor Services or Standard & Poor’s; bankers acceptances; obligations of the U.S. Treasurer and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rated “A” or higher by two nationally recognized statistical rating organizations; and shares in money market fund as defined by the Act.

The County is also authorized to invest in the Utah Public Treasurer’s Investment Fund (PTIF), an external pooled investment fund managed by the elected Utah State Treasurer and staff. It is also subject to the Utah Money Management Act and Utah Money Management Council rules. The PTIF is restricted to public funds of public entities within the state of Utah. The PTIF is not registered with the Securities and Exchange Commission as an investment company and deposits in the PTIF are not insured or guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees of the PTIF are allocated based on the participants’ average daily balances. The value of the PTIF is approximately equal to the value of the pool shares. The County’s investments as of December 31, 2007 are shown on the following page.

**DAVIS COUNTY, UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2007

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<u>Investment Type</u>	<u>Value</u>	<u>Maturity</u>	<u>Quality/Rating</u>
Utah Public Treasurer's Investment Fund	\$56,814,091	59 days*	not rated

\* Weighted-average maturity, as reported by the PTIF

**C. Interest Rate Risk**

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

**D. 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 County manages this type of risk by compliance with the Act and rules of the Utah Money Management Council. Rule 2 of the Council limits investment in certain endowments and funds. Rule 17 of the Council limits investment with a single issuer of commercial paper and corporate obligations to between 5 and 10 percent, depending upon the total dollar amount held in a government's portfolio at the time of the purchase.

**NOTE 4. INTERFUND BALANCES AND LOANS**

Interfund balances arise as the pooled-cash balance of a specific fund becomes negative, thus technically drawing on the pooled-cash of other funds. Interfund balances and loans at December 31, 2007 consisted of the amounts below:

Due to General Fund from:	
Major Governmental Funds:	
Health Fund	469,392
Enterprise Funds:	
Golf Fund	<u>439,314</u>
Total due to General Fund from other funds	<u><u>\$ 908,706</u></u>

The amount owed from the Enterprise - Golf Course Fund to the General Fund is included as part of the internal balance reported on the government-wide Statement of Net Assets (Exhibit A).

**NOTE 5. INTERFUND TRANSFERS**

Transfers between funds occur primarily to finance programs accounted for in one fund with resources collected in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended December 31, 2007 are shown on the table on the next page.

**DAVIS COUNTY, UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2007

	Transfer In		Transfer Out	
Major Funds:				
General Fund .....	\$ 2,489,458	a, c, e, j, k	\$ 10,686,236	b
Health Fund .....	2,305,312	b	-	
Tourism Fund .....	-		2,141,000	h
Aging Services Fund .....	1,478,160	b	140,000	k
Special Service Area Fund .....	159,962	d	300,000	g
Davis Conference Center Capital Project Fund .....	800,000	h	3,203	i
Capital Projects Fund .....	1,975,000	b	-	
Golf Course Fund .....	-		34,000	e
Commissary Fund .....	-		293,206	a
Nonmajor Funds:				
Flood Control Fund .....	2,850,000	b, g	159,962	d
Paramedic Fund .....	2,250,000	b	750,000	c
Capital Projects / DMV MBA Fund .....	127,764	b	-	
MBA Operating Fund .....	-		331,345	f
MBA Debt Service Fund .....	331,345	f	-	
Conf. Ctr. Debt Service Fund .....	1,344,203	h, i	-	
Capital Projects / Jail Expansion Fund .....	-		1,272,252	j
Total Transfers In and Transfers Out .....	\$ 16,111,204		\$ 16,111,204	

- a) The General Fund received \$293,206 from the Commissary fund to support the general jail operations.
- b) The General Fund transferred general tax monies of the County to support senior service programs, health programs, flood control, and paramedic. The General Fund also transferred \$1,975,000 to the Capital Projects Fund and \$127,764 to the DMV MBA Capital Projects Fund for construction costs.
- c) The General Fund received \$750,000 from the Paramedic fund to support general paramedic operations.
- d) The Flood Control Fund transferred \$159,962 to the Special Service Area Fund to rent heavy equipment used in flood control projects.
- e) The Golf Courses Fund transferred \$34,000 to the General Fund to pay for administrative expenses.
- f) The MBA Operating Fund transferred \$331,345 to the MBA Debt Service Fund to make the 2007 debt service payments.
- g) The Special Service Area Fund transferred \$300,000 to the Flood Fund to help supplement for increased flood control operations in 2007.
- h) The Tourism Fund transferred \$1,341,000 to the Conference Center Debt Service Fund for debt service payments and \$800,000 to the Conference Center Capital Projects Fund for construction costs.
- i) The Conference Center Capital Projects Fund transferred \$3,203 to the Conference Center Debt Service Fund for debt service payments.
- j) The Capital Projects/Jail Expansion Fund transferred \$1,272,252 to the General Fund to reimburse the General Fund for capital costs related to the jail expansion construction cost paid by the General Fund.
- k) The Aging Services Fund transferred \$140,000 to the General Fund to reimburse the General Fund for the Heritage Center remodeling.

**DAVIS COUNTY, UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2007

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2007 was as follows:

	Capital Assets			
	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land and land improvements	\$ 8,695,919	\$ 496,689	\$ -	\$ 9,192,608
Land under infrastructure	20,089,172	743,586	-	20,832,758
Construction-in-progress	25,476,931	6,207,978	(25,041,811)	6,643,098
Total	<u>54,262,022</u>	<u>7,448,253</u>	<u>(25,041,811)</u>	<u>36,668,464</u>
Capital assets being depreciated:				
Buildings and Improvements	\$ 55,746,302	\$ 27,353,211	\$ (680,429)	\$ 82,419,084
Equipment	12,168,738	1,388,237	(169,791)	13,387,184
Infrastructure	17,985,467	1,127,629	(133,491)	18,979,605
Total	<u>85,900,507</u>	<u>29,869,077</u>	<u>(983,711)</u>	<u>114,785,873</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 17,455,242	\$ 2,068,203	\$ (357,225)	\$ 19,166,220
Equipment	9,382,553	1,364,126	(169,791)	10,576,888
Infrastructure	9,373,716	730,657	(133,491)	9,970,882
Total	<u>36,211,511</u>	<u>4,162,986</u>	<u>(660,507)</u>	<u>39,713,990</u>
Capital assets being depreciated, net	<u>49,688,996</u>	<u>25,706,091</u>	<u>(323,204)</u>	<u>75,071,883</u>
Governmental Activity Capital Assets, Net	<u>\$ 103,951,018</u>	<u>\$ 33,154,344</u>	<u>(25,365,015)</u>	<u>\$ 111,740,347</u>
<b>Business-type Activities:</b>				
Capital assets not being depreciated:				
Land and land improvements	\$ 3,418,600	\$ 32,911	\$ -	\$ 3,451,511
Construction-in-progress	-	13,407	-	13,407
Total	<u>3,418,600</u>	<u>46,318</u>	<u>-</u>	<u>3,464,918</u>
Capital assets being depreciated:				
Buildings and Improvements	\$ 1,443,426	\$ -	\$ -	\$ 1,443,426
Equipment	2,022,771	78,171	-	2,100,942
Total	<u>3,466,197</u>	<u>78,171</u>	<u>-</u>	<u>3,544,368</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 739,613	\$ 28,884	\$ -	\$ 768,497
Equipment	1,434,181	110,407	-	1,544,588
Total	<u>2,173,794</u>	<u>139,291</u>	<u>-</u>	<u>2,313,085</u>
Capital assets being depreciated, net	<u>1,292,403</u>	<u>(61,120)</u>	<u>-</u>	<u>1,231,283</u>
Business-type Activities Capital Assets, Net	<u>\$ 4,711,003</u>	<u>\$ (14,802)</u>	<u>\$ -</u>	<u>\$ 4,696,201</u>

Depreciation expense was charged to functions of the Primary Government as follows:

Governmental activities:	
General Government .....	\$ 972,692
Public Safety .....	1,848,720
Public Health and Welfare .....	133,776
Public Works .....	1,150,637
Depreciation on capital assets of the County's internal service funds	
is charged to the various functions based on their usage of the assets ...	57,161
Total .....	<u>\$ 4,162,986</u>
Business-type activities:	
Golf.....	<u>\$ 139,291</u>



**DAVIS COUNTY, UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2007

**NOTE 7. SHORT-TERM DEBT**

On July 11, 2007, Davis County issued \$10 million of tax anticipation notes at 4.5 percent interest. This short-term borrowing was necessary to meet operating needs prior to collection of property taxes in November. Total interest on these notes was \$171,700, and total principal and interest on the notes was paid in full on December 26, 2007.

**NOTE 8. LONG-TERM LIABILITIES**

**A. Changes in Long-term Liabilities**

Changes in long-term liabilities for the year ended December 31, 2007 were as follows:

	Long-term Liabilities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds .....	\$ 24,610,000	\$ —	\$ 865,000	\$ 23,745,000	\$ 940,000
Revenue Bonds .....	17,940,000	—	540,000	17,400,000	565,000
Municipal Building Revenue Bonds .....	2,843,000	—	203,000	2,640,000	212,000
Lease/Purchase line of credit .....	2,665,906	—	276,238	2,389,668	283,240
Compensated Absences .....	2,344,175	1,803,786	1,632,299	2,515,662	251,566
Total Governmental Long-term Liabilities. ....	\$ 50,403,081	\$ 1,803,786	\$ 3,516,537	\$ 48,690,330	\$ 2,251,806
<b>Business-type Activities:</b>					
Compensated Absences .....	\$ 112,911	\$ 43,788	\$ 61,664	\$ 95,035	\$ 9,504

The compensated absence liabilities are liquidated in the fund where the related employing department operates.

Additional information related to these long-term liabilities is found in the following tables including debt service requirements to maturity.

**B. General Obligation Bonds**

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. The County is subject to a statutory limitation, by the State of Utah, of bonded general obligation indebtedness of two percent of the most recent adjusted fair market value of taxable property. The limit for the County as of December 31, 2007 was \$448,647,050, providing a debt margin of \$424,902,050. General Obligation Bonds Payable at December 31, 2007 consisted of the following:

	General Obligation Bonds Payable			
	Issue Date	Maturity Date	Interest Rate	Original Amount
2005 Jail Expansion Bonds	1/11/05	2/1/25	3.00% - 4.75%	\$24,800,000
Total General Obligation Bonds Payable, net .....				\$ 23,745,000

**DAVIS COUNTY, UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2007

**General Obligation Bonds – Debt Service Requirement to Maturity**

Series 2005		
	Principal	Interest
2008 .....	\$ 940,000	\$ 957,250
2009 .....	970,000	928,600
2010 .....	1,000,000	899,050
2011 .....	1,030,000	867,313
2012 .....	1,070,000	829,175
2013 – 2017 ...	6,040,000	3,441,331
2018 – 2022 ...	7,390,000	2,088,831
2023 – 2025 ...	5,305,000	386,056
Total .....	<u>\$ 23,745,000</u>	<u>\$ 10,397,606</u>

**C. Sales Tax Revenue Bonds**

The County issues sales tax revenue bonds to provide funds for the acquisition, construction, and expansion of major capital facilities. These bonds are not considered general obligations of the County, but are special limited obligations secured by and payable solely from the County's Sales Tax receipts. Sales Tax Revenue Bonds Payable at December 31, 2007 consisted of the following:

Sales Tax Revenue Bonds Payable					
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance December 31, 2007
2003 Conference Center B .....	10/23/03	10/01/23	2.00% to 5.25%	\$ 8,250,000	\$ 7,640,000
2006 Conference Center Expansion .....	9/12/06	10/01/27	4.00% to 4.375%	9,955,000	9,760,000
Total Sales Tax Revenue Bonds Payable.....					<u>\$ 17,400,000</u>

**Sales Tax Revenue Bonds – Debt Service Requirement to Maturity**

	Series 2003B		Series 2006		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2008 .....	\$ 355,000	\$ 345,045	\$ 210,000	\$ 417,273	\$ 565,000	\$ 762,318
2009 .....	360,000	335,993	215,000	408,873	575,000	744,866
2010 .....	375,000	325,553	225,000	399,735	600,000	725,288
2011 .....	385,000	313,365	235,000	390,173	620,000	703,538
2012 .....	400,000	299,890	245,000	380,185	645,000	680,075
2013 – 2017 ...	2,245,000	1,248,502	1,390,000	1,735,600	3,635,000	2,984,102
2018 – 2022 ...	2,855,000	638,935	1,710,000	1,413,875	4,565,000	2,052,810
2023 – 2027 ...	665,000	34,912	5,530,000	806,335	6,195,000	841,247
Total .....	<u>\$ 7,640,000</u>	<u>\$ 3,542,195</u>	<u>\$ 9,760,000</u>	<u>\$ 5,952,049</u>	<u>\$ 17,400,000</u>	<u>\$ 9,494,244</u>

**DAVIS COUNTY, UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**D. Lease Revenue Bonds**

Lease revenue bonds are issued by the Municipal Building Authority of Davis County, a blended component unit of the County. These bonds are not considered general obligations of the County, but are special limited obligations payable from the lease revenues derived from the assets acquired or constructed with bond proceeds. Lease Revenue Bonds Payable at December 31, 2007 consists of the following:

<b>Lease Revenue Bonds Payable</b>					
	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Original Amount</b>	<b>Balance December 31, 2007</b>
1994 Head Start	6/15/94	06/15/09	2.00% to 2.08%	\$ 1,165,000	\$ 170,000
2001 Wasatch Front Regional Council	9/04/01	09/04/19	2.00% to 5.25%	1,153,000	894,000
2006 DMV	5/11/06	11/01/26	4.56% to 5.75%	1,626,000	1,576,000
Total Lease Revenue Bonds Payable.....					<u>\$ 2,640,000</u>

<b>Lease Revenue Bonds – Debt Service Requirement to Maturity</b>								
	<b>Series 1994 HD</b>		<b>Series 2001 WFRC</b>		<b>Series 2006 DMV</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2008	\$ 110,000	\$ 8,966	\$ 50,000	\$ 43,127	\$ 52,000	\$ 83,395	\$ 212,000	\$ 135,488
2009	60,000	1,905	53,000	40,621	54,000	81,014	167,000	123,540
2010	—	—	55,000	37,939	57,000	78,524	112,000	116,463
2011	—	—	59,000	35,104	60,000	75,880	119,000	110,984
2012	—	—	61,000	32,107	62,000	73,078	123,000	105,185
2013– 2017	—	—	355,000	112,253	357,000	318,556	712,000	430,809
2018 –2022	—	—	261,000	19,401	462,000	215,379	723,000	234,780
2023 –2026	—	—	—	—	472,000	69,579	472,000	69,579
Total .....	<u>\$ 170,000</u>	<u>\$ 10,871</u>	<u>\$ 894,000</u>	<u>\$320,552</u>	<u>\$ 1,576,000</u>	<u>\$995,405</u>	<u>\$ 2,640,000</u>	<u>\$ 1,326,828</u>

**E. Lease / Purchase line of credit**

On January 22, 2002 Davis County entered into a financing agreement with Zions First National Bank to provide a maximum of \$5,400,000 to pay for preliminary site improvements on a jail expansion and other small projects. The lease requires annual appropriations by the County Commission and is secured by the improvements that are being constructed. The interest rate is variable at 70 percent of the Prime Lending Rate of the Bank. Lease payments are made annually in January. The balance of the line of credit at December 31, 2007 was \$2,389,668.

**NOTE 9. NET ASSETS/FUND BALANCES**

**A. Restricted Net Assets**

The government-wide statement of net assets reports \$14,663,159 of restricted net assets, none of which is restricted by enabling legislation.

**B. Reserved Fund Balance**

Davis County's reserved fund balances represent amounts that are legally restricted for specific purposes by external contracts, bond agreements, or county ordinances. The purposes for the reservations are noted on the face of the statements.

**DAVIS COUNTY, UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 10. RETIREMENT PLANS**

**A. Pension Plans**

Davis County contributes to the Local Government Noncontributory Retirement System, the Public Safety Retirement System, and the Public Service Contributory Retirement System, (collectively, the Systems), all of which are cost-sharing multiple-employer defined benefit pension plans. The Systems are administered by Utah Retirement Systems (URS) under the direction of the URS Board, which consists of the State Treasurer and six members appointed by the governor. URS is established under and governed by Title 49 of *Utah Code Annotated, 1953*, as amended (UCA). URS publishes an annual financial report that includes financial statements and required supplementary information for all retirement systems and deferred compensation plans administered by it. Copies of the report may be obtained by writing to Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102; by calling 1-800-365-8772; or by visiting [www.urs.org](http://www.urs.org).

Retirement benefits, as specified by UCA Title 49, cover substantially all employees of the State, public education, and other political subdivisions of the State. Only the State Legislature can modify benefits. The Systems provide pension, death, and disability benefits for employees who meet all eligibility requirements. Employees are eligible for retirement benefits upon attainment of the age specified for their employment classification or a combination of age plus years of service. A brief summary of eligibility, benefits, and contribution rates of the Systems is provided in the table below.

Expenditures or expenses for retirement costs are recorded in the County's funds as contributions are made to the Systems. Contributions made each year were equal to the contributions required by the County's contract with URS. Therefore, the County has no liability for pension obligations.

	<b>General Government</b>	<b>Public Safety System</b>
	<b>Noncontributory System</b>	<b>Contributory System      Noncontributory System</b>
Highest Average Salary	Highest 3 Years	Highest 3 Years
Years of Service and Age of Eligibility	30 years any age 25 years any age (a) 20 years age 60 (a) 10 years age 62 (a) 4 years age 65	20 years any age 10 years age 60 4 years age 65
Benefit Percent per Year of Service	2.00% per year	2.50% per year up to 20 years 2.00% per year over 20 years Benefit cannot exceed 70% of final average salary.
Annual Cost of Living Adjustment	up to 4.00%	up to 2.50%
2007 Rates as Percent of Covered Payroll:		
January-June 2007		
Employer	11.59%	22.38%
Member	0.00%	0.92%
July-December 2007		
Employer	11.62%	22.61%
Member	0.00%	0.90%
Actual County Contributions Made, by year:		
2007	\$ 2,339,234	\$ 53,420      \$ 1,898,410
2006	\$ 2,037,895	\$ 54,584      \$ 1,562,297
2005	\$ 1,953,318	\$ 46,861      \$ 1,353,364

(a) Requires full actuarial reductions

**DAVIS COUNTY, UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2007

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**B. Deferred Compensation Plans**

The County participates in a 401(k) Plan and a 457 Plan (collectively, the Plans), both of which are defined contribution plans administered by URS. The Plans are in addition to the retirement benefits outlined above. Voluntary contributions may be made to the Plans subject to URS and Internal Revenue Service limitations. The County contributes a matching amount up to 5.0 percent of eligible employees' salaries to the 401(k) Plan, and employees may contribute to both Plans up to maximum percentages allowed by IRS regulations.

Account balances of the Plans are fully vested to the participants at the time of deposit. All assets and income of the Plans are held by URS for the exclusive benefit of the participants or their beneficiaries. For the year ended December 31, 2007, Davis County contributed \$1,661,021 to employees' 401(k) Plans.

**NOTE 11. RISK MANAGEMENT**

The County 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. The County purchases commercial insurance through the Utah Counties Insurance Pool to mitigate the costs of these risks. The County's responsibility extends only to payment of premiums and deductibles. Deductibles are \$500 for general liability claims and \$1,000 for auto physical damage. The amount of settlements has not exceeded insurance coverage since the inception of commercial insurance coverage in 1998. The County also purchases a \$10,000,000 excessive policy from States Insurance.

The County maintains the Risk Management Fund (an internal service fund) to account for the cost of commercial insurance and to finance its risk of losses not covered by insurance. All departments of the County make payments to the Risk Management Fund based on estimates of each department's insurable risks of loss and on amounts needed to pay prior and current-year uninsured claims.

**NOTE 12. LITIGATION AND CONTINGENCIES**

The County records liabilities resulting from claims and legal actions when they become fixed or determinable in amount. The County is currently the defendant in several pending lawsuits. Legal counsel is of the opinion that potential claims against the County resulting from such litigation not covered by insurance do not pose a threat of significant liability to the County.

The County has received several federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, the County believes such disallowances, if any, will be immaterial.

**NOTE 13. JOINT VENTURES – South Davis Metro Fire District**

The South Davis Metro Fire District was created through an inter-local governmental agreement among various municipalities in southern Davis County. The District exists to provide fire protection and ambulance services to those entities involved in the agreement. The District is governed by a 7-member board consisting of representatives from each of the five cities and also two from the County. The Board is responsible for directing all activities of the District including approving an annual budget and appointing the Chief. Separate financial information can be obtained from South Davis Metro Fire District, 255 South 100 West, Bountiful, Utah 84011.

The South Davis Metro Fire District receives its funding from an annual assessment paid by each participant. The assessment is allocated based on taxable value of each participating entity. In 2007, the County participated as a representative of the citizens of the unincorporated area of the County. The payment is recorded as part of the Special Service Area Fund. The County payment for 2007 was \$126,369. It represents only 3.11% of the total operating costs of the District.

**NOTE 14. COMMITMENT - South Davis Recreation District / Inter-local agreement**

In 2005 Davis County entered into an inter-local financing agreement with the South Davis Recreation District and Bountiful City for Bountiful City to provide \$2,000,000 to pay for the construction of an ice arena for the development of tourism within the District. The agreement advanced \$2 million dollars to the South Davis Recreation District from Bountiful City. The County committed to use monies from its Tourism fund over a ten-year period to help the District repay this advance to Bountiful City. The agreement requires annual appropriations by the County Commission. The commitment is not considered a long-term debt of the County since the County received no proceeds nor did the County receive any assets, but rather, the County entered the agreement to support the South Davis Recreation District since it benefits the Citizens of the County, as well as, promotes tourism in the County. Should the Commissioners elect annually to fund the payment, the payment schedule is shown on the table below with semiannual principal and interest payments due before July 1 and December 31 of each year to the District. The interest rate is 3.5%. The balance of the inter-local agreement at December 31, 2007 was \$1,653,506.

**DAVIS COUNTY, UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2007

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**SDRD Inter-Local Agreement – Debt Service Requirement to Maturity**

	<b>2005 SDRD ILA</b>	
	<b>Principal</b>	<b>Interest</b>
2008 .....	\$ 182,475	\$ 56,290
2009 .....	188,917	49,847
2010 .....	195,587	43,177
2011 .....	202,493	36,272
2012 .....	209,642	29,123
2013 – 2015 .....	674,392	41,904
Total .....	<u>\$ 1,653,506</u>	<u>\$ 256,613</u>



[www.daviscountyutah.gov](http://www.daviscountyutah.gov)

# Required Supplementary Information



**13th Annual Davis County Bird Festival**  
**May 17 - 21, 2007**



**DAVIS COUNTY, UTAH**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
Year Ended December 31, 2007

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**Budgeting and Budgetary Control**

As more fully explained in Note 1 of the Notes to the Financial Statements, annual budgets are prepared and adopted before December 31 for the calendar year commencing the following January 1 in accordance with the Uniform Fiscal Procedures Act for Utah Counties. State law requires budgeted revenues to equal budgeted expenditures, and legal control is exercised at the division level. Once a budget has been adopted, it remains in effect until it has been formally revised. Budgets for the General Fund, special revenue, debt service, and capital projects funds are legally required and are prepared and adopted on the modified accrual basis of accounting. Therefore, no reconciliation between budgetary schedules and the GAAP statements is required.

The budgetary comparison schedules presented in this section of the report are for the General Fund and each of the County's major special revenue funds. Budgetary comparison schedules for the County's other governmental funds are included as Supplementary Information. Original budgets represent the revenue estimates and spending authorized by the Board of County Commissioners prior to January 1. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the County Commissioners through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

DAVIS COUNTY

EXHIBIT L

(Page 1 of 4)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes:				
Current property taxes	\$ 26,105,000	\$ 27,079,922	\$ 25,868,380	\$ (1,211,542)
Delinquent prior years' taxes	855,000	855,000	682,701	(172,299)
Penalties and interest	440,000	440,000	618,552	178,552
Fee-in-lieu	2,590,000	2,594,582	2,677,457	82,875
Sales tax	10,600,000	10,600,000	11,364,885	764,885
Total	40,590,000	41,569,504	41,211,975	(357,529)
Licenses and permits:				
Marriage licenses	23,000	23,000	22,555	(445)
Animal licenses	241,477	241,477	221,267	(20,210)
Total	264,477	264,477	243,822	(20,655)
Intergovernmental revenues:				
Federal - emergency services	40,000	252,332	60,932	(191,400)
Federal payment in lieu of taxes	45,000	45,000	46,278	1,278
I.N.S. grant	125,000	125,000	-	(125,000)
State grants:				
State forest service	7,500	7,500	7,500	-
Victim services	93,000	93,000	94,188	1,188
EMS per capita	39,247	39,247	36,777	(2,470)
Children's Justice Centers	180,699	180,699	173,430	(7,269)
RSAT grant	35,000	35,000	33,669	(1,331)
Drug Court grant	275,000	275,000	278,749	3,749
DUI grant	100,000	100,000	173,583	73,583
Voter Outreach Grant	-	100,650	370,650	270,000
Miscellaneous Contracts	138,724	156,220	95,824	(60,396)
Total	1,079,170	1,409,648	1,371,580	(38,068)

(Continued)

**DAVIS COUNTY**

**EXHIBIT L**

(Page 2 of 4)

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Charges for services:				
Clerk fees	\$ 80,000	\$ 140,000	\$ 153,099	\$ 13,099
Recorder fees	1,670,000	1,670,000	1,893,757	223,757
A.L.S. fees	109,000	109,000	122,301	13,301
Sheriff fees	1,012,380	1,020,925	1,012,733	(8,192)
Jail fees	6,768,600	6,768,600	6,540,095	(228,505)
Drug court participation fees	6,200	50,700	100,647	49,947
Microfilming fees	80,000	80,000	83,474	3,474
Surveyor filing fees	5,000	5,000	6,533	1,533
Wellness program fees	1,300	1,300	1,753	453
Animal shelter fees	630,264	630,264	638,462	8,198
Causeway user fees	100,000	100,000	100,033	33
Attorney fees	79,700	79,700	49,823	(29,877)
Miscellaneous fees	55,700	55,700	54,176	(1,524)
Total	10,598,144	10,711,189	10,756,886	45,697
Fines and forfeitures:				
Justice court	1,725,000	1,725,000	1,622,640	(102,360)
Other court	32,000	32,000	8,440	(23,560)
Total	1,757,000	1,757,000	1,631,080	(125,920)
Interest	200,000	200,000	107,791	(92,209)
Miscellaneous:				
Rent	215,000	215,000	258,925	43,925
Sundry:				
Public defender	160,000	160,000	151,433	(8,567)
Information systems	302,000	302,000	287,321	(14,679)
Clerk/Auditor	50,500	243,850	237,436	(6,414)
Attorney	5,500	5,500	13,345	7,845
Personnel	66,000	66,000	46,125	(19,875)
Children's Justice Center	-	71,489	73,530	2,041

(Continued)

**DAVIS COUNTY**

**EXHIBIT L**

(Page 3 of 4)

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Miscellaneous (continued):				
Treasurer	\$ 3,500	\$ 3,500	\$ 11,284	\$ 7,784
Surveyor	-	-	2,160	2,160
Jail	-	-	4,389	4,389
S.S. revenues	2,000	2,000	10,800	8,800
Sundry	53,300	234,550	1,046,984	812,434
Total	857,800	1,303,889	2,143,732	839,843
TOTAL REVENUES	55,346,591	57,215,707	57,466,866	251,159
EXPENDITURES:				
General government:				
Commissioners	649,719	652,862	641,130	(11,732)
Drug court	276,394	328,378	289,037	(39,341)
Justice court	553,404	556,479	544,574	(11,905)
Legal defender	1,212,412	1,212,412	1,178,524	(33,888)
Personnel	782,677	811,371	708,027	(103,344)
Information systems	3,980,611	3,788,260	3,292,541	(495,719)
Clerk/Auditor	2,112,558	2,469,599	2,013,667	(455,932)
Treasurer	493,013	494,900	480,872	(14,028)
Recorder	1,221,954	1,222,472	1,173,257	(49,215)
Attorney	2,729,897	2,742,151	2,615,222	(126,929)
Assessor	1,983,849	2,115,771	1,942,633	(173,138)
Surveyor	592,218	592,218	509,012	(83,206)
Victim services	320,172	320,172	286,836	(33,336)
Children's Justice Center	246,386	310,688	279,619	(31,069)
USU AG Extension	176,500	176,500	176,500	-
Non-departmental	2,869,403	2,629,431	2,386,845	(242,586)
Total	20,201,167	20,423,664	18,518,296	(1,905,368)

(Continued)

DAVIS COUNTY

EXHIBIT L

(Page 4 of 4)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Public safety:				
Sheriff	\$ 10,058,732	\$ 10,234,357	\$ 9,866,241	(368,116)
State forest fire protection	52,500	52,500	22,584	(29,916)
Jail	15,345,067	15,369,792	13,379,603	(1,990,189)
Animal services	1,622,450	1,651,204	1,620,493	(30,711)
Total	27,078,749	27,307,853	24,888,921	(2,418,932)
Public health - poor and indigent	3,000	3,000	1,300	(1,700)
Public works - vehicle maintenance	295,001	295,001	286,030	(8,971)
Debt service:				
Principal retirement	300,000	300,000	276,238	(23,762)
Interest and other	225,000	225,000	149,254	(75,746)
Total	525,000	525,000	425,492	(99,508)
Capital outlay	324,877	921,638	862,072	(59,566)
TOTAL EXPENDITURES	48,427,794	49,476,156	44,982,111	(4,494,045)
EXCESS OF REVENUES OVER EXPENDITURES	6,918,797	7,739,551	12,484,755	4,745,204
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	50,000	50,000	177,054	127,054
Transfers in	3,912,000	5,302,000	2,489,458	(2,812,542)
Transfers out	(10,410,967)	(10,703,867)	(10,686,236)	17,631
Total	(6,448,967)	(5,351,867)	(8,019,724)	(2,667,857)
NET CHANGE IN FUND BALANCES	469,830	2,387,684	4,465,031	2,077,347
FUND BALANCE, BEGINNING OF YEAR	6,009,599	6,590,777	6,590,777	-
FUND BALANCE, END OF YEAR	\$ 6,479,429	\$ 8,978,461	\$ 11,055,808	2,077,347

(Concluded)

## DAVIS COUNTY

## EXHIBIT M

## HEALTH FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 5,535,264	\$ 5,659,751	\$ 5,836,254	\$ 176,503
Charges for services	3,660,300	3,668,500	3,317,091	(351,409)
Miscellaneous	6,000	23,960	470	(23,490)
Total	9,201,564	9,352,211	9,153,815	(198,396)
EXPENDITURES:				
Public health:				
Salaries and benefits	7,259,180	7,003,280	6,406,982	(596,298)
Operating expenditures	1,734,422	2,138,549	2,300,347	161,798
Food vouchers	2,720,200	2,720,200	2,708,759	(11,441)
Total	11,713,802	11,862,029	11,416,088	(445,941)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(2,512,238)	(2,509,818)	(2,262,273)	247,545
OTHER FINANCING SOURCES:				
Transfers in	2,040,312	2,460,712	2,305,312	(155,400)
Total	2,040,312	2,460,712	2,305,312	(155,400)
NET CHANGE IN FUND BALANCES	(471,926)	(49,106)	43,039	92,145
FUND BALANCE, BEGINNING OF YEAR	471,926	34,107	34,107	-
FUND BALANCE, END OF YEAR	\$ -	\$ (14,999)	\$ 77,146	\$ 92,145

## DAVIS COUNTY

## EXHIBIT N

**TOURISM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUE:				
Taxes	\$ 4,030,000	\$ 4,030,000	\$ 4,013,565	\$ (16,435)
Intergovernmental revenues	-	-	9,302	9,302
Charges for services	510,000	510,000	495,348	(14,652)
Interest	100,000	100,000	133,353	33,353
Miscellaneous	31,000	31,000	89,635	58,635
Total	4,671,000	4,671,000	4,741,203	70,203
EXPENDITURES:				
General government:				
Salaries and benefits	1,187,552	1,187,552	1,170,122	(17,430)
Operating expenditures	2,563,842	2,577,642	2,390,956	(186,686)
Capital outlay	282,000	303,000	238,220	(64,780)
Total	4,033,394	4,068,194	3,799,298	(268,896)
EXCESS OF REVENUES OVER EXPENDITURES	637,606	602,806	941,905	339,099
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	-	671	671
Transfer out	(2,141,000)	(2,141,000)	(2,141,000)	-
Total	(2,141,000)	(2,141,000)	(2,140,329)	671
NET CHANGE IN FUND BALANCES	(1,503,394)	(1,538,194)	(1,198,424)	339,770
FUND BALANCE, BEGINNING OF YEAR	2,507,877	2,869,260	2,869,260	-
FUND BALANCE, END OF YEAR	\$ 1,004,483	\$ 1,331,066	\$ 1,670,836	\$ 339,770

## DAVIS COUNTY

## EXHIBIT O

## LIBRARY FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 5,487,942	\$ 5,787,472	\$ 5,846,265	\$ 58,793
Intergovernmental revenues	125,000	125,000	122,633	(2,367)
Charges for services	1,000	1,000	1,072	72
Fines and forfeitures	190,000	190,000	186,247	(3,753)
Interest	1,000	1,000	-	(1,000)
Miscellaneous	8,300	8,300	21,518	13,218
Total	5,813,242	6,112,772	6,177,735	64,963
EXPENDITURES:				
General government:				
Salaries and benefits	3,722,211	3,659,211	3,544,536	(114,675)
Operating expenditures	1,618,379	1,992,379	2,026,095	33,716
Capital outlay	345,000	160,000	146,363	(13,637)
Total	5,685,590	5,811,590	5,716,994	(94,596)
EXCESS OF REVENUES OVER EXPENDITURES	127,652	301,182	460,741	159,559
OTHER FINANCING SOURCES - Sale of capital assets	-	-	474	474
NET CHANGE IN FUND BALANCES	127,652	301,182	461,215	160,033
FUND BALANCE, BEGINNING OF YEAR	650,214	677,912	677,912	-
FUND BALANCE, END OF YEAR	\$ 777,866	\$ 979,094	\$ 1,139,127	\$ 160,033



## DAVIS COUNTY

## EXHIBIT P

## AGING SERVICES FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 2,064,091	\$ 2,079,091	\$ 2,116,219	\$ 37,128
Charges for services	255,000	255,000	247,648	(7,352)
Interest	-	-	11,551	11,551
Miscellaneous	58,500	58,500	59,277	777
Total	2,377,591	2,392,591	2,434,695	42,104
EXPENDITURES:				
General government:				
Salaries and benefits	1,591,074	1,821,074	1,695,745	(125,329)
Operating expenditures	1,839,882	1,834,613	1,781,761	(52,852)
Capital outlay	345,000	365,269	134,676	(230,593)
Total	3,775,956	4,020,956	3,612,182	(408,774)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,398,365)	(1,628,365)	(1,177,487)	450,878
OTHER FINANCING SOURCES (USES):				
Transfers in	978,155	1,478,155	1,478,160	5
Transfers out	-	(140,000)	(140,000)	-
Total	978,155	1,338,155	1,338,160	5
NET CHANGE IN FUND BALANCES	(420,210)	(290,210)	160,673	450,883
FUND BALANCE, BEGINNING OF YEAR	420,210	464,747	464,747	-
FUND BALANCE, END OF YEAR	\$ -	\$ 174,537	\$ 625,420	\$ 450,883

**DAVIS COUNTY****EXHIBIT Q****SPECIAL SERVICE AREA FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>Budgeted Amounts</b>			<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
REVENUES:				
Property taxes	\$ 285,000	\$ 345,558	\$ 369,903	\$ 24,345
Sales taxes	775,000	775,000	673,664	(101,336)
Grants	-	-	8,815	8,815
Intergovernmental revenues	1,100,000	1,100,000	1,126,766	26,766
Charges for services	47,000	47,000	32,024	(14,976)
Interest	-	-	144,474	144,474
Miscellaneous	300,000	300,000	39,469	(260,531)
Total	2,507,000	2,567,558	2,395,115	(172,443)
EXPENDITURES:				
General government:				
Salaries and benefits	45,573	45,573	-	(45,573)
Operating expenditures	317,565	317,565	294,091	(23,474)
Public works:				
Salaries and benefits	700,000	700,000	525,700	(174,300)
Operating expenditures	552,330	682,330	553,508	(128,822)
Capital outlay	979,000	849,000	371,423	(477,577)
Total expenditures	2,594,468	2,594,468	1,744,722	(849,746)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(87,468)	(26,910)	650,393	677,303
OTHER FINANCING SOURCES (USES):				
Transfers in	50,000	50,000	159,962	109,962
Transfers out	(400,000)	(400,000)	(300,000)	100,000
Sale of capital assets	-	-	2,300	2,300
Total	(350,000)	(350,000)	(137,738)	212,262
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(437,468)	(376,910)	512,655	889,565
FUND BALANCE, BEGINNING OF YEAR	1,751,667	2,381,568	2,381,568	-
FUND BALANCE, END OF YEAR	\$ 1,314,199	\$ 2,004,658	\$ 2,894,223	\$ 889,565

# Supplementary Information



**14th Annual Davis County Moonlight Bike Ride**  
**Antelope Island State Park**  
**June 29, 2007**

## **Nonmajor Governmental Funds**

### **Flood Control Special Revenue Fund**

This fund accounts for all activities of the Public Works Department that relate to the flood channels managed by the County.

### **Emergency 911 Dispatch Special Revenue Fund**

This fund accounts for revenues and expenditures related to the 911 emergency numbers.

### **Paramedic Special Revenue Fund**

This fund accounts for the costs associated with the interlocal agreement the County has with the South Davis Metro Fire Agency and the Layton Fire Department for paramedic services in parts of the County.

### **Municipal Building Authority DMV Capital Project Fund**

This fund accounts for the revenues and expenditures related to construction of the Department of Motor Vehicle (DMV) Building which the State of Utah began leasing through the County's Municipal Building Authority. Construction of the DMV Building was completed during 2007 and this fund was closed upon completion.

### **Municipal Building Authority Special Revenue Fund**

This fund accounts for monies received by the County related to the rental of County buildings.

### **Municipal Building Authority Debt Service Fund**

This fund accounts for the revenues and expenditures related to the long-term debt of the County Municipal Building Authority Bonds.

### **Conference Center Debt Service Fund**

This fund accounts for the revenues and expenditures related to the long-term debt of the County's Conference Center Revenues Bonds.

### **Capital Projects / Jail Expansion Fund**

This fund accounts for the cost of construction of the Davis County Jail expansion. Construction on the Jail was completed during 2007 and this fund was closed upon completion.

## DAVIS COUNTY

### COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2007

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	<b>Flood Control Fund</b>	<b>Emergency 911 Dispatch Fund</b>	<b>Paramedic Fund</b>	<b>MBA DMV Capital Project Fund</b>
<b>ASSETS</b>				
Cash and investments	\$ 629,081	\$ 187,657	\$ 956,884	\$ -
Accounts Receivable	-	202,411	-	-
<b>TOTAL ASSETS</b>	<b>629,081</b>	<b>390,068</b>	<b>956,884</b>	<b>-</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities	67,961	17,715	-	-
Deferred revenue	-	-	-	-
<b>Total liabilities</b>	<b>67,961</b>	<b>17,715</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>				
Undesignated	561,120	372,353	956,884	-
<b>Total fund balances</b>	<b>561,120</b>	<b>372,353</b>	<b>956,884</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>629,081</b>	<b>390,068</b>	<b>956,884</b>	<b>-</b>

SUPPLEMENTAL SCHEDULE 1

<b>Municipal Building Authority Fund</b>	<b>MBA Debt Service Fund</b>	<b>Conf. Center Debt Service Fund</b>	<b>Capital Project Jail Expansion Fund</b>	<b>Total</b>
\$ 273,927	\$ -	\$ 13,265	\$ -	\$ 2,060,814
-	-	-	-	202,411
273,927	-	13,265	-	2,263,225
-	-	-	-	85,676
13,257	-	-	-	13,257
13,257	-	-	-	98,933
260,670	-	13,265	-	2,164,292
260,670	-	13,265	-	2,164,292
273,927	-	13,265	-	2,263,225

# DAVIS COUNTY

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2007

	Flood Control Fund	Emergency 911 Dispatch Fund	Paramedic Fund	MBA DMV Capital Project Fund
REVENUES:				
Charges for services	\$ -	\$ 1,168,937	\$ -	\$ -
Interest	25,600	12,199	25,802	54,918
Miscellaneous	41,032	30,873	-	-
Total	66,632	1,212,009	25,802	54,918
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	1,436,411	1,106,700	-
Public works	1,206,230	-	-	-
Debt Service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	21,419
Capital outlay	1,009,729	-	-	1,455,035
Total	2,215,959	1,436,411	1,106,700	1,476,454
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,149,327)	(224,402)	(1,080,898)	(1,421,536)
OTHER FINANCING SOURCES (USES):				
Transfers in	2,850,000	-	2,250,000	127,764
Transfers out	(159,962)	-	(750,000)	-
Total	2,690,038	-	1,500,000	127,764
NET CHANGE IN FUND BALANCE	540,711	(224,402)	419,102	(1,293,772)
FUND BALANCES, BEGINNING OF YEAR	20,409	596,755	537,782	1,293,772
FUND BALANCES, END OF YEAR	\$ 561,120	\$ 372,353	\$ 956,884	\$ -

**SUPPLEMENTAL SCHEDULE 2**

<b>Municipal Building Authority</b>	<b>MBA Debt Service</b>	<b>Conf. Center Debt Service</b>	<b>Capital Project Jail Expansion</b>	<b>Total</b>
<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	
\$ -	\$ -	\$ -	\$ -	\$ 1,168,937
15,057	-	-	59,309	192,885
301,819	-	-	-	373,724
316,876	-	-	59,309	1,735,546
7	-	-	-	7
-	-	-	148,384	2,691,495
-	-	-	-	1,206,230
-	203,000	540,000	-	743,000
-	128,345	790,938	-	940,702
-	-	-	1,151,280	3,616,044
7	331,345	1,330,938	1,299,664	9,197,478
316,869	(331,345)	(1,330,938)	(1,240,355)	(7,461,932)
-	331,345	1,344,203	-	6,903,312
(331,345)	-	-	(1,272,252)	(2,513,559)
(331,345)	331,345	1,344,203	(1,272,252)	4,389,753
(14,476)	-	13,265	(2,512,607)	(3,072,179)
275,146	-	-	2,512,607	5,236,471
\$ 260,670	\$ -	\$ 13,265	\$ -	\$ 2,164,292



## DAVIS COUNTY

## SUPPLEMENTAL SCHEDULE 3

## FLOOD CONTROL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUE:				
Interest	\$ -	\$ -	\$ 25,600	\$ 25,600
Miscellaneous	-	-	41,032	41,032
Total	-	-	66,632	66,632
EXPENDITURES:				
Public works:				
Salaries and benefits	967,481	967,481	1,049,755	82,274
Operating expenditures	171,308	171,308	156,475	(14,833)
Capital outlay	1,570,000	1,570,000	1,009,729	(560,271)
Total	2,708,789	2,708,789	2,215,959	(492,830)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(2,708,789)	(2,708,789)	(2,149,327)	559,462
OTHER FINANCING SOURCES (USES):				
Transfers in	2,900,000	2,900,000	2,850,000	(50,000)
Transfers out	-	-	(159,962)	(159,962)
Total	2,900,000	2,900,000	2,690,038	(209,962)
NET CHANGE IN FUND BALANCE	191,211	191,211	540,711	349,500
FUND BALANCE, BEGINNING OF YEAR	14,775	20,409	20,409	-
FUND BALANCE, END OF YEAR	\$ 205,986	\$ 211,620	\$ 561,120	\$ 349,500

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 4

EMERGENCY 911 DISPATCH FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUE:				
Charges for services	\$ 1,520,200	\$ 1,520,200	\$ 1,168,937	\$ (351,263)
Interest	-	-	12,199	12,199
Miscellaneous	20,952	20,952	30,873	9,921
Total	<u>1,541,152</u>	<u>1,541,152</u>	<u>1,212,009</u>	<u>(329,143)</u>
EXPENDITURES:				
Public safety:				
Salaries and benefits	1,209,593	1,209,593	1,194,612	(14,981)
Operating expenditures	<u>381,551</u>	<u>381,551</u>	<u>241,799</u>	<u>(139,752)</u>
Total	<u>1,591,144</u>	<u>1,591,144</u>	<u>1,436,411</u>	<u>(154,733)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(49,992)</u>	<u>(49,992)</u>	<u>(224,402)</u>	<u>(174,410)</u>
OTHER FINANCING USES:				
Transfers out	<u>(322,000)</u>	<u>(322,000)</u>	<u>-</u>	<u>322,000</u>
NET CHANGE IN FUND BALANCE	(371,992)	(371,992)	(224,402)	147,590
FUND BALANCE, BEGINNING OF YEAR	<u>371,992</u>	<u>596,755</u>	<u>596,755</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ 224,763</u>	<u>\$ 372,353</u>	<u>\$ 147,590</u>

**DAVIS COUNTY**

**SUPPLEMENTAL SCHEDULE 5**

**PARAMEDIC FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES:				
Interest	\$ -	\$ -	\$ 25,802	\$ 25,802
EXPENDITURES:				
Public safety:				
Operating expenditures	1,125,000	1,125,000	1,106,700	(18,300)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,125,000)	(1,125,000)	(1,080,898)	44,102
OTHER FINANCING SOURCES (USES):				
Transfers in	2,250,000	2,250,000	2,250,000	-
Transfers out	(625,000)	(1,125,000)	(750,000)	375,000
Total	1,625,000	1,125,000	1,500,000	375,000
NET CHANGE IN FUND BALANCE	500,000	-	419,102	419,102
FUND BALANCE, BEGINNING OF YEAR	500,000	537,782	537,782	-
FUND BALANCE, END OF YEAR	\$ 1,000,000	\$ 537,782	\$ 956,884	\$ 419,102

## DAVIS COUNTY

## SUPPLEMENTAL SCHEDULE 6

**MUNICIPAL BUILDING AUTHORITY DMV CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest	\$ 78,463	\$ 78,463	\$ 54,918	\$ (23,545)
Miscellaneous	-	7,000	-	(7,000)
Total	78,463	85,463	54,918	(30,545)
EXPENDITURES:				
Capital outlay	1,500,000	1,507,000	1,455,035	(51,965)
Miscellaneous costs	-	-	21,419	21,419
Total	1,500,000	1,507,000	1,476,454	(30,546)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,421,537)	(1,421,537)	(1,421,536)	1
OTHER FINANCING SOURCES:				
Transfer In	-	127,764	127,764	-
NET CHANGE IN FUND BALANCE	(1,421,537)	(1,293,773)	(1,293,772)	1
FUND BALANCE, BEGINNING OF YEAR	1,421,537	1,293,773	1,293,772	(1)
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

## DAVIS COUNTY

## SUPPLEMENTAL SCHEDULE 7

**MUNICIPAL BUILDING AUTHORITY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b><u>Budgeted Amounts</u></b>			<b><u>Variance With</u></b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	<b><u>Final Budget</u></b>
REVENUES:				
Interest	\$ 2,500	\$ 2,500	\$ 15,057	\$ 12,557
Miscellaneous	349,790	349,790	301,819	(47,971)
Total	<u>352,290</u>	<u>352,290</u>	<u>316,876</u>	<u>(35,414)</u>
EXPENDITURES:				
General government	<u>100</u>	<u>100</u>	<u>7</u>	<u>(93)</u>
EXCESS OF REVENUES OVER EXPENDITURES	352,190	352,190	316,869	(35,321)
OTHER FINANCING USES:				
Transfers out	<u>(220,000)</u>	<u>(347,500)</u>	<u>(331,345)</u>	<u>16,155</u>
NET CHANGE IN FUND BALANCE	132,190	4,690	(14,476)	(19,166)
FUND BALANCE, BEGINNING OF YEAR	<u>97,145</u>	<u>275,146</u>	<u>275,146</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 229,335</u>	<u>\$ 279,836</u>	<u>\$ 260,670</u>	<u>\$ (19,166)</u>

## DAVIS COUNTY

## SUPPLEMENTAL SCHEDULE 8

## MUNICIPAL BUILDING AUTHORITY DEBT SERVICE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES :	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:				
HEADSTART DEBT				
Principal retirement	105,000	105,000	105,000	-
Interest and other	20,000	20,000	15,605	(4,395)
WASATCH FRONT DEBT				
Principal retirement	48,000	48,000	48,000	-
Interest and other	47,000	47,000	45,984	(1,016)
DMV DEBT				
Principal retirement	50,000	50,000	50,000	-
Interest and other	77,500	77,500	66,756	(10,744)
Total	347,500	347,500	331,345	(16,155)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(347,500)	(347,500)	(331,345)	16,155
OTHER FINANCING SOURCES - Transfers in	347,500	347,500	331,345	(16,155)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 9

**CONFERENCE CENTER DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES:	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:				
CONFERENCE CENTER A				
Principal retirement	345,000	345,000	345,000	-
Interest and other	363,000	363,000	356,212	(6,788)
Total	708,000	708,000	701,212	(6,788)
CONFERENCE CENTER B				
Principal retirement	195,000	195,000	195,000	-
Interest and other	438,000	438,000	434,726	(3,274)
Total	633,000	633,000	629,726	(3,274)
DEFICIENCY OF REVENUE UNDER EXPENDITURES	(1,341,000)	(1,341,000)	(1,330,938)	10,062
OTHER FINANCING SOURCES:				
Transfers in	1,341,000	1,341,000	1,344,203	3,203
NET CHANGE IN FUND BALANCE	-	-	13,265	13,265
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 13,265	\$ 13,265

## DAVIS COUNTY

## SUPPLEMENTAL SCHEDULE 10

## JAIL EXPANSION CAPITAL PROJECT FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES:				
Interest Earnings	\$ 300,000	\$ 300,000	\$ 59,309	\$ (240,691)
EXPENDITURES:				
Capital outlay	1,500,000	1,300,000	1,151,280	(148,720)
Miscellaneous costs	-	200,000	148,384	(51,616)
Total expenditures	1,500,000	1,500,000	1,299,664	(200,336)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,200,000)	(1,200,000)	(1,240,355)	(40,355)
OTHER FINANCING USES:				
Transfer out	-	(1,250,000)	(1,272,252)	(22,252)
NET CHANGE IN FUND BALANCE	(1,200,000)	(2,450,000)	(2,512,607)	(62,607)
FUND BALANCE, BEGINNING OF YEAR	1,200,000	2,512,607	2,512,607	-
FUND BALANCE, END OF YEAR	\$ -	\$ 62,607	\$ -	\$ (62,607)



## DAVIS COUNTY

## SUPPLEMENTAL SCHEDULE 11

## GENERAL OBLIGATION DEBT SERVICE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES:				
Property Taxes	\$ 1,818,000	\$ 2,209,325	\$ 2,217,034	\$ 7,709
Interest Earnings	50,000	50,000	37,102	(12,898)
Total	1,868,000	2,259,325	2,254,136	(5,189)
EXPENDITURES:				
Bond Principal	865,000	865,000	865,000	-
Interest	1,000,000	1,000,000	984,325	(15,675)
Miscellaneous	3,000	3,000	2,000	(1,000)
Total expenditures	1,868,000	1,868,000	1,851,325	(16,675)
EXCESS OF REVENUES OVER EXPENDITURES	-	391,325	402,811	11,486
FUND BALANCE, BEGINNING OF YEAR	1,982,482	1,966,984	1,966,984	-
FUND BALANCE, END OF YEAR	\$ 1,982,482	\$ 2,358,309	\$ 2,369,795	\$ 11,486

## DAVIS COUNTY

## SUPPLEMENTAL SCHEDULE 12

## CONFERENCE CENTER CAPITAL PROJECT FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest earnings	\$ 301,013	\$ 306,983	\$ 494,267	\$ 187,284
Intergovernmental revenues	-	-	113,282	113,282
Total	301,013	306,983	607,549	300,566
EXPENDITURES:				
Capital outlay	11,000,000	10,985,000	5,732,973	(5,252,027)
Miscellaneous costs	-	15,000	8,130	(6,870)
Total	11,000,000	11,000,000	5,741,103	(5,258,897)
DEFICIENCY OF REVENUE UNDER EXPENDITURES	(10,698,987)	(10,693,017)	(5,133,554)	5,559,463
OTHER FINANCING SOURCES (USES):				
Transfers in	800,000	800,000	800,000	-
Transfers out	-	-	(3,203)	(3,203)
Total	800,000	800,000	796,797	(3,203)
NET CHANGE IN FUND BALANCES	(9,898,987)	(9,893,017)	(4,336,757)	5,556,260
FUND BALANCE, BEGINNING OF YEAR	9,898,987	9,893,017	9,893,017	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 5,556,260	\$ 5,556,260

## DAVIS COUNTY

## SUPPLEMENTAL SCHEDULE 13

## CAPITAL PROJECTS FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES:				
Interest	\$ 25,000	\$ 25,000	\$ 185,055	\$ 160,055
Total	<u>25,000</u>	<u>25,000</u>	<u>185,055</u>	<u>160,055</u>
EXPENDITURES:				
General government	-	57,805	32,641	(25,164)
Capital outlay	<u>200,000</u>	<u>142,195</u>	<u>-</u>	<u>(142,195)</u>
Total	<u>200,000</u>	<u>200,000</u>	<u>32,641</u>	<u>(167,359)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(175,000)</u>	<u>(175,000)</u>	<u>152,414</u>	<u>327,414</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	5,000	5,000	12,108	7,108
Transfers in	-	-	1,975,000	1,975,000
Transfers out	<u>(500,000)</u>	<u>(627,764)</u>	<u>-</u>	<u>627,764</u>
Total	<u>(495,000)</u>	<u>(622,764)</u>	<u>1,987,108</u>	<u>2,609,872</u>
NET CHANGE IN FUND BALANCE	(670,000)	(797,764)	2,139,522	2,937,286
FUND BALANCE, BEGINNING OF YEAR	<u>1,633,312</u>	<u>3,174,286</u>	<u>3,174,286</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 963,312</u>	<u>\$ 2,376,522</u>	<u>\$ 5,313,808</u>	<u>\$ 2,937,286</u>

## **Internal Service Funds**

### **Insurance Fund**

This fund accounts for monies received and expended by the County to provide for insurance for all County related functions.

### **Telephone Fund**

This fund accounts for the services provided by the county-wide telephone system.

### **Building and Grounds Fund**

This fund accounts for management of county-owned facilities under central management.

**DAVIS COUNTY****SUPPLEMENTAL SCHEDULE 14****INTERNAL SERVICE FUNDS - COMBINING STATEMENT OF NET ASSETS****DECEMBER 31, 2007**

<b>ASSETS</b>	<b>Insurance</b>	<b>Telephone</b>	<b>Buildings and Grounds</b>	<b>Total</b>
Current Assets:				
Cash and investments	\$ 1,534,649	\$ 356,533	\$ 944,425	\$ 2,835,607
Accounts receivable	-	8,326	4,643	12,969
Inventories and other assets	91,048	-	-	91,048
Total Current Assets	<u>1,625,697</u>	<u>364,859</u>	<u>949,068</u>	<u>2,939,624</u>
Capital Assets:				
Construction-in-progress	432,367	-	-	432,367
Furnishings, fixtures, and equipment	-	748,411	150,576	898,987
Less accumulated depreciation	-	(697,771)	(43,823)	(741,594)
Total Capital Assets	<u>432,367</u>	<u>50,640</u>	<u>106,753</u>	<u>589,760</u>
<b>TOTAL ASSETS</b>	<b>\$ 2,058,064</b>	<b>\$ 415,499</b>	<b>\$ 1,055,821</b>	<b>\$ 3,529,384</b>
<b>LIABILITIES AND NET ASSETS</b>				
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 132,569	\$ 10,712	\$ 166,792	\$ 310,073
COMPENSATED ABSENCES	-	-	27,371	27,371
<b>TOTAL LIABILITIES</b>	<b>132,569</b>	<b>10,712</b>	<b>194,163</b>	<b>337,444</b>
NET ASSETS:				
Investment in Capital Assets	432,367	50,640	106,753	589,760
Unrestricted Net Assets	<u>1,493,128</u>	<u>354,147</u>	<u>754,905</u>	<u>2,602,180</u>
<b>TOTAL NET ASSETS</b>	<b>\$ 1,925,495</b>	<b>\$ 404,787</b>	<b>\$ 861,658</b>	<b>\$ 3,191,940</b>

## DAVIS COUNTY

## SUPPLEMENTAL SCHEDULE 15

## INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2007

	Insurance	Telephone	Buildings and Grounds	Total
OPERATING REVENUES:				
Charges to other funds	\$ 999,876	\$ 357,489	\$ 3,061,608	\$ 4,418,973
Other revenues	-	70,439	19,560	89,999
Total	999,876	427,928	3,081,168	4,508,972
EXPENSES:				
Salaries, wages, and benefits	120,603	83,197	1,073,870	1,277,670
Operations	-	284,195	1,416,415	1,700,610
Insurance premiums	503,202	-	-	503,202
Line charges	-	74,706	-	74,706
Other	25,886	-	-	25,886
Total	649,691	442,098	2,490,285	3,582,074
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	350,185	(14,170)	590,883	926,898
DEPRECIATION	-	27,046	30,115	57,161
OPERATING INCOME (LOSS)	350,185	(41,216)	560,768	869,737
NONOPERATING REVENUES - Interest revenue	78,506	19,332	32,756	130,594
CHANGES IN NET ASSETS	428,691	(21,884)	593,524	1,000,331
NET ASSETS, BEGINNING OF YEAR	1,496,804	426,671	268,134	2,191,609
NET ASSETS, END OF YEAR	\$ 1,925,495	\$ 404,787	\$ 861,658	\$ 3,191,940

**DAVIS COUNTY**
**SUPPLEMENTAL SCHEDULE 16**
**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>Insurance</b>	<b>Telephone</b>	<b>Buildings and Grounds</b>	<b>Total</b>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	-	71,547	21,391	92,938
Cash received from interfund services provided	999,876	357,489	3,061,608	4,418,973
Cash payments for payroll and benefits	(120,203)	(82,897)	(1,060,194)	(1,263,294)
Cash payments for goods and services	(489,548)	(367,278)	(1,330,541)	(2,187,367)
Net cash provided (used in) by operating activities	390,125	(21,139)	692,264	1,061,250
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earned on cash deposits	78,506	19,332	32,756	130,594
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Net cash provided by (used in) noncapital financing activities	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES -				
Cash payments for property and equipment purchases	(432,367)	(62,300)	(82,035)	(576,702)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	36,264	(64,107)	642,985	615,142
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,498,385	420,640	301,440	2,220,465
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,534,649	\$ 356,533	\$ 944,425	\$ 2,835,607
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ 350,185	\$ (41,216)	\$ 560,768	\$ 869,737
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	-	27,046	30,115	57,161
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	-	1,108	1,831	2,939
(Increase) decrease in inventories and other assets	(91,048)	-	-	(91,048)
Increase (decrease) in accounts payable and accrued liabilities	130,988	(8,077)	88,824	211,735
Increase (decrease) in compensated absences	-	-	10,726	10,726
Total adjustments	39,940	20,077	131,496	191,513
NET CASH PROVIDED (USED IN) BY OPERATING ACTIVITIES	\$ 390,125	\$ (21,139)	\$ 692,264	\$ 1,061,250

## **Agency Funds**

### **County Agency Fund**

This fund accounts for monies received by the County; on behalf of third parties pending litigation, for county-wide tax collections pending final distribution, and deposits held in trusts for outside parties related to construction and development costs.

### **Treasurer Tax Collection Fund**

This fund accounts for the receipts and disbursements of property tax revenues for the various taxing entities of Davis County including cities, towns, special districts, and the Davis School District.

### **Employee Benefits Funds**

These funds account for monies collected from County and ex-County employees in accordance with Internal Revenue Code sections. It contains the Retirees Health Benefit Clearing and the County's Payroll Clearing Funds.



**DAVIS COUNTY****SUPPLEMENTAL SCHEDULE 17****COMBINING STATEMENT OF AGENCY FUNDS  
DECEMBER 31, 2007**

	<b>County Agency</b>	<b>Treasurer's Tax Collection</b>	<b>Employee Benefits</b>	<b>Total</b>
<b>ASSETS</b>				
CASH AND INVESTMENTS	\$ 412,838	\$ 3,019,487	\$ 2,410,081	\$ 5,842,406
RESTRICTED ASSETS - Cash & Investments	-	31,420,491	-	31,420,491
ACCOUNTS RECEIVABLE	<u>1,797,100</u>	<u>331,924</u>	<u>-</u>	<u>2,129,024</u>
TOTAL ASSETS	<u>\$ 2,209,938</u>	<u>\$ 34,771,902</u>	<u>\$ 2,410,081</u>	<u>\$ 39,391,921</u>
<b>LIABILITIES</b>				
DUE TO INDIVIDUALS, ORGANIZATIONS, AND OTHER				
GOVERNMENTS	<u>\$ 2,209,938</u>	<u>\$ 34,771,902</u>	<u>\$ 2,410,081</u>	<u>\$ 39,391,921</u>

## DAVIS COUNTY

## SUPPLEMENTAL SCHEDULE 18

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

## AGENCY FUNDS

## FOR THE YEAR ENDED DECEMBER 31, 2007

	Balance 12/31/06	Additions	Deductions	Balance 12/31/07
<b>COUNTY AGENCY FUND</b>				
<b>ASSETS</b>				
Cash	\$ 1,482,492	\$ 10,073,408	\$ (11,143,062)	\$ 412,838
Accounts Receivables	687,021	6,986,589	(5,876,510)	1,797,100
Total Assets	<u>\$ 2,169,513</u>	<u>\$ 17,059,997</u>	<u>\$ (17,019,572)</u>	<u>\$ 2,209,938</u>
<b>LIABILITIES</b>				
Due to Individuals, Organizations, and Other Governments	<u>\$ 2,169,513</u>	<u>\$ 17,059,997</u>	<u>\$ (17,019,572)</u>	<u>\$ 2,209,938</u>
<b>TREASURER TAX COLLECTION FUND</b>				
<b>ASSETS</b>				
Cash	\$ 2,280,279	\$ 1,247,849	\$ (508,641)	\$ 3,019,487
Restricted Assets - Cash & Investment	35,059,610	153,541,746	(157,180,865)	31,420,491
Accounts Receivables	299,152	331,924	(299,152)	331,924
Total Assets	<u>\$ 37,639,041</u>	<u>\$ 155,121,519</u>	<u>\$ (157,988,658)</u>	<u>\$ 34,771,902</u>
<b>LIABILITIES</b>				
Due to Individuals, Organizations, and Other Governments	<u>\$ 37,639,041</u>	<u>\$ 155,121,519</u>	<u>\$ (157,988,658)</u>	<u>\$ 34,771,902</u>
<b>EMPLOYEE BENEFITS FUND</b>				
<b>ASSETS</b>				
Cash	\$ 1,985,365	\$ 51,523,510	\$ (51,098,794)	\$ 2,410,081
Accounts Receivables	75	-	(75)	-
Total Assets	<u>\$ 1,985,440</u>	<u>\$ 51,523,510</u>	<u>\$ (51,098,869)</u>	<u>\$ 2,410,081</u>
<b>LIABILITIES</b>				
Due to Individuals, Organizations, and Other Governments	<u>\$ 1,985,440</u>	<u>\$ 51,523,510</u>	<u>\$ (51,098,869)</u>	<u>\$ 2,410,081</u>



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## **Other Schedules**

### **Tax Collection Agency Fund – Cash Receipts and Disbursements**

This schedule reports the cash coming into and out of the County's Tax Collection Agency Fund during the year. It provides detail for every taxing authority within the County. This schedule is required by state law.

### **Statement of Tax Charged, Collected and Disbursed**

This schedule reports total taxable value, current tax rates, total tax charged, and total taxes collected during the year for each taxing authority within the County. This schedule is required by state law.

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 19

TREASURER'S TAX COLLECTION FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - TREASURER'S COLLECTION ACCOUNT  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Treasurer's Balance 1/1/07	Apportionments			Totals	Disbursements	Treasurer's Balance 12/31/07
		Receipts	Current Taxes	Delinquent Taxes			
Current 2007 taxes	-	160,210,474	(160,210,474)	-	-	-	-
Prior year redemptions and rollbacks	-	5,786,277	-	(5,786,277)	-	-	-
Other taxes - "Class D"	-	2,449,049	-	-	(2,449,049)	-	-
Interest received	-	516,137	-	-	(516,137)	-	-
Fee in lieu	-	20,205,534	-	-	(20,205,534)	-	-
Miscellaneous collections	-	2,754,568	-	-	(2,754,568)	-	-
Taxes held for refund & prepayments	2,280,179	1,247,849	-	-	-	508,641	3,019,387
Total	2,280,179	193,169,888	(160,210,474)	(5,786,277)	3,528,028	508,641	3,019,387
Davis County:							
County funds	-	-	27,646,653	834,456	3,683,015	32,164,124	-
County library	-	-	4,898,189	182,392	765,685	5,846,266	-
Special service area	-	-	337,680	5,902	26,321	369,903	-
Total Davis County	-	-	32,882,522	1,022,750	4,475,021	38,380,293	-
Davis County School District	22,562,036	-	89,489,553	3,464,240	13,926,483	110,738,181	18,704,131
Cities and towns:							
Bountiful	482,086	-	1,954,762	61,810	315,536	2,240,191	574,003
Centerville	187,616	-	842,662	33,812	151,537	1,041,576	174,051
Clearfield	(57,408)	-	1,567,286	115,120	206,819	1,283,800	548,017
Clinton	275,550	-	1,065,778	44,533	223,273	1,440,463	168,671
Farmington	469,753	-	1,748,657	53,466	250,999	2,062,978	459,897
Fruit Heights	100,688	-	405,663	19,356	71,949	494,302	103,354
Kaysville	200,101	-	1,013,619	33,182	176,778	1,157,296	266,384
Layton	1,580,026	-	5,711,361	217,438	819,101	6,997,970	1,329,956
North Salt Lake	491,937	-	1,684,256	97,384	279,160	1,935,888	616,849
South Weber	59,436	-	233,820	5,393	47,727	278,070	68,306
Sunset	28,979	-	145,911	4,347	25,722	165,270	39,689
Syracuse	192,015	-	1,180,524	25,309	177,665	1,356,357	219,156
West Bountiful	121,161	-	420,676	11,428	61,395	530,737	83,923
West Point	28,996	-	221,083	5,406	52,221	252,407	55,299
Woods Cross	71,672	-	348,626	18,245	55,549	426,731	67,361
Total cities and towns	4,232,608	-	18,544,684	746,229	2,915,431	21,664,036	4,774,916

(Continued Next Page)

**DAVIS COUNTY**

**SUPPLEMENTAL SCHEDULE 19**  
(Continued - page 2 of 2)

**TREASURER'S TAX COLLECTION FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - TREASURER'S COLLECTION ACCOUNT  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Treasurer's Balance 1/1/07	Receipts	Apportionments		Totals	Disbursements	Treasurer's Balance 12/31/07
			Current Taxes	Delinquent Taxes			
Other taxing districts:							
Bountiful water	221,101	-	201,789	5,591	1,534,351	1,355,524	178,827
Central Davis sewer	145,604	-	451,373	14,803	683,258	564,026	119,232
Benchmark water	131,536	-	360,209	11,179	556,101	464,788	91,313
Hooper water	15,320	-	27,409	2,122	50,693	44,845	5,848
Mosquito abatement	264,379	-	1,248,545	40,598	1,719,104	1,443,582	275,522
North Davis sewer	1,149,610	-	4,375,658	176,987	6,392,112	5,473,280	918,832
South Davis sewer	396,312	-	1,531,304	58,825	2,354,476	1,918,348	436,128
South Davis water	35,581	-	90,118	3,177	144,749	116,362	28,387
Weber Basin water	792,776	-	2,518,991	84,870	4,932,127	4,128,542	803,585
Central Weber sewer	31,063	-	114,428	2,563	172,333	139,004	33,329
South Davis Recreation	417,964	-	1,930,283	69,768	2,696,721	2,200,258	496,463
South Weber water	5,505	-	-	-	38,115	37,369	746
Kays Creek	1,066	-	-	-	1,066	1,066	-
North Davis Fire District	881,852	-	1,759,644	82,575	2,985,625	2,716,358	269,267
Total other taxing districts	4,489,669	-	14,609,751	553,058	24,260,831	20,603,352	3,657,479
Redevelopment agencies:							
Bountiful	581,372	-	1,094,534	-	1,675,906	981,372	694,534
Clinton	47,784	-	48,586	-	96,370	47,784	48,586
Woods Cross	424,685	-	425,756	-	850,441	424,685	425,756
Sunset	40,322	-	-	-	40,322	40,322	-
Clearfield	901,672	-	1,001,031	-	1,902,703	901,672	1,001,031
Clearfield EDA	398,638	-	398,638	-	797,276	398,638	398,638
Farmington	229,066	-	249,842	-	478,908	229,066	249,842
West Bountiful	219,426	-	247,875	-	467,301	219,426	247,875
Centerville	665,472	-	757,828	-	1,423,300	665,472	757,828
North Salt Lake	32,143	-	35,935	-	68,078	32,143	35,935
Woods Cross/West Bountiful	143,717	-	134,492	-	278,209	143,717	134,492
Layton	91,000	-	153,745	-	244,745	91,000	153,745
Syracuse	-	-	135,702	-	135,702	-	135,702
Total redevelopment agencies	3,775,297	-	4,683,964	-	8,459,261	4,175,297	4,283,964
GRAND TOTAL	37,339,789	193,169,888	-	-	230,509,677	196,069,800	34,439,877

## DAVIS COUNTY

## SUPPLEMENTAL SCHEDULE 20

**TREASURER'S TAX COLLECTION FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - TREASURER'S COLLECTION ACCOUNT  
FOR THE YEAR ENDED DECEMBER 31, 2007**

ENTITY	YEAR-END REAL PROPERTY & CENTRALLY ASSESSED VALUES				YEAR-END PERSONAL PROPERTY VALUES				PROPERTY TAX CALCULATION				
	Real Property	Centrally Assessed	Redevelopment Reductions	Total	Personal Property	RDA Reductions	Total	ENTITY TOTAL ADJUSTED VALUE	Current Year Tax Rate	Prior Year Tax Rate (Personal)	Real Property & Centrally Assessed Tax Charged	Personal Property Tax Charged	Total Taxes Charged
Davis School District	12,899,893,835	321,003,481	345,920,133	12,874,977,183	1,059,363,010	29,844,365	1,029,518,645	13,904,495,828	.005865	.005790	75,511,741	5,960,913	81,472,654
Statewide School	12,899,893,835	321,003,481	345,920,133	12,874,977,183	1,059,363,010	29,844,365	1,029,518,645	13,904,495,828	.001311	.001515	16,879,095	1,559,721	18,438,816
Davis County	12,899,893,835	321,003,481	345,920,133	12,874,977,183	1,059,363,010	29,844,365	1,029,518,645	13,904,495,828	.002005	.001532	25,814,329	1,577,223	27,391,552
Bountiful City	2,346,204,475	25,914,022	90,380,841	2,281,737,657	59,048,328	8,820,157	50,228,171	2,331,965,828	.000912	.001119	2,080,945	56,205	2,137,150
Centerville City	734,543,831	16,512,091	57,506,306	693,549,616	33,456,440	5,820,143	27,636,297	721,185,913	.001233	.001349	855,147	37,281	892,428
Clearfield City	915,552,955	37,041,485	92,211,754	860,382,686	225,417,515	9,345,897	216,071,618	1,076,454,304	.001580	.001580	1,359,405	341,393	1,700,798
Clinton City	594,720,136	10,202,510	3,440,094	601,482,552	13,265,984	383,188	12,882,796	614,365,348	.001906	.001965	1,146,426	25,186	1,171,612
Farmington City	907,138,844	13,669,088	19,355,050	901,452,882	23,806,696	368,723	23,437,973	924,890,855	.002000	.002149	1,802,906	50,368	1,853,274
Fruit Heights City	215,155,736	5,377,059	-	220,532,795	2,761,436	-	2,761,436	223,294,231	.001959	.001980	432,024	5,468	437,491
Kaysville City	1,114,801,825	12,413,007	-	1,127,214,832	31,074,032	-	31,074,032	1,158,288,864	.000925	.001004	1,042,674	31,198	1,073,872
Layton City	2,770,818,152	63,330,709	8,576,935	2,825,571,926	172,286,924	3,388,606	168,898,318	2,994,470,244	.002047	.002092	5,783,946	353,335	6,137,281
North Salt Lake City	1,034,026,825	32,712,592	2,947,210	1,063,792,207	162,823,697	-	162,823,697	1,226,615,904	.001459	.001546	1,552,073	251,725	1,803,798
Sunset City	130,745,734	4,632,168	-	135,377,902	3,543,862	-	3,543,862	138,921,764	.001209	.001108	163,672	3,927	167,598
South Weber City	200,494,241	27,183,615	-	227,677,856	3,587,449	-	3,587,449	231,265,305	.001057	.001126	240,655	4,039	244,695
Syracuse City	824,968,065	17,627,724	11,030,910	831,564,879	14,663,295	-	14,663,295	846,228,174	.001500	.001043	1,247,347	15,294	1,262,641
West Bountiful City	255,056,419	7,367,916	16,685,696	245,738,639	57,539,768	1,169,697	56,370,071	302,108,710	.001457	.001500	358,041	84,555	442,596
West Point City	277,834,118	3,957,320	-	281,791,438	1,723,368	-	1,723,368	283,514,806	.000834	.000909	235,014	1,567	236,581
Woods Cross City	430,370,928	9,564,463	43,786,338	396,149,053	46,514,709	547,954	45,966,755	442,115,808	.000833	.000880	329,992	40,451	370,443
County Library	12,899,893,835	321,003,481	345,920,133	12,874,977,183	1,059,363,010	29,844,365	1,029,518,645	13,904,495,828	.000375	.000403	4,828,116	414,896	5,243,012
Weber Basin Water	12,898,989,305	321,002,147	345,920,133	12,874,071,319	1,059,363,010	29,844,365	1,029,518,645	13,903,589,964	.000200	.000178	2,574,814	183,254	2,758,069
Mosquito Abatement	12,898,989,305	321,002,147	345,920,133	12,874,071,319	1,059,363,010	29,844,365	1,029,518,645	13,903,589,964	.000099	.000086	1,274,533	88,539	1,363,072
North Davis Sewer	5,730,107,297	149,118,896	115,259,693	5,763,966,500	436,587,682	13,117,691	423,469,991	6,187,436,491	.000763	.000763	4,397,906	323,108	4,721,014
Bountiful Water SubCon	1,875,670,025	23,998,943	110,359,871	1,789,309,097	72,618,070	9,427,725	63,190,345	1,852,499,442	.000115	.000139	205,771	8,783	214,554
South Davis Water	407,415,018	4,956,053	11,998,209	400,372,862	8,610,751	1,142,815	7,467,936	407,840,798	.000236	.000298	94,488	2,225	96,713
Special Serv. Area	146,557,024	33,496,378	-	180,053,402	207,849,507	-	207,849,507	387,902,909	.000869	.000940	156,466	195,379	351,845
Central Davis Sewer	2,097,391,226	38,229,731	19,355,050	2,116,265,907	55,036,984	368,723	54,668,261	2,170,934,168	.000220	.000234	465,578	12,792	478,371
South Davis Sewer	4,856,158,331	98,116,903	211,305,390	4,742,969,844	560,456,640	16,357,951	544,098,689	5,287,068,533	.000305	.000341	1,448,606	185,538	1,632,143
Benchland Water Distr	886,020,444	15,321,437	18,749,437	882,592,444	23,576,562	368,723	23,207,839	905,800,283	.000421	.000450	371,571	10,444	382,015
Hooper Water Improv	73,227,684	835,704	-	74,063,388	26,846	-	26,846	74,090,234	.000404	.000474	29,922	13	29,934
Central Weber Sewer	199,981,012	27,221,340	-	227,202,352	3,586,945	-	3,586,945	230,789,297	.000519	.000573	117,918	2,055	119,973
South Davis Reer. Dist.	4,855,286,055	93,534,025	211,305,390	4,737,514,690	559,354,045	16,357,951	542,996,094	5,280,510,784	.000390	.000441	1,847,631	239,461	2,087,092
North Davis Fire Dist.	1,193,387,073	40,998,805	92,211,754	1,142,174,124	227,140,883	9,345,897	217,794,986	1,359,969,110	.001400	.001400	1,599,044	304,913	1,903,957
County Asses & Coll	12,899,893,835	321,003,481	345,920,133	12,874,977,183	1,059,363,010	29,844,365	1,029,518,645	13,904,495,828	.000063	.000068	811,124	70,007	881,131
State Asses & Coll	12,899,893,835	321,003,481	345,920,133	12,874,977,183	1,059,363,010	29,844,365	1,029,518,645	13,904,495,828	.000121	.000139	1,557,872	143,103	1,700,975
											158,614,792	12,584,359	171,199,151

**SUPPLEMENTAL SCHEDULE 20**  
(continued - page 2 of 2)

ENTITY	TAXES CHARGED		TREASURER'S RELIEF			TAXES COLLECTED	PERCENTAGE COLLECTED	OTHER COLLECTIONS				Total: All Collections/Distributed
	Unpaid Taxes	Abatements	Other	Total	Fec-in-lieu Age-based			Miscellaneous Collections	Delinquent Redemptions	Interest/ Penalty		
Davis School District	81,472,654	3,852,724	1,324,558	3,818,400	8,995,681	72,476,973	89.0%	9,653,160	1,308,086	2,732,435	96,017	86,266,671
Statewide School	18,438,816	870,501	296,078	259,656	1,426,235	17,012,581	92.3%	2,525,827	317,201	731,805	26,192	20,613,605
Davis County	27,391,552	1,298,232	452,811	381,249	2,132,293	25,259,259	92.2%	2,591,079	396,915	733,770	339,336	29,283,449
Bountiful City	2,137,150	100,689	38,821	42,878	182,388	1,954,763	91.5%	2,551,160	19,946	61,810	2,115	2,329,703
Centerville City	892,428	37,885	10,934	947	49,766	842,662	94.4%	141,893	8,492	33,812	1,152	1,028,011
Clinton City	1,700,798	90,873	33,664	8,976	156,726	1,567,286	92.2%	171,164	31,143	115,120	4,372	1,889,084
Kaysville City	1,171,612	71,628	33,538	667	105,834	1,065,778	91.0%	194,282	27,552	44,533	1,440	1,333,584
Farmington City	1,853,274	86,018	15,427	3,172	104,617	1,748,657	94.4%	202,666	46,457	53,466	1,875	2,053,122
Fruit Heights City	437,491	26,640	4,992	31,829	405,663	435,663	92.7%	65,530	19,356	19,356	874	496,968
Kaysville City	1,073,872	44,822	11,690	3,740	60,253	1,013,619	94.4%	163,512	12,058	33,182	1,207	1,223,579
Layton City	6,137,281	284,491	129,509	11,920	425,920	5,711,361	93.1%	739,540	71,167	217,438	7,974	6,747,480
North Salt Lake City	1,803,798	103,558	8,901	7,084	119,542	1,684,256	93.4%	221,079	54,320	97,384	3,106	2,060,145
Sunset City	167,598	14,454	7,112	121	10,875	145,911	87.1%	24,358	1,195	4,347	170	175,981
South Weber City	244,695	5,885	4,894	97	10,875	233,820	95.6%	45,162	2,374	5,393	191	286,940
Synapse City	2,62,641	58,288	23,293	535	82,117	1,180,524	93.5%	138,486	36,205	25,309	1,167	1,381,692
West Bountiful City	442,596	15,875	4,034	2,012	21,921	420,676	95.0%	54,300	6,795	11,428	300	493,499
West Point City	236,581	8,110	7,331	58	15,498	221,083	93.4%	44,872	7,173	5,406	176	278,709
Woods Cross City	370,443	19,330	2,536	(49)	21,817	348,626	94.1%	49,587	5,437	18,245	525	422,421
County Library	5,243,012	247,720	84,690	12,413	344,824	4,898,189	93.4%	671,887	87,322	182,392	6,476	5,846,266
Weber Basin Water	2,758,069	130,546	45,168	63,545	239,259	2,518,810	91.3%	296,764	42,421	84,870	3,063	2,945,928
Mosquito Abatement	1,363,072	64,531	22,358	27,727	114,616	1,248,456	91.6%	143,380	20,761	40,598	1,440	1,454,635
North Davis Sewer	4,721,014	232,033	102,878	10,445	345,356	4,375,658	92.7%	601,667	81,863	176,987	6,327	5,242,502
Bountiful Water SubCon	214,554	8,448	4,028	288	12,765	201,789	94.1%	27,064	2,270	5,591	202	236,916
South Davis Water	96,713	4,471	2,089	36	6,596	90,118	93.2%	13,330	944	3,177	95	107,664
Special Serv Area	351,845	6,798	2,252	5,115	14,165	337,680	96.0%	18,012	7,974	5,902	336	369,903
Central Davis Sewer	478,371	21,868	4,548	561	26,998	451,373	94.4%	62,611	8,324	14,803	544	537,655
South Davis Sewer	1,632,143	75,933	19,890	5,017	100,839	1,531,304	93.8%	202,237	23,928	58,825	1,939	1,818,233
Boneland Water Distr	382,015	18,091	3,068	647	21,806	360,209	94.3%	48,520	4,256	11,179	400	424,565
Hooper Water Improv	29,934	1,846	677	3	2,526	27,409	91.6%	4,510	1,266	2,122	66	35,372
Central Weber Sewer	119,973	2,899	2,403	244	5,546	114,428	95.4%	22,982	1,202	2,563	94	141,270
South Davis Recr. Dist.	2,087,092	97,024	25,424	34,361	156,809	1,930,283	92.5%	246,026	30,774	69,768	1,905	2,278,757
North Davis Fire Dist.	1,903,957	94,133	42,134	8,045	1,759,644	1,930,644	92.4%	220,775	39,119	82,575	1,680	2,103,773
County Assess & Coll	881,131	41,629	14,228	7,521	63,379	817,752	92.8%	113,370	14,768	32,301	1,134	979,324
State Assess & Coll	1,700,975	80,309	27,327	23,698	131,334	1,569,642	92.3%	231,743	29,314	68,386	2,266	1,901,351





[www.daviscountyutah.gov](http://www.daviscountyutah.gov)

# III. Statistical Section



Davis County Courthouses through the years

Upper left: First Davis County Courthouse, 1862.

Upper center: Second Davis County Courthouse, 1890.

Upper right: Second Davis County Courthouse, remodeled 1932.

Left: The Courthouse today.



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## Statistical Section

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

### Financial Trends Information

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

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Sources: Unless otherwise noted, the information in the following schedules is derived from Davis County's Comprehensive Annual Financial Reports for the years indicated.



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# DAVIS COUNTY

## STATISTICAL SCHEDULE 1

### NET ASSETS BY COMPONENT - LAST FIVE FISCAL YEARS

#### (ACCRUAL BASIS OF ACCOUNTING)

	December 31,				
	2007	2006	2005	2004	2003
Governmental activities:					
Investment in capital assets, net of related debt	\$ 65,565,679	\$ 55,892,112	\$ 53,753,012	\$ 67,413,090	\$ 64,521,074
Restricted	14,663,159	26,698,852	30,827,499	13,233,017	18,960,187
Unrestricted	20,296,195	6,988,754	2,082,042	3,148,450	(3,684,586)
Total government activities net assets	<u>\$ 100,525,033</u>	<u>\$ 89,579,718</u>	<u>\$ 86,662,553</u>	<u>\$ 83,794,557</u>	<u>\$ 79,796,675</u>
Business-type activities:					
Investment in capital assets, net of related debt	\$ 4,696,201	\$ 4,286,855	\$ 4,516,622	\$ 4,471,715	\$ 3,875,287
Restricted	-	-	-	-	311,698
Unrestricted	(543,467)	(126,035)	(279,615)	(285,813)	-
Total business-type activities net assets	<u>\$ 4,152,734</u>	<u>\$ 4,160,820</u>	<u>\$ 4,237,007</u>	<u>\$ 4,185,902</u>	<u>\$ 4,186,985</u>
Primary government:					
Investment in capital assets, net of related debt	\$ 70,261,880	\$ 60,178,967	\$ 58,269,634	\$ 71,884,805	\$ 68,396,361
Restricted	14,663,159	26,698,852	30,827,499	13,233,017	19,271,885
Unrestricted	19,752,728	6,862,719	1,802,427	2,862,637	(3,684,586)
Total primary government net assets	<u>\$ 104,677,767</u>	<u>\$ 93,740,538</u>	<u>\$ 90,899,560</u>	<u>\$ 87,980,459</u>	<u>\$ 83,983,660</u>

Note: Required financial statement data for this schedule was not available until after the County's implementation of GASB Statement 34, which occurred the fiscal year ending December 31, 2003.

# DAVIS COUNTY

## STATISTICAL SCHEDULE 2

### CHANGES IN NET ASSETS - LAST FIVE FISCAL YEARS

#### (ACCRUAL BASIS OF ACCOUNTING)

Expenses	Year Ended December 31,				
	2007	2006	2005	2004	2003
Government activities:					
General governmental	\$ 32,609,337	\$ 29,778,524	\$ 28,437,339	\$ 28,338,607	\$ 22,558,382
Public safety	28,996,517	23,891,430	22,191,785	21,682,995	18,936,997
Public Health	11,503,649	11,430,314	10,887,342	10,679,084	12,620,889
Public works	3,107,421	3,498,580	3,907,168	4,843,119	2,950,695
Interest on long-term debt	2,211,960	1,746,590	1,261,046	593,825	302,557
Total governmental activities	78,428,884	70,345,438	66,684,680	66,137,630	57,369,520
Business-type activities:					
Golf Course	1,962,402	1,715,142	1,732,388	1,669,724	1,776,900
Inmates Commissary	224,855	151,663	275,669	457,960	326,652
Total business-type activities	2,187,257	1,866,805	2,008,057	2,127,684	2,103,552
Total primary government expenses	\$ 80,616,141	\$ 72,212,243	\$ 68,692,737	\$ 68,265,314	\$ 59,473,072
<b>Program Revenues</b>					
Government activities:					
Charges for services:					
General governmental	\$ 8,723,667	\$ 6,096,759	\$ 5,697,334	\$ 5,343,411	\$ 6,968,245
Public safety	8,720,283	5,844,881	5,962,719	5,851,326	5,667,794
Public health	3,317,563	3,530,513	3,448,422	3,595,731	4,973,169
Public works	32,024	54,370	70,271	63,831	-
Operating grants and contributions	10,450,647	9,673,000	9,639,704	9,675,331	5,985,271
Capital grants and contributions	358,648	803,373	197,572	1,379,475	123,537
Total governmental activities program revenues	31,602,832	26,002,896	25,016,022	25,909,105	23,718,016
Business-type activities:					
Charges for services:					
Golf Course	1,936,108	1,672,955	1,817,493	1,695,141	1,668,078
Inmates Commissary	560,210	389,859	526,314	614,810	578,157
Total business-type activities program revenues	2,496,318	2,062,814	2,343,807	2,309,951	2,246,235
Total primary government program revenues	\$ 34,099,150	\$ 28,065,710	\$ 27,359,829	\$ 28,219,056	\$ 25,964,251
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (46,826,052)	\$ (44,342,542)	\$ (41,668,658)	\$ (40,228,525)	\$ (33,651,504)
Business-type activities	309,061	196,009	335,750	182,267	142,683
Total primary government net expenses	\$ (46,516,991)	\$ (44,146,533)	\$ (41,332,908)	\$ (40,046,258)	\$ (33,508,821)

(Continued)

# DAVIS COUNTY

## STATISTICAL SCHEDULE 2 (CONTINUED)

### CHANGES IN NET ASSETS - LAST FIVE FISCAL YEARS

#### (ACCRUAL BASIS OF ACCOUNTING)

	December 31,				
	2007	2006	2005	2004	2003
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 38,961,134	\$ 29,234,230	\$ 28,392,647	\$ 27,041,508	\$ 26,260,406
Sales taxes	16,052,114	14,856,146	12,896,727	11,688,594	11,301,183
Investment earnings	1,437,070	1,243,491	1,259,879	284,699	108,766
Miscellaneous	-	1,351,627	1,379,336	1,263,659	2,090,425
Sale of capital assets	-	295,070	319,116	3,754,080	-
Transfers	327,206	279,143	288,947	193,867	820,535
Total governmental activities	<u>56,777,524</u>	<u>47,259,707</u>	<u>44,536,652</u>	<u>44,226,407</u>	<u>40,581,315</u>
Business-type activities:					
Investment earnings	10,059	6,947	4,302	10,517	11,563
Transfers	(327,206)	(279,143)	(288,947)	(193,867)	(820,535)
Total business-type activities	<u>(317,147)</u>	<u>(272,196)</u>	<u>(284,645)</u>	<u>(183,350)</u>	<u>(808,972)</u>
Total primary government	<u>\$ 56,460,377</u>	<u>\$ 46,987,511</u>	<u>\$ 44,252,007</u>	<u>\$ 44,043,057</u>	<u>\$ 39,772,343</u>
<b>Changes in Net Assets</b>					
Governmental activities	9,951,472	2,917,165	2,867,994	3,997,882	6,929,811
Business-type activities	(8,086)	(76,187)	51,105	(1,083)	(666,289)
Total primary government	<u>\$ 9,943,386</u>	<u>\$ 2,840,978</u>	<u>\$ 2,919,099</u>	<u>\$ 3,996,799</u>	<u>\$ 6,263,522</u>
					(Concluded)

Note: Required financial statement data for this schedule was not available until after the County's implementation of GASB Statement 34, which occurred the fiscal year ending December 31, 2003

# DAVIS COUNTY

## STATISTICAL SCHEDULE 3

### FUND BALANCES, GOVERNMENTAL FUNDS - LAST FIVE FISCAL YEARS

#### (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	December 31,				
	2007	2006	2005	2004	2003
General fund					
Reserved	-	-	-	-	-
Unreserved	\$ 11,055,808	\$ 6,590,777	\$ 5,807,312	\$ 5,886,202	\$ 4,263,391
Total general fund	<u>\$ 11,055,808</u>	<u>\$ 6,590,777</u>	<u>\$ 5,807,312</u>	<u>\$ 5,886,202</u>	<u>\$ 4,263,391</u>
All other governmental funds					
Reserved	1,410,031	2,381,568	\$ 2,297,203	\$ 1,558,978	\$ 2,200,669
Unreserved, reported in:					
Special revenue funds	7,147,748	5,200,972	5,281,840	6,220,721	4,106,126
Capital projects funds	10,870,068	16,873,682	19,693,243	1,824,925	9,744,995
Debt service funds	2,383,060	2,242,130	3,555,213	3,628,393	3,296,051
Total all other governmental funds	<u>\$ 21,810,907</u>	<u>\$ 26,698,352</u>	<u>\$ 30,827,499</u>	<u>\$ 13,233,017</u>	<u>\$ 19,347,841</u>



# DAVIS COUNTY

## STATISTICAL SCHEDULE 4

### CHANGES IN FUND BALANCES, GOVERNMENTAL FUND - LAST FIVE FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Year Ended December 31,				
	2007	2006	2005	2004	2003
Revenues:					
Taxes	\$ 54,332,406	\$ 44,090,376	\$ 41,289,374	\$ 38,730,101	\$ 37,561,589
Licenses, fees, and permits	243,822	224,429	231,330	208,119	210,321
Intergovernmental revenue	10,704,851	10,476,373	9,837,276	11,054,806	9,788,853
Charges for services	16,019,006	13,452,143	13,073,059	12,720,646	12,029,343
Fines and forfeitures	1,817,327	1,849,951	1,874,357	1,925,534	1,689,499
Interest	1,306,478	1,243,491	1,259,879	284,699	108,766
Other Revenues	2,727,825	1,646,696	1,698,453	5,017,741	2,090,425
Total revenues	<u>87,151,715</u>	<u>72,983,459</u>	<u>69,263,728</u>	<u>69,941,646</u>	<u>63,478,796</u>
Expenditures:					
General government	\$ 31,462,380	\$ 28,725,911	27,334,114	27,049,891	21,734,986
Public safety	27,580,416	22,717,685	20,982,358	19,732,326	17,968,775
Public health	11,417,388	11,306,187	10,772,189	10,468,495	12,492,436
Public works	2,571,468	2,586,915	2,811,279	3,335,276	1,954,701
Capital outlay	11,101,771	18,411,177	11,277,186	11,370,712	3,880,010
Debt service					
Interest	2,076,281	1,746,590	2,398,911	593,825	302,557
Principal	1,884,238	2,694,820	1,261,046	2,077,000	1,640,000
Total expenditures	<u>88,093,942</u>	<u>88,189,285</u>	<u>76,837,083</u>	<u>74,627,525</u>	<u>59,973,465</u>
Excess of revenues over (under) expenditures	(942,227)	(15,205,826)	(7,573,355)	(4,685,879)	3,505,331
Other financing sources (uses)					
Proceeds from sale of Capital Assets	192,607	-	-	-	-
General obligation bonds issued	-	-	24,800,000	-	-
Sales tax revenue bonds issued	-	9,955,000	-	-	9,070,943
MBA debt service		1,626,000			
Transfers in	16,111,204	10,894,556	9,563,216	9,344,377	7,382,881
Transfers out	(15,783,998)	(10,615,412)	(9,274,269)	(9,150,511)	(6,562,345)
Total other financing sources (uses)	<u>519,813</u>	<u>11,860,144</u>	<u>25,088,947</u>	<u>193,866</u>	<u>9,891,479</u>
Net change in fund balances	<u>\$ (422,414)</u>	<u>\$ (3,345,682)</u>	<u>\$ 17,515,592</u>	<u>\$ (4,492,013)</u>	<u>\$ 13,396,810</u>
Debt Service as a percentage of noncapital expenditures	5.1%	6.4%	5.6%	4.2%	3.5%

## DAVIS COUNTY

### STATISTICAL SCHEDULE 5

#### ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

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<u>December 31,</u>	<u>Residential Property</u>	<u>Commercial and Industrial Property</u>	<u>Agricultural Property</u>	<u>Mobile and Personal Property</u>
2007	\$ 9,955,671,253	\$ 2,820,842,899	\$ 123,379,683	\$ 1,059,363,010
2006	8,026,810,761	2,690,159,809	129,163,796	860,077,858
2005	7,154,484,948	2,502,244,227	119,545,034	815,598,806
2004	6,718,404,694	2,362,239,405	108,938,108	773,550,267
2003	6,382,795,657	2,144,646,116	98,904,499	831,024,706
2002	5,761,427,573	2,007,318,397	499,450,603	815,387,900
2001	5,491,517,038	1,965,701,326	491,472,303	832,093,685
2000	5,207,313,208	1,420,692,935	402,512,338	767,192,126
1999	5,014,935,540	1,241,851,240	383,402,090	743,257,810
1998	4,692,012,310	1,154,584,990	377,425,210	686,665,502

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<b>Centrally Assessed Property</b>	<b>Fee in lieu property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
\$ 321,003,481	\$ 1,347,035,643	\$ 14,280,260,326	0.002564
307,995,999	1,277,851,892	12,014,208,223	0.002142
298,195,675	1,237,153,267	10,890,068,690	0.002347
291,289,246	1,201,209,533	10,254,421,720	0.002549
329,341,180	1,384,801,667	9,786,712,158	0.002556
317,143,950	1,141,346,200	9,400,728,423	0.002081
335,766,292	1,044,893,200	9,116,550,644	0.002095
301,518,302	1,064,197,933	8,099,228,909	0.002145
290,087,655	957,150,183	7,673,534,335	0.002054
311,861,347	1,040,396,364	7,222,549,359	0.002125

## DAVIS COUNTY

### STATISTICAL SCHEDULE 6

#### DIRECT AND OVERLAPPING PROPERTY TAX RATES

#### LAST TEN FISCAL YEARS

Fiscal year	2007	2006	2005	2004	2003
<b>County direct rates</b>					
County Basic Rate	0.001863	0.001424	0.001501	0.001695	0.001700
General Obligation Debt Service	0.000142	0.000108	0.000175	0.000169	0.000168
County Assess & Collect	0.000063	0.000068	0.000072	0.000073	0.000073
State Assess & Collect	0.000121	0.000139	0.000173	0.000180	0.000181
County Library	0.000375	0.000403	0.000426	0.000432	0.000434
Total direct rate	0.002564	0.002142	0.002347	0.002549	0.002556
<b>County school districts' rates</b>					
Davis County School District	0.005865	0.005790	0.005964	0.006021	0.005906
<b>City Rates</b>					
Bountiful	0.000912	0.001119	0.001194	0.001231	0.001223
Centerville	0.001233	0.001349	0.001436	0.001459	0.001470
Clearfield	0.001580	0.001580	0.002980	0.002980	0.002916
Clinton	0.001906	0.001955	0.002087	0.002163	0.002250
Farmington	0.002000	0.002149	0.002336	0.002426	0.002443
Fruit Heights	0.001959	0.001980	0.001980	0.001989	0.001918
Kaysville	0.000925	0.001004	0.001519	0.001600	0.001626
Layton	0.002047	0.002092	0.002134	0.002092	0.002161
North Salt Lake	0.001459	0.001546	0.001645	0.001652	0.001627
South Weber	0.001057	0.001126	0.001166	0.001201	0.001189
Special Service Area	0.000869	0.000940	0.000940	0.000972	0.000843
Sunset	0.001209	0.001108	0.001147	0.001174	0.001158
Syracuse	0.001500	0.001043	0.001043	0.001043	0.001047
West Bountiful	0.001457	0.001500	0.001482	0.001475	0.001372
West Point	0.000834	0.000909	0.001539	0.001555	0.001548
Woods Cross	0.000833	0.000880	0.000923	0.000949	0.000966
<b>Overlapping Rates</b>					
Weber Basin Water	0.000200	0.000178	0.000193	0.000198	0.000196
Mosquito Abatement	0.000099	0.000086	0.000091	0.000093	0.000094
North Davis Sewer	0.000763	0.000763	0.000763	0.000763	0.000763
Bountiful Water	0.000115	0.000139	0.000147	0.000153	0.000152
South Davis Water	0.000236	0.000298	0.000316	0.000318	0.000318
Central Davis Sewer	0.000220	0.000234	0.000259	0.000271	0.000275
South Davis Sewer	0.000305	0.000341	0.000357	0.000366	0.000364
Benchland Water 1	0.000421	0.000450	0.000508	0.000518	0.000527
Hooper Water	0.000404	0.000474	0.000455	0.000547	0.000469
South Weber Water	0.000000	0.000000	0.000000	0.000000	0.000597
Central Weber Sewer	0.000519	0.000573	0.000567	0.000552	0.000574
South Davis Recreation	0.000390	0.000441	0.000536	n/a	n/a
North Davis Fire	0.001400	0.001400	n/a	n/a	n/a

1. Benchland Water was known as Farmington Area Pressurized Irrigation District (FAPID) before 2006.

2002	2001	2000	1999	1998
0.001401	0.001402	0.001432	0.001472	0.001529
0.000000	0.000000	0.000000	0.000000	0.000000
0.000072	0.000072	0.000073	0.000075	0.000076
0.000177	0.000190	0.000205	0.000222	0.000228
0.000431	0.000431	0.000435	0.000285	0.000292
0.002081	0.002095	0.002145	0.002054	0.002125
0.005803	0.005815	0.005632	0.005530	0.005553
0.001216	0.001195	0.001409	0.001270	0.001260
0.001466	0.001464	0.001477	0.001577	0.001579
0.002916	0.002876	0.002876	0.002225	0.002259
0.002250	0.002262	0.002328	0.002475	0.002600
0.002160	0.001709	0.001744	0.001765	0.001578
0.001903	0.001851	0.001790	0.001779	0.001986
0.001612	0.001620	0.001666	0.001705	0.001762
0.002155	0.002140	0.002124	0.002176	0.002190
0.001613	0.001637	0.001715	0.001773	0.001841
0.001195	0.001212	0.001216	0.001246	0.001324
0.000833	0.000851	0.000849	0.000836	0.000805
0.001139	0.001130	0.001086	0.001145	0.001173
0.001023	0.001021	0.001017	0.001046	0.001137
0.001301	0.001259	0.001229	0.001278	0.001312
0.001540	0.001540	0.001529	0.001478	0.001493
0.000945	0.000968	0.000944	0.001001	0.000994
0.000193	0.000193	0.000200	0.000139	0.000139
0.000061	0.000061	0.000062	0.000064	0.000120
0.000763	0.000763	0.000763	0.000732	0.000710
0.000150	0.000143	0.000118	0.000122	0.000123
0.000322	0.000317	0.000320	0.000332	0.000323
0.000276	0.000279	0.000283	0.000288	0.000298
0.000361	0.000358	0.000393	0.000408	0.000415
0.000524	0.000528	0.000541	0.000554	0.000561
0.000434	0.000400	0.000276	0.000281	0.000320
0.000672	0.000871	0.000871	0.000908	0.000970
0.000575	0.000578	0.000603	0.000638	0.000637
N/A	n/a	n/a	n/a	n/a
N/A	n/a	n/a	n/a	n/a

# DAVIS COUNTY

## STATISTICAL SCHEDULE 7

### PRINCIPAL PROPERTY TAX PAYERS

#### CURRENT YEAR AND NINE YEARS AGO

	2007			1998		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value (\$13,959,256,845)	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value (\$8,262,945,723)
<b><u>Taxpayer</u></b>						
Chevron U.S. Inc	171,165,852	1	1.23%	83,024,106	1	1.00%
Freeport Center	155,685,824	2	1.12%	71,117,434	3	0.86%
PacifiCorp	91,612,165	3	0.66%	64,203,055	5	0.78%
LHM Utah LLC 2	90,340,886	4	0.65%	48,385,537	7	0.59%
Big West Oil	74,422,084	5	0.53%	n/a	n/a	n/a
Smith's Food King Properties	70,355,447	6	0.50%	67,358,725	4	0.82%
Qwest Communications 1	65,558,589	7	0.47%	82,518,066	2	1.00%
Albertson's	51,593,534	8	0.37%	48,644,704	6	0.59%
Questar Gas	48,821,642	9	0.35%	31,189,052	9	0.38%
Lifetime Products	43,859,596	10	0.31%	n/a	n/a	n/a
Phillips 66	n/a	n/a	n/a	31,263,312	8	0.38%
Union Pacific R.R.	n/a	n/a	n/a	29,014,228	10	0.35%
<b>Totals</b>	<b>\$ 863,415,619</b>		<b>6.2%</b>	<b>\$ 556,718,219</b>		<b>6.75%</b>

1. Qwest was known as U.S. West Communications in 1998.

2. LHM LLC was known as Marvin F. Poer & Co. in 1998.

# DAVIS COUNTY

## STATISTICAL SCHEDULE 8 PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Year Ended December 31,	Taxes Levied for the Year	Collected within the Fiscal Year of Levy		Collection of Previous Years Taxes	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 27,391,552	\$ 25,259,259	92.2%	\$ 733,770	\$ 25,993,029	94.9%
2006	18,000,027	16,989,146	94.4%	744,028	17,733,174	98.5%
2005	17,724,956	16,735,033	94.4%	524,680	17,259,713	97.4%
2004	16,914,938	15,863,930	93.8%	697,142	16,561,072	97.9%
2003	15,936,413	15,072,659	94.6%	594,118	15,666,777	98.3%
2002	12,846,681	12,138,085	94.5%	581,958	12,720,043	99.0%
2001	12,423,604	11,619,830	93.5%	471,530	12,091,360	97.3%
2000	11,461,995	10,816,596	94.4%	419,579	11,236,175	98.0%
1999	11,055,717	10,501,307	95.0%	661,418	11,162,725	101.0%
1998	10,825,256	10,294,633	95.1%	576,724	10,871,357	100.4%

# DAVIS COUNTY

## STATISTICAL SCHEDULE 9

### RATIOS OF OUTSTANDING DEBT BY TYPE

#### LAST TEN FISCAL YEARS

Governmental Activities								
December 31,	General Obligation Bonds	Revenue Bonds	Municipal Building Revenue Bonds	Lease / Purchase line of credit	Compensated Absences	Total Primary Government	Percentage of Personal Income	Per Capita
2007	\$ 23,745,000	\$ 17,400,000	\$ 2,640,000	\$ 2,389,668	\$ 2,515,662	\$ 48,690,330	0.5%	\$ 164
2006	24,610,000	18,090,000	2,843,000	2,665,906	2,327,530	50,536,436	0.6%	176
2005	26,535,000	8,325,000	1,363,000	2,949,726	2,231,859	41,404,585	0.5%	147
2004	3,380,000	8,655,000	1,497,000	3,239,637	2,163,361	18,934,998	0.3%	70
2003	4,980,000	9,000,000	1,629,000	3,514,320	2,097,443	21,220,763	0.3%	83
2002	6,500,000	1,749,000	-	3,817,000	1,977,049	14,043,049	0.2%	57
2001	14,490,000	1,868,000	-	-	1,691,268	18,049,268	0.3%	74
2000	9,140,000	790,000	-	-	1,668,257	11,598,257	0.2%	49
1999	10,370,000	860,000	-	-	1,506,509	12,736,509	0.2%	54
1998	11,510,000	930,000	-	-	1,451,204	13,891,204	0.3%	60



**DAVIS COUNTY****STATISTICAL SCHEDULE 10****RATIOS OF GENERAL BONDED DEBT OUTSTANDING****LAST TEN FISCAL YEARS**

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<b>December 31,</b>	<b>General Obligation Bonds</b>	<b>Adjusted Taxable Valuation</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Population</b>	<b>Per Capita</b>
2007	\$ 23,745,000	\$ 13,959,256,845	0.17%	296,029	\$ 80
2006	24,610,000	12,014,208,223	0.20%	286,500	86
2005	26,535,000	10,890,068,690	0.24%	281,000	94
2004	3,380,000	10,254,421,720	0.03%	269,000	13
2003	4,980,000	9,516,641,348	0.05%	256,000	19
2002	6,500,000	9,169,083,257	0.07%	248,000	26
2001	14,490,000	8,844,013,853	0.16%	244,000	59
2000	9,140,000	8,004,186,597	0.11%	238,994	38
1999	10,370,000	7,510,677,463	0.14%	237,000	44
1998	11,510,000	7,079,958,326	0.16%	230,000	50

# DAVIS COUNTY

## STATISTICAL SCHEDULE 11 COMPUTATION OF DIRECT AND OVERLAPPING DEBT DECEMBER 31, 2007

Taxing Entity	2007 Year-End Taxable Valuation <sup>1</sup>	County's Portion of Taxable Valuation	County's Percentage	Entity's Outstanding G.O. Debt	Davis County Overlapping G.O. Debt
Overlapping:					
State of Utah	\$ 190,009,782,730	\$ 13,958,352,315	7.3%	\$ 1,161,510,000	\$ 85,325,953
Davis County School District	13,959,256,845	13,959,256,845	100.0%	302,485,000	\$ 302,485,000
Total Overlapping G.O. Debt					<u>387,810,953</u>
Underlying:					
Weber Basin Water Conservatory District 2,3	38,688,101,003	13,958,352,315	36.1%	32,397,383	\$ 11,688,712
Clearfield City <sup>3</sup>	1,140,970,470	1,140,970,470	100.0%	11,175,000	\$ -
Clinton City <sup>3</sup>	607,986,120	607,986,120	100.0%	526,000	\$ -
Farmington City	930,945,540	930,945,540	100.0%	4,625,000	\$ 4,625,000
South Davis Recreation District <sup>4</sup>	5,414,640,100	5,414,640,100	100.0%	16,950,000	\$ 16,950,000
West Bountiful City <sup>3</sup>	312,596,187	312,596,187	100.0%	1,230,000	\$ -
North Salt Lake City <sup>3</sup>	1,196,850,522	1,196,850,522	100.0%	4,915,000	\$ -
North Davis County Sewer District	7,469,095,340	6,166,694,969	82.6%	56,022,000	\$ 46,253,337
Total Underlying					<u>79,517,049</u>
Total Overlapping & Underlying G.O. Debt					<u>467,328,002</u>
Total Overlapping G.O. Debt (Excluding the State) <sup>5</sup>					302,485,000
Total Direct General Obligation					<u>23,745,000</u>
Total Direct and Overlapping G.O. Debt (Excluding the State) <sup>5</sup>					<u>326,230,000</u>
Total Underlying General Obligation Debt					79,517,049
Total Direct General Obligation Bonded Indebtness					<u>23,745,000</u>
Total Direct and Underlying G.O. Debt					<u>103,262,049</u>
Total Overlapping & Underlying G.O. Debt (Excluding the State) <sup>5</sup>					382,002,049
Total Direct General Obligation Bonded Indebtness					<u>23,745,000</u>
Total Direct, Overlapping and Underlying G.O. Debt (Excl. the State) <sup>5</sup>					<u>405,747,049</u>

<sup>1</sup> 2007 Values are preliminary and subject to change. Taxable values used in this table excludes the taxable value used to determine uniform fees on tangible personal property.

<sup>2</sup> The Weber Basin Water Conservatory District covers all of Morgan County, most of the County and Weber Counties, and portions of Box Elder and Summit Counties. Principal and interest on WBWCD general obligation bonds are paid from sales of water. WBWCD bonds are shown as overlapping but are self-supporting except for a maximum .000200 tax rate.

<sup>3</sup> All or portions of these governmental entities outstanding general obligation debt are supported by user fee revenues from water or sewer. The County's portion of overlapping general obligation debt has been reduced to the extent that such general obligation debt is supported by 'user fee revenues.'

<sup>4</sup> The South Davis Recreation District members include the cities of Bountiful, Centerville, North Salt Lake, Woods Cross, West Bountiful, and part of unincorporated Davis County.

<sup>5</sup> The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of general obligation bonds.

## DAVIS COUNTY

### STATISTICAL SCHEDULE 12 LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Estimated Actual Market Value</b>	<b>Debt Limit</b>	<b>Total net debt applicable to limit</b>	<b>Legal debt margin</b>	<b>Total net debt applicable to the limit as a percentage of debt limit</b>
2007	\$ 22,432,352,520	\$ 448,647,050	\$ 23,745,000	\$ 424,902,050	5.29%
2006	18,457,991,962	369,159,839	24,610,000	344,549,839	6.67%
2005	17,135,120,877	342,702,418	26,535,000	316,167,418	7.74%
2004	15,667,356,241	313,347,125	3,380,000	309,967,125	1.08%
2003	14,509,725,213	290,194,504	4,980,000	285,214,504	1.72%
2002	14,205,806,672	284,116,133	6,500,000	277,616,133	2.29%
2001	13,920,405,974	278,408,119	14,490,000	263,918,119	5.20%
2000	12,789,345,628	255,786,913	9,140,000	246,646,913	3.57%
1999	12,092,070,432	241,841,409	10,370,000	231,471,409	4.29%
1998	11,406,243,914	228,124,878	11,510,000	216,614,878	5.05%

Note: The General Obligation Indebtedness of the County is limited by Utah Law to two percent of the "reasonable fair cash value" of taxable property in the County.

# DAVIS COUNTY

## STATISTICAL SCHEDULE 13 PLEDGED - REVENUE COVERAGE LAST TEN FISCAL YEARS

Fiscal Year Ended December 31,	Lease Revenue Bonds				Sales Tax Revenue Bonds			
	Lease Revenue Collection	Principal	Interest	Coverage	Total Pledged Taxes	Principal	Interest	Coverage
2007	\$ 331,345	\$ 203,000	\$ 146,790	95%	\$ 12,038,549	\$ 540,000	\$ 783,439	910%
2006	215,451	146,000	69,451	100%	11,315,900	340,000	359,863	1617%
2005	211,090	134,000	77,090	100%	9,772,379	330,000	366,793	1402%
2004	220,989	132,000	84,249	102%	8,910,450	345,000	350,856	1281%
2003	215,417	120,000	90,667	102%	-	-	-	-
2002	221,155	119,000	96,209	103%	-	-	-	-
2001	119,563	75,000	46,169	99%	-	-	-	-
2000	118,519	70,000	50,001	99%	-	-	-	-
1999	122,780	70,000	53,765	99%	-	-	-	-
1998	113,245	60,000	56,995	97%	-	-	-	-

Note: The County began issuing Sales Tax Bonds in October 2003.

## DAVIS COUNTY

### STATISTICAL SCHEDULE 14 DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

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<b>Fiscal Year</b>	<b>Population</b>	<b>Births</b>	<b>Deaths</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>	<b>Total Public School Enrollment</b>
2007	296,029	2,949	1,163	\$ 3,626,441,108	\$ 34,668	2.6%	64,553
2006	286,500	3,139	1,096	3,437,297,907	34,188	2.9%	62,832
2005	281,000	3,002	1,084	3,124,218,948	28,081	4.0%	62,349
2004	269,000	2,974	1,666	2,961,120,865	27,418	4.7%	60,614
2003	256,000	2,890	1,072	2,783,559,443	26,943	5.1%	60,025
2002	248,000	2,840	1,038	2,663,882,779	25,947	5.0%	58,900
2001	244,000	2,967	963	2,514,055,122	25,430	3.9%	58,754
2000	238,994	2,781	943	2,349,584,226	25,064	3.0%	58,867
1999	237,000	2,755	910	2,195,873,109	23,405	3.5%	58,562
1998	230,000	2,647	866	2,052,217,858	22,650	3.5%	58,767

Source: Utah Department of Workforce Services, Utah Population Estimates Committee, Davis County School District, and Davis County Vital Statistics

# DAVIS COUNTY

## STATISTICAL SCHEDULE 15

### PRINCIPAL EMPLOYERS

#### PRIOR YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2006</u>			<u>1997</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment (139,243)</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment (116,559)</u>
Hill Air Force Base	10,000-14,999	1	10.8%	15,000-20,000	1	17.2%
Davis County School District	5,000-6,999	2	5.0%	5,000-7,000	2	6.0%
Smith's Distribution Services	1,000-1,999	3	1.4%	250-499	3	0.4%
Lagoon Inc	1,000-1,999	4	1.4%	500-999	9	0.9%
Lifetime Products Inc	1,000-1,999	5	1.4%	500-999	11	0.9%
Utility Trailer and Manufacturing	1,000-1,999	6	1.4%	500-999	13	0.9%
Walmart	1,000-1,999	7	1.4%	250-499	33	0.4%
Albertson's	500-999	8	0.7%	500-999	3	0.9%
Citicorp Credit Services	500-999	9	0.7%	n/a	n/a	n/a
Davis County	500-999	10	0.7%	500-999	5	0.9%
Davis Hospital and Medical Center	500-999	11	0.7%	500-999	6	0.9%
Lakeview Hospital	500-999	12	0.7%	500-999	10	0.9%
Icon Health and Fitness	500-999	13	0.7%	500-999	7	0.9%
Amusement Services	n/a	n/a	n/a	500-999	4	0.9%
JC Penney Catalog	n/a	n/a	n/a	500-999	8	0.9%
<b>Totals</b>	<u>23,000-37,987</u>		<u>27.0%</u>	<u>25,500-37,988</u>		<u>32.8%</u>

Source: Utah Department of Workforce Services

Note: 2007 data was not available at the time this report was issued. Number of employees is based upon an annual average.

# DAVIS COUNTY

## STATISTICAL SCHEDULE 16

### FULL TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Full-Time Equivalent Employees as of December 31,									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Government										
Commission	5	5	5	5	5	5	4	3	3	3
Justice Court	8	8	8	8	8	8	8	7	7	6
Personnel	6	8	8	8	8	7	8	7	5	6
Info Systems	29	27	24	24	24	23	24	23	19	17
Clerk/Auditor	28	22	22	21	17	24	22	23	22	21
Treasurer	5	4	4	5	5	13	21	23	20	19
Recorder	19	20	19	18	18	17	17	19	17	15
Attorney	40	37	38	41	39	42	40	40	33	34
Assessor	35	31	31	31	34	26	27	25	22	22
Surveyor	6	6	6	5	5	6	6	6	6	6
Sheriff										
Sheriff's Officers	129	125	124	124	119	129	123	120	112	101
Correction's Officers	183	128	108	108	106	109	106	106	98	93
Animal Control	24	23	23	23	23	21	22	20	17	18
911-Emergency	19	23	25	25	24	26	26	25	21	21
Senior Services	31	32	33	33	33	37	36	38	35	36
Health/Nursing										
WIC Program	9	9	12	12	13	12	11	10	11	12
Epidemiology	3	3	3	3	2	n/a	n/a	n/a	n/a	n/a
Administration	7	7	7	7	7	12	11	10	10	11
I & M	29	29	28	28	28	29	29	31	26	n/a
Environmental	15	15	14	14	12	15	16	16	17	42
Nursing	35	42	42	42	43	48	46	44	46	45
Promotion	5	6	7	7	7	n/a	n/a	n/a	n/a	n/a
Redevelopment										
Community and Economic Development	8	8	7	7	7	9	10	9	9	16
Parks and recreation										
Valley View Golf Course	16	18	20	20	20	21	19	21	17	23
Davis Park Golf Course	18	19	17	17	17	19	19	19	16	17
Fair Park	14	15	14	14	13	17	16	14	11	n/a
Library	88	88	73	73	73	65	65	64	56	55
Public Works	26	28	27	27	27	30	30	27	29	28
Facilities Management	27	28	13	13	14	14	17	15	13	14
Total	867	814	762	763	751	784	779	765	698	681

Source: Davis County Personnel Department

# DAVIS COUNTY

## STATISTICAL SCHEDULE 17 OPERATING INDICATORS BY FUNCTION/PROGRAM LAST FOUR FISCAL YEARS

Function/Program	Fiscal Year 2007	Fiscal Year 2006	Fiscal Year 2005	Fiscal Year 2004
General Government				
Clerk/Auditor				
Veteran Abatements	2,295	3,201	2,512	1,986
Circuit Breaker Abatements	949	949	923	931
Blind Abatements	163	169	158	160
Indigent Abatements	118	152	149	146
Treasurer				
Number of Tax Notices Sent	92,426	90,296	87,102	83,592
Recorder				
Number of Recordings	99,029	97,174	92,861	96,386
Sheriff				
Traffic Citations	5,507	7,000	6,510	n/a
DUIs	402	277	241	196
Arrests	1,748	n/a	n/a	n/a
Search and Rescue Active Members	36	36	36	24
E-911 phone calls	249,167	249,641	248,212	235,307
Average number of inmates	785	499	513	497
Senior Services				
Total Meals Delivered	150,987	141,978	145,293	144,691
Health/Nursing				
Client Count	15,490	17,808	22,949	19,922
Number of Immunizations	23,826	21,728	25,752	23,081
Weatherization				
Homes Serviced	108	138	180	93
Library				
Items Loaned	2,386,571	2,195,623	1,942,386	1,810,111
Materials Held	647,332	620,507	518,294	504,745
Registered Users	160,217	156,489	147,150	142,291
Golf Course				
Rounds	167,872	144,092	156,276	157,249

Source: Various Departments of Davis County



## DAVIS COUNTY

### STATISTICAL SCHEDULE 18 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TWO FISCAL YEARS

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Function/Program	December 31, 2007	December 31, 2006
Roads		
Miles of road	31	31
Golf Courses		
Acres	280	280
Number of Buildings	5	5
Total Square Footage	24,104	24,104
Vehicles	8	7
Events Centers		
Number of Buildings	6	3
Total Square Footage	142,982	118,400
Public Libraries		
Number of Library Buildings	7	7
Total Square Footage	98,000	98,000
Vehicles	2	2
Conference Center (Sq. Ft.)	41,000	41,000
Health/Nursing		
Number of Buildings	2	2
Total Square Footage	31,126	31,126
Vehicles	1	1
Sheriff/Corrections		
Number of Buildings	3	3
Total Square Footage	259,074	259,074
Sheriff Vehicles	84	84
Animal Control Vehicles	19	16
Misc. Vehicles	20	16
Floods		
Number of Channels	24	24
Miles of Stream Channels	198	198
Miles of Stream Bank	400	400
Senior Services		
Number of Senior Centers	3	3
Total Square Footage	24,343	24,343
Vehicles	35	28
Public Works		
Number of Buildings	4	4
Total Square Footage	14,471	14,471
Vehicles	45	46

Source: Various Departments of Davis County



[www.daviscountyutah.gov](http://www.daviscountyutah.gov)

# IV. Single Audit Section



**1651 North 700 West  
Layton, UT 84041  
(801) 416-8888**



**Architectural profile of the Davis Conference Center  
with the exhibit hall expansion.**



[www.davisconferencecenter.com](http://www.davisconferencecenter.com)



Steven F. Crane, CPA  
Kent R. Christensen, CPA  
Jeffrey L. Ambrose, CPA  
Chuck Palmer, CPA

**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**

The Board of County Commissioners  
Davis County, Utah

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Davis County as of and for the year ended December 31, 2007, which collectively comprise Davis County's basic financial statements and have issued our report thereon dated May 28, 2008. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Davis County's internal control over financial reporting as a basis for designing our auditing procedures 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 County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting (Finding 2007-1).

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiency described above is a material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Davis County's financial statements are free of 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*.

This report is intended solely for the information and use of management, the County Commissioners, others within the entity, and federal and state funding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Crane, Christensen & Ambrose P.C.*

May 28, 2008



Steven F. Crane, CPA  
Kent R. Christensen, CPA  
Jeffrey L. Ambrose, CPA  
Chuck Palmer, CPA

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE APPLICABLE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Board of County Commissioners  
Davis County, Utah

**Compliance**

We have audited the compliance of Davis County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. Davis County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Davis County's management. Our responsibility is to express an opinion on Davis County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Davis County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Davis County's compliance with those requirements.

In our opinion, Davis County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

**Internal Control Over Compliance**

The management of Davis County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Davis County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Davis County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the County Commissioners, others within the entity, and federal awarding agencies and passthrough entities and is not intended to be and should not be used by anyone other than these specified parties.

*Crane, Christensen & Ambrose P.C.*

May 28, 2008

**DAVIS COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

**I. SUMMARY OF AUDITORS' RESULTS**

1. The independent auditors' report on the financial statements expressed an unqualified opinion. The financial statements of Davis Behavioral Health (a component unit of Davis County) were audited by other auditors, whose reports have been furnished to us, and our report, insofar as it relates to the amounts included for Davis Behavioral Health, is based solely on the reports of such other auditors.
2. One significant deficiency in internal control over financial reporting was required to be reported.
3. No instances of noncompliance considered to be material to the financial statements were disclosed by the audit.
4. No conditions in internal control over compliance with requirements applicable to major federal awards programs were required to be reported.
5. The independent auditors' report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.
6. The audit disclosed no findings required to be reported by OMB Circular A-133.
7. The major federal programs of the County for the year ended December 31, 2007 are as follows:

<b>Program</b>	<b>CFDA#</b>	<b>Expenditures</b>
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	\$ 3,347,037

8. A threshold of \$300,000 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.
9. The County qualified as a low risk auditee as that term is defined in OMB Circular A-133.

**II. FINANCIAL STATEMENTS FINDINGS SECTION**

Finding 2007-1: There was a deficiency in the transition to a new computer system for the tax collection fund which necessitated manual corrections by accounting personnel.

Questioned Costs: None

Recommendation: The software should be modified or enhanced in order to provide more reliable financial information for the tax collection fund.

County's Reply: Davis County is enhancing the tax collection system in order to minimize manual corrections and is attempting to make limited manual entries in a more timely fashion.

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION**

None



# DAVIS COUNTY

## SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2007

(Page 1 of 2)

Federal Grantor Agency Pass Through Grantor Program Title	Federal CFDA Number	Grant Numbers	2007 Expenditures (Modified Accrual Basis)
U.S. Department of Agriculture			
Passed through Utah State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	10.557	Noncash	\$ 2,708,759
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	10.557	07-1011, 08-1138	638,278
Summer Food Service Program For Children	10.559	07-1055, 08-0261	1,900
Passed through Utah State Department of Social Services:			
Food Donation	10.550	07-0728, 08-0592	104,248
Total U.S. Department of Agriculture			<u>\$ 3,453,185</u>
U.S. Department of Education			
Passed through National Science Foundation:			
Safe and Drug-Free Schools and Communities, State Grants	84.186B	05-2437	<u>\$ 52,712</u>
U.S. Department of Health and Human Services			
Passed through Utah State Department of Health:			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	07-1786	4,584
Immunization Grants	93.268	Noncash	208,525
Immunization Grants	93.268	07-0499, 08-0342	68,045
National Comprehensive Cancer Control Program	93.283	06-0551, 06-2152 07-1640, 08-0660 08-1168	544,347
Medical Assistance Program	93.778	07-1015, 08-0345	11,785
National Bioterrorism Hospital Preparedness Program	93.889	07-1873	28,622
HIV Prevention Activities, Health Department Based	93.940	07-1786	6,000
Preventive Health Services, Sexually Transmitted Diseases Control Grants	93.977	07-186	991
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988	06-2152, 08-0660	5,055
Preventive Health and Health Services Block Grant	93.991	06-2152, 08-0660	53,346
Maternal and Child Health Services Block Grant to the States (MCH Block Grants)	93.994	06-2152, 07-0499 08-0660, 08-0342	136,144
Passed through Utah State Department of Social Services:			
Programs for the Aging:			
Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	07-0728, 08-0592	131,202
Title III, Part C, Nutrition Services	93.045	07-0728, 08-0592	235,381
Title VII, Chap. 2, Long Term Care Ombudsman Services for Older Individuals	93.042	08-0592	3,753
Title III, Part D, Disease Prevention and Health Promotion Services	93.043	07-0728, 08-0592	34,057
National Family Caregiver Support	93.052	07-0728, 08-0592	52,936
Social Services Block Grant	93.667	07-0403, 08-0182	106,908
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	93.779	07-0728, 08-0592	7,568
Block Grants for Community Mental Health Services	93.958	05-2439	234,691
Block Grants for Prevention and Treatment of Substance Abuse	93.959	05-2437	1,530,901
Passed through Utah State Department of Community and Economic Development:			
Low-Income Home Energy Assistance	93.568	06-1474, 07-1861	288,637
Total U.S. Department of Health and Human Services			<u>\$ 3,693,478</u>
Department of Homeland Security			
Passed through Utah State Department of Public Safety:			
Homeland Security Grant Program	97.067	ES-2005-SHSP-001	24,480
Emergency Management Performance Grants	97.042	EMPG-2006-DHLS-0006	18,000
Buffer Zone Protection Program	97.078	BZPP-2006-002	452
Total Department of Homeland Security			<u>\$ 42,932</u>

See notes to supplementary schedule of federal financial assistance.

# DAVIS COUNTY

## SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2007

(Page 2 of 2)

Federal Grantor Agency Pass Through Grantor Program Title	Federal CFDA Number	Grant Numbers	2007 Expenditures (Modified Accrual Basis)
U.S. Department of Housing and Urban Development Passed through Utah State Department of Community and Economic Development Community Development Block Grants/State's Program	14.228	06-2079, 08-0051 08-0056, 08-0884	\$ 59,043
U.S. Department of Justice Bulletproof Vest Partnership Program Passed through Utah State Dept. of Public Safety: Enforcing Underage Drinking Laws Program Passed through Utah State Commission on Criminal and Juvenile Justice: Violence Against Women Formula Grants Crime Victim Assistance	16.607	004BOBX04023303	9,018
	16.727	OJ612	4,650
	16.588	05VAWA06	18
	16.575	06VOCA10, 06VOCA11 06VOCA12, 07VOVCA11 07-VOCA12	112,581
	16.593	6R02	10,053
	16.738	5A29	31,905
Total U.S. Department of Justice			\$ 168,225
U.S. Department of Labor Passed through Utah State Department of Social Services: Senior Community Service Employment Program	17.235	07-0728, 08-0592	\$ 29,962
U.S. Department of Energy Passed through Utah State Department of Community and Culture: Weatherization Assistance for Low Income Persons	81.042	07-0316, 08-0978	\$ 232,217
Environmental Protection Agency Passed through Utah State Department of Environmental Quality: Capitalization Grants for Drinking Water State Revolving Fund Performance Partnership Grants	66.468	05-1042, 08-0786	11,263
	66.605	05-1042, 08-0786	5,600
Total Environmental Protection Agency			\$ 16,863
U.S. Department of Transportation Passed through Utah State Department of Transportation: State and Community Highway Safety Occupant Protection	20.600	CP07-02-01	5,408
	20.602	OP07-04-14, CP08-02-01	19,231
Total U.S. Department of Transportation			\$ 24,639
National Foundation on the Arts and the Humanities Passed through Utah State Department of Community & Economic Development: Grants to States	45.310	06-1799	\$ 75,000
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 7,848,256

See notes to supplementary schedule of federal financial assistance.

## DAVIS COUNTY

### NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. **General** - The accompanying Supplementary Schedule of Expenditures of Federal Awards presents the activity of all federal awards of Davis County (the County). Federal awards received directly from federal agencies as well as federal awards passed-through other government agencies are included on the Supplementary Schedule of Expenditures of Federal Awards.
2. **Basis of Accounting** - The accompanying Supplementary Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.
3. **Noncash Federal Awards** - Noncash federal awards represent commodities consumed during the year, expressed at market value. The State estimates the per unit fair market value of these commodities. Noncash federal financial assistance is calculated by multiplying the per unit fair market value by the net commodities consumed.