

Davis County, Utah

Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF

DAVIS COUNTY, UTAH

For the Fiscal Year Ended December 31, 2017

Prepared by:

Davis County Clerk / Auditor's Office

Curtis Koch, MBA, CGFM
Clerk / Auditor

L. Douglas Stone, CPA
Lead Reporting Auditor

Heidi Voordeckers, MPA, CGFM
Chief Deputy

DAVIS COUNTY, UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2017

TABLE OF CONTENTS

I. INTRODUCTORY SECTION	<u>Exhibit</u>	<u>Page</u>
Title Page		1
Table of Contents.....		2
Transmittal Letter		4
Certificate of Achievement.....		11
Organization Chart		12
 II. FINANCIAL SECTION		
Independent Auditors' Report		16
Management's Discussion and Analysis		18
 Basic Financial Statement		
Government-wide Financial Statements		
Statement of Net Position.....	A	32
Statement of Activities	B	33
Governmental Fund Financial Statements		
Balance Sheet	C	36
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	D	37
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	38
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund		
Balances – Governmental Funds to the Statement of Activities	F	39
Proprietary Fund Financial Statements		
Statement of Net Position.....	G	42
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	H	43
Statement of Cash Flows	I	44
Fiduciary Fund Financial Statements		
Statement of Fiduciary Assets and Liabilities	J	46
Notes to the Financial Statements	K	48
 Required Supplementary Information		
Notes to Required Supplementary Information		79
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual		
General Fund	L	80
Health Special Revenue Fund	M	83
Library Special Revenue Fund	N	84
Transportation Special Revenue Fund.....	O	85
Schedule of Contributions	P	86
Schedule of the Proportionate Share of the Net Pension Liability	Q	88
Information About Other Postemployment Benefit Plan.....	R	89
 Supplementary Information		
Nonmajor Governmental Funds		
SS 1. Combining Balance Sheet		94
SS 2. Combining Statement of Revenues, Expenditures, and Changes in Fund Balances		96
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual		
SS 3. Capital Projects Fund		98
SS 4. Tourism Special Revenue Fund		99
SS 5. Redevelopment Agencies (RDA) Special Revenue Fund		100
SS 6. Emergency 911 Dispatch Special Revenue Fund.....		101
SS 7. Municipal Building Authority Special Revenue Fund		102

DAVIS COUNTY, UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2017

TABLE OF CONTENTS

Supplementary Information (Continued)	<u>Page</u>
SS 8. Special Service Area Special Revenue Fund	103
SS 9. Flood Control Capital Projects Fund.....	104
SS 10. General Obligation Debt Service Fund	105
SS 11. Municipal Building Authority Debt Service Fund	106
SS 12. Sales Tax Revenue Bonds Debt Service Fund	107
 Proprietary Funds – Internal Service Funds	
SS 13. Combining Statement of Net Position.....	110
SS 14. Combining Statement of Revenues, Expenses, and Changes in Net Position	111
SS 15. Combining Statement of Cash Flows.....	112
 Fiduciary Funds – Agency Funds	
SS 16. Combining Statement of Fiduciary Assets and Liabilities	114
SS 17. Combining Statement of Changes in Assets and Liabilities	115
 Other Schedules	
SS 18. Schedule of Taxes Charged, Collected, and Disbursed.....	118
SS 19. Schedule of Receipts and Disbursements – Treasurer’s Tax Collection Fund.....	120
 III. STATISTICAL SECTION	
Stat. 1. Net Position by Component – Last Ten Fiscal Years	124
Stat. 2. Changes in Net Position – Last Ten Fiscal Years	126
Stat. 3. Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	128
Stat. 4. Changes in Fund Balances, Governmental Fund – Last Ten Fiscal Years	130
Stat. 5. Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	132
Stat. 6. Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	134
Stat. 7. Principal Property Tax Payers – Current Year and Nine Years Ago	135
Stat. 8. Property Tax Levies and Collections – Last Ten Fiscal Years	136
Stat. 9. Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	137
Stat. 10. Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	138
Stat. 11. Computation of Direct and Overlapping Debt	139
Stat. 12. Legal Debt Margin Information – Last Ten Fiscal Years	140
Stat. 13. Pledged – Revenue Coverage – Last Ten Fiscal Years.....	141
Stat. 14. Demographic and Economic Statistics – Last Ten Fiscal Years.....	142
Stat. 15. Principal Employers – Prior Year and Nine Years Ago	143
Stat. 16. Full Time Equivalent County Government Employees by Function/Program–Last Ten Fiscal Years	144
Stat. 17. Operating Indicators by Function/Program – Last Ten Fiscal Years.....	145
Stat. 18. Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	146
 IV. SINGLE AUDIT SECTION	
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing Standards</i>	149
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance.	150
Schedule of Findings and Questioned Costs.....	152
Supplementary Schedule of Expenditures of Federal Awards.....	154
Notes to Supplementary Schedule of Expenditures of Federal Awards	156

Davis County

COUNTY CLERK/AUDITOR
Curtis Koch, CGFM



June 21, 2018

To the Citizens of Davis County and the Board of County Commissioners:

This letter introduces the Comprehensive Annual Financial Report (CAFR) of Davis County (the County) for the fiscal year ended December 31, 2017. The County's CAFR is prepared by the County Clerk/Auditor's Office.

Management of the County assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

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 activities have been included.

State law requires that an annual financial audit of the County be completed each year by independent certified public accountants. The firm of Ulrich & Associates, P.C. has issued an unmodified ("clean") opinion for the County's financial statements for the year ended December 31, 2017. Their 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 front of the Financial Section of this report.

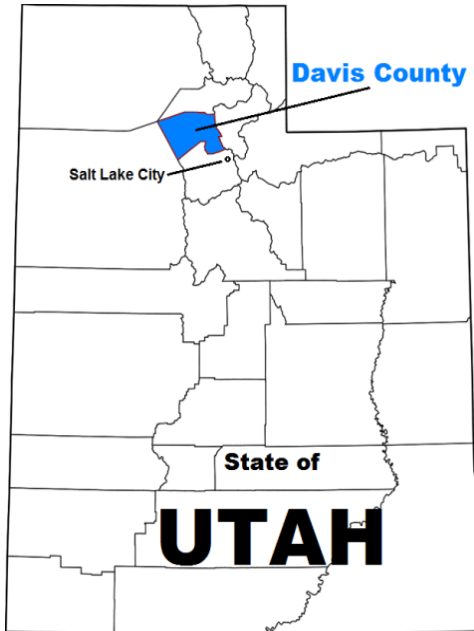
Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

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 requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 147.

PROFILE OF THE COUNTY

Davis County lies nestled between the Wasatch Mountains and the Great Salt Lake. The County boundary includes portions of the Great Salt Lake and picturesque Antelope Island State Park. The lake accounts for roughly 365 square miles of the County, leaving only 265 square miles of land. These numbers vary from year to year, depending on the lake level. While Davis County is Utah's smallest in land area, it is the third largest county in population and is home to an estimated 347,637 residents living in the County's fifteen communities.

Originally frequented by Shoshone, Ute and Paiute Indians, the Native American's considered this area to be neutral ground, meaning that they would not fight over who should control it. Later, this 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 from the eastern Wasatch Mountains attracted early settlers, who established small farms and close-knit communities. These early pioneers founded schools, built homes and churches, and created productive farms and shops.



Named for pioneer leader, Daniel C. Davis, Davis County was established as a territory on October 5, 1850. The territorial legislature created Davis County in 1852 and designated the seat at Farmington, midway between boundaries at the Weber River on the north and the mouth of the Jordan River on the south.

During its first half-century, Davis County grew slowly, supported by a hardy pioneer people engaged in agriculture and the raising of livestock. In 1870 the Utah Central Railroad (now Union Pacific) crossed through Davis County from Ogden on the north, to Salt Lake City on the south, offering much needed transportation links to supply settlers with manufactured products. This marked a transition in the County's history and 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 sought to promote the County, 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 of that time 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. The advent of World War II in 1939 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 still 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 the following decade. The population continued to expand, increasing from 64,760 to 146,540 between 1960 and 1980, reaching 238,994 by 2000. The 2010 census reported a population of 306,479, a 28.2 percent increase over 2000 figures. The County's population was at an all-time high of 347,637 as of December 31, 2017. The County is one of the fastest growing of the four major urban communities along the Wasatch Front, with population estimates in excess of 465,000 around the year 2050 (projected build out).

Accompanying this growth has been further diversification of the population and increased prosperity. Davis County enjoys a wide mix of people representing many ethnic, cultural, and religious backgrounds. The County has grown from its traditional agricultural dependency to an interlocking network of suburban communities benefitting from their proximity to downtown Salt Lake City. The communications age has tied Davis County to the world. Many businesses, both large and small, are operating on a global scale and Davis County residents are part of an economic and social pattern that reaches far beyond the County's tiny geographical limits.

A three-member elected Board of Commissioners is the governing body of Davis County. All Commissioners serve four-year terms, which overlap to enhance the continuity of 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 ensure 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 12, generally serve four-year terms and are eligible for re-election in the same county-wide elections as the Commissioners. In 2014, the offices of Assessor, Recorder, Surveyor, and Treasurer, were each elected to a special one-time six-year term. The State Legislature created this one-time variance in the terms in order to avoid a situation where all elected offices, outside of one County Commissioner, could be starting new terms simultaneously. 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 Clerk/Auditor serves as the chief financial and budget officer of the County and oversees the County financial system. The County Treasurer is responsible for the collection, safekeeping, and investing of all County funds. The County Commission, Clerk/Auditor, and Treasurer coordinate the efforts of their offices to ensure compliance with the Uniform Fiscal Procedures Act for Counties, as set forth in *Utah Code Ann.*, Title 17, Chapter 36.

The County provides a diverse range of county-wide services as well as certain municipal type services which are provided only in the unincorporated areas of the County. Examples include: **General Government services** (such as property tax assessment and collection, auditing, budget administration, elections, economic development, marriage licenses, passports, property records, surveying, criminal justice services, and ordinance enactment and enforcement), **Educational services** (such as libraries and agricultural extension), **Social services** (such as senior programs), **Recreation and Tourism services** (such as golf courses, tourism and travel facilities, and conference and event centers), **County Administrative services** (such as human resources, information systems, finance, purchasing, and facilities management), **Public Safety services** (such as correctional facilities, emergency 911, Sheriff protection, paramedic, emergency medical, and animal care and control), **Public Health services** (such as mental health and substance abuse, clinical, nursing, dental health, 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 licensing. These services are funded by property and sales taxes and user fees paid by property owners of the unincorporated area of the County, and are accounted for in the Special Service Area Fund.

ECONOMIC CONDITION AND OUTLOOK

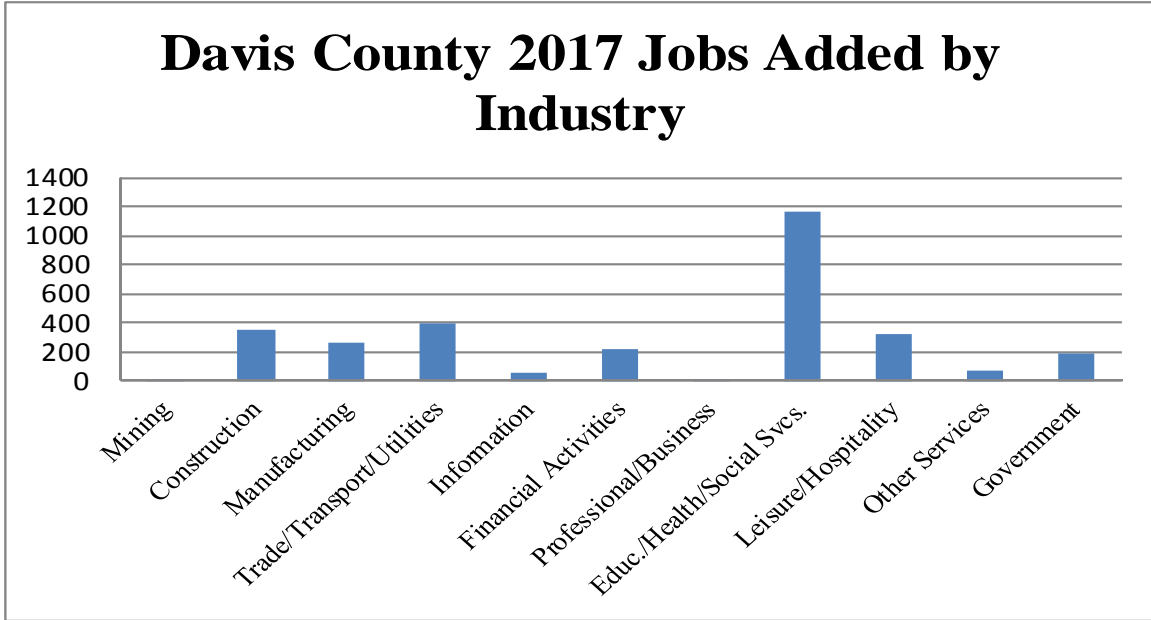
The following summary of economic conditions in Davis County is provided by the Utah Department of Workforce Services. A complete report of the County is available at: www.jobs.utah.gov/wi/regions/county/davis.html.

OVERVIEW

Davis County's year-over job growth (2.5 percent) fell below the Utah statewide average during the fourth quarter of 2017. Taxable sales were up 6.3 percent with particular strength in nonstore sales, suggesting consumer confidence is strong. Unemployment remains low and initial unemployment insurance claims have fully returned to pre-recession levels. The tight labor market putting upward pressure on wages, and the overall outlook for the county remains very positive.

JOBS

Davis County added over 3,000 new jobs at a year-over rate of 2.5 percent as of December 2017, with education and healthcare being the largest areas of growth at 7.6 percent. Other areas of growth include the financial activities sector (5.7 percent) and mining (5.1 percent). The trade and transportation sectors added over 400 new jobs, while construction added 350 jobs and leisure and hospitality added 325 jobs.



UNEMPLOYMENT & WAGES

Davis County’s unemployment rate was 2.9 percent in December 2017. This is 0.1 percentage point below the December 2016 rate and below the statewide and US average of 3.2 percent and 4.1 percent respectively. This confirms that Davis County is one of Utah’s strongest economic areas.

Initial claims for unemployment insurance were around 80 per week in May 2018, typical for this time of year and representing a full return to pre-recession levels.

The County’s overall wage levels generally track below the statewide average, yet the trajectory mirrors the statewide performance. Average wages increased 2.8 percent year-over to \$3,659 per month as of the end of 2017. Davis County average wages were close to the statewide figure of \$3,810.

CONSTRUCTION & SALES

Residential construction permits in 2017 were up 8.7 percent over 2016. Permits for new apartment units drove the increase.

Taxable sales in Davis County grew 6.3 percent year-over in Q4 2017, reaching \$1.45 billion. The County is only one of four Utah counties to record over \$1 billion in sales.

A relatively new sales medium, nonstore sales reached \$45.2 million, \$29.2 (54.8 percent) higher than a year ago. This is the largest category of new year-over revenues. Vehicle sales added an additional \$8.8 million this year and food stores and building and garden stores added \$9.7 million.

MAJOR INITIATIVES AND OTHER ACCOMPLISHMENTS

FINANCIAL SUSTAINABILITY STUDY

Reserve balances are important in order to keep the county financially strong and maintain a high credit rating. Beginning in 2011, Davis County began a strategic spend down of county reserve balances. This was done in order to maintain county services without increasing taxes. Prior to implementing a tax increase in the 2017 budget, the county conducted a study that considered the efficiency of county operations, the demand for County services, future capital and infrastructure needs and the historic effects of inflation on tax revenues. The findings of the study were used in the 2017 budget process to help insure long-term financial stability in the County.

FINANCIAL SYSTEM

In 2017, Davis County announced that it would begin the implementation of Tyler Technologies - Munis financial software. The software package will serve as the countywide enterprise resource management (ERP) and will provide greater efficiencies and transparency in time keeping, accounting functions, human capital management and asset management. Implementation will begin in the spring of 2018 with a projected completion date of January 2020.

PROPOSITION 1 REVENUES

In November of 2015, the voters of Davis County approved the local option sales and use tax known as Proposition 1. Funds from the tax began to be collected and expended in the second quarter of 2016 and are intended to help the County invest in regional transportation options such as: roads, trails, sidewalks, maintenance, increased bus service and safety features. As of December 31, 2017, the County had built up fund balance of \$4 million in Proposition 1 local option sales and use tax, all of which is restricted for regional transportation projects.

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).

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The County operates an integrated budgetary and accounting system that incorporates the formal adoption of a budget for each department. The budget is adopted in December each year for the ensuing year. State statute defines the legal level of budgetary control at the department level, whereby expenditures should not exceed appropriations at that level. Monthly financial reports are made available to each department head and/or elected official with a charge that obligations must be closely monitored. The budget is reopened as required by state statute to consider necessary adjustments, generally consisting of unanticipated revenues from grants and associated expenditures.

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.

In addition, 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, and are under perpetual review and evaluation for effectiveness. Additional discussion of accounting and budgeting practices may be found in the "Notes to Financial Statements."

THE REPORTING ENTITY

This CAFR includes all funds of the County as follows:

<u>DESCRIPTION</u>	<u>FUND TYPE</u>
General Fund	General Government
Health Fund	Special Revenue
Library Fund	Special Revenue
Transportation Fund	Special Revenue
Tourism Fund	Special Revenue
Redevelopment Agencies (RDA) Fund	Special Revenue
Emergency 911 Dispatch Fund	Special Revenue
Municipal Building Authority Fund	Special Revenue
Special Service Area Fund	Special Revenue
Capital Projects Fund	Capital Projects
Flood Control Fund	Capital Projects
General Obligation Debt Service Fund	Debt Service
Municipal Building Authority Bond Fund	Debt Service
Sales Tax Revenue Bonds Fund	Debt Service
Golf Courses Fund	Enterprise
Jail Commissary Fund	Enterprise
Insurance Fund	Internal Service
Telephone and Security System 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 was a regional solid waste energy recovery district organized in 1982 by the County to process solid waste. The "burn plant" as it was commonly known, ceased all operations in 2017. The entity continues to operate a landfill, which will remain open for municipal solid waste and special waste disposal.

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, 2016. This is the twenty-fourth year in a row that Davis County has received this award.

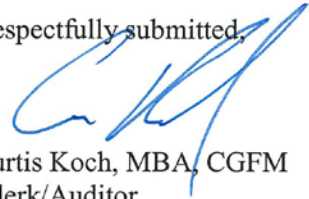
This prestigious award requires a government unit to publish an easily readable and efficiently organized comprehensive annual financial report that must conform to rigorous program standards. Qualifying reports must satisfy both GAAP and applicable legal requirements.

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. Special thanks go to our highly qualified and professional staff that makes 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 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.

Respectfully submitted,



Curtis Koch, MBA, CGFM
Clerk/Auditor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

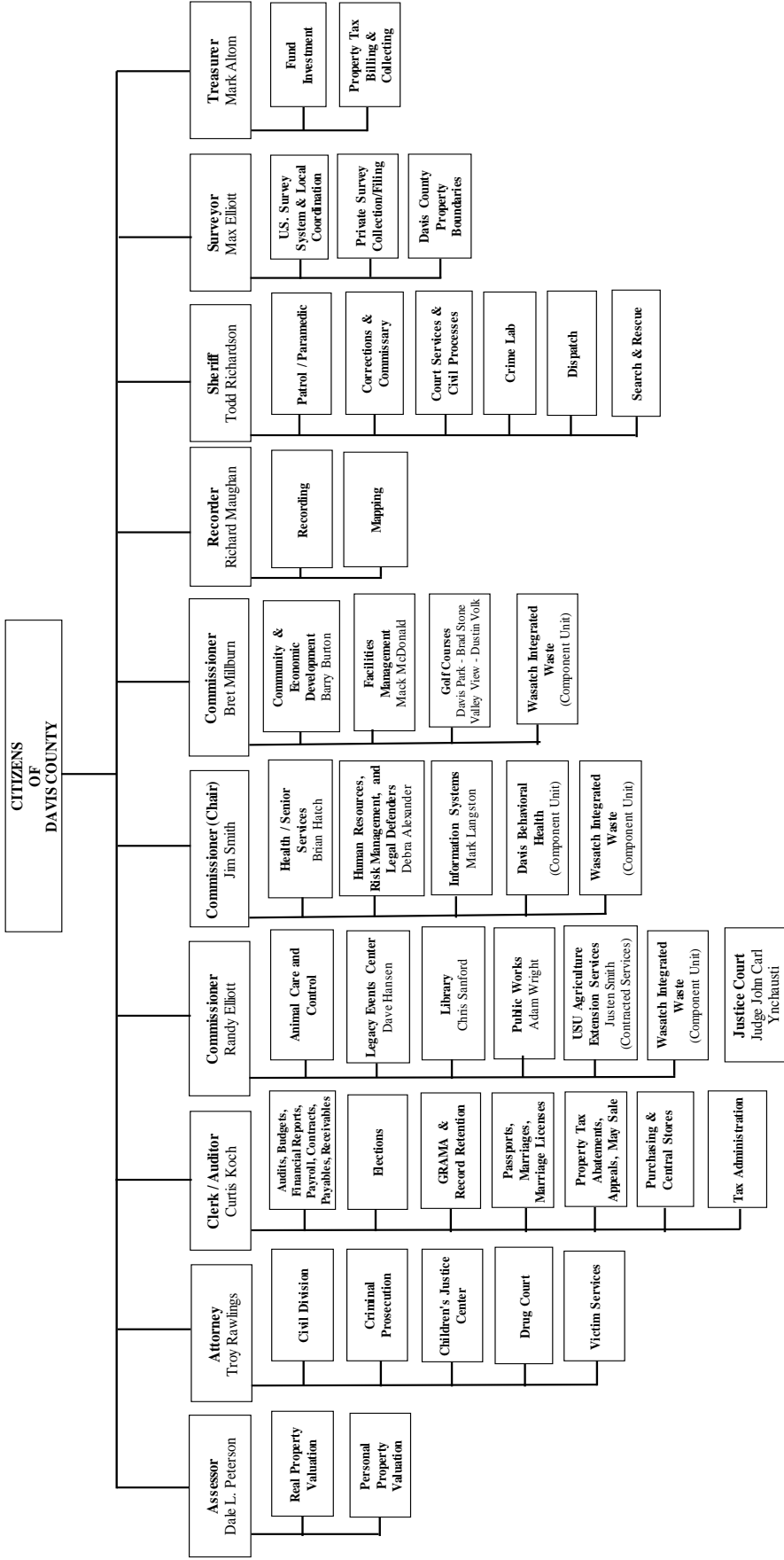
Davis County
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

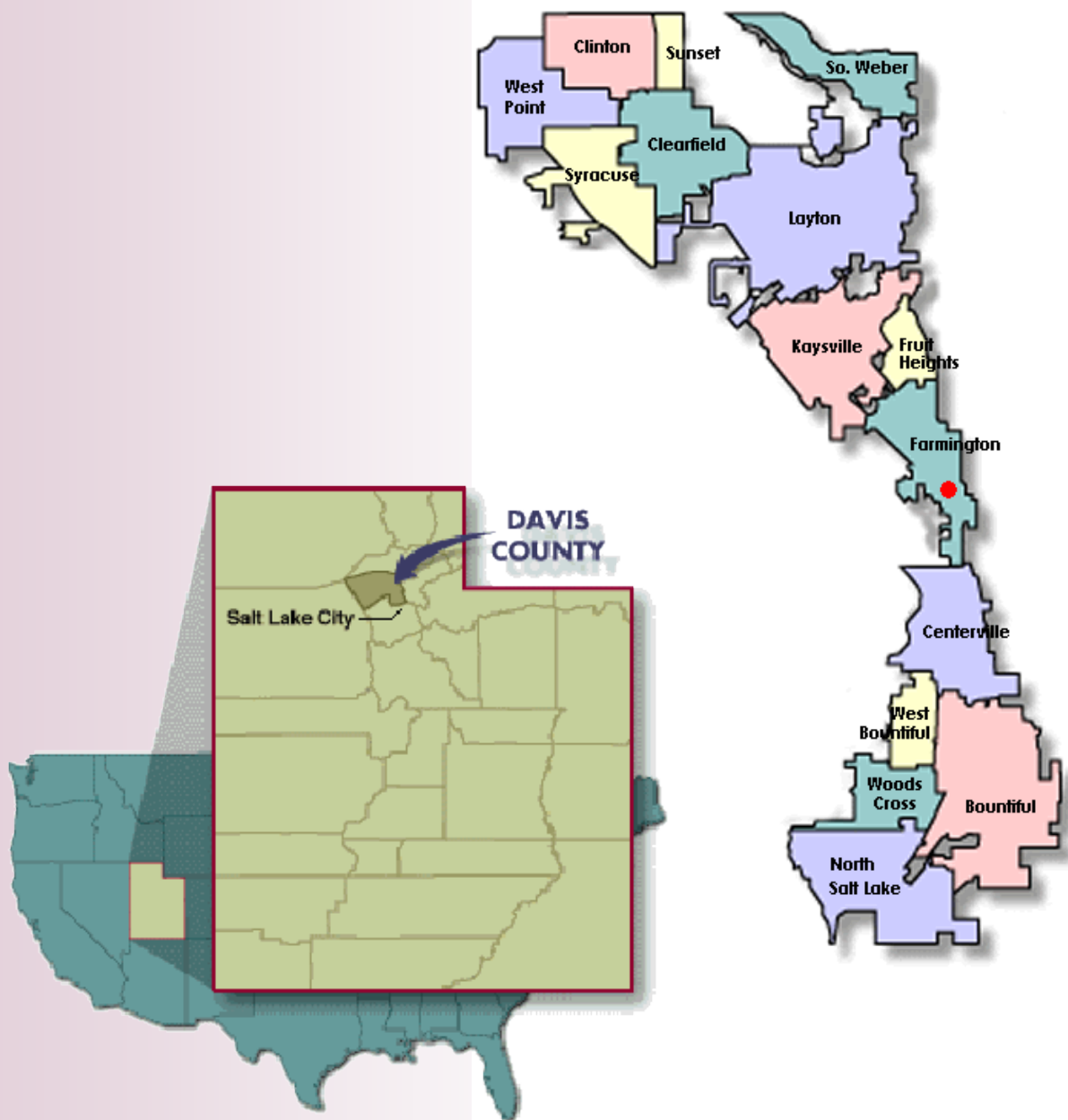
December 31, 2016

Christopher P. Morrell

Executive Director/CEO



II. *Financial Section*





www.daviscountyutah.gov



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INDEPENDENT AUDITORS' REPORT

The Honorable County Commission
Davis County, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Davis County, Utah, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Davis Behavioral Health and Wasatch Integrated Waste Management District. These financial statements were audited by other auditors whose reports thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units, Davis Behavioral Health and Wasatch Integrated Waste Management District, is based solely upon the report of the 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Davis County, Utah as of December 31, 2017, 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.

Other Matters

Required Supplementary Information

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

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Davis County, Utah's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, statistical section, Statement of Receipts and Disbursements, and the Schedule of Taxes Charged, Collected, and Distributed are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Change in Accounting Principle

As discussed in the notes to the financial statements, in 2017 the County adopted new accounting guidance, GASB Statement No. 80, Blending Requirements for Certain Component Units. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 21, 2018, on our consideration of Davis County, Utah's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Davis County, Utah's internal control over financial reporting and compliance.

Ulrich & Associates, P.C.

Ogden, Utah

June 21, 2018

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended December 31, 2017

INTRODUCTION

The following is a discussion and analysis of Davis County's financial performance and activities for the year ended December 31, 2017. 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. Comparative analyses to the previous year's results are provided.

HIGHLIGHTS

Government-wide

- Total assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources by almost \$141 million (reported as net position). Of this amount, approximately \$22 million (unrestricted net position) may be used to meet the County's ongoing obligations while \$118.9 million is restricted for specific uses or invested in capital assets.
- The County's total net position increased by \$16.1 million or about 12.9 percent. Net position of governmental activities increased by \$15.9 million or 13.4 percent, while net position of business-type activities increased by about \$194 thousand or 3.1 percent.

Fund Level

- The governmental funds reported combined ending fund balances of \$76.1 million, an increase of \$18.5 million in comparison with the prior year. Approximately 70.4 percent or \$53.6 million of the ending fund balance is considered unrestricted (committed, assigned, or unassigned) and is available for spending either at the government's discretion or upon commission approval.
- Property tax revenues were about \$8.9 million (16.1 percent) higher in 2017 than the prior year. Almost all of this increase was the result of increased property tax rates for county-wide funds and the Library Fund.
- General sales taxes increased approximately \$1.5 million while Mass Transit taxes increased by almost \$1.8 million. This is a 7.2 percent increase for both of these taxes, which makes sense because they are tied together. Mass Transit taxes are pass-through taxes which the County levies, but they are all passed on to the Utah Transit Authority. Local Option Transportation taxes increased by \$3.2 million, or 37.2 percent. This increase was most likely the result of being the first full year of collections on this additional local option sales and use tax known as Proposition 1, which was approved by the voters of the County in November of 2015. The majority of these taxes are distributed directly to the Utah Transit Authority (UTA) for mass transit projects and to the cities of the County for transportation projects. The remainder remains in the County to be used on County transportation projects.

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 Position and the Statement of Activities beginning on page 32 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, liabilities, and deferred inflows/outflows of resources, including capital assets and long-term debt, are reported at the entity level.

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended December 31, 2017

The statement of net position presents financial information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of 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 position changed during the most recent fiscal year. All changes in net position 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, public works, and transportation. 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 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 both Davis Behavioral Health and WIWMD as component units of the County is that the financial statements may be misleading if they were not included.

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

The fund financial statements, beginning on page 35, 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 provide the same type of information as the government-wide financial statements, only in more detail. 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 Courses 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 Security System, 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.

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2017

Reconciliation between Government-wide and Fund Statements

The financial statements include reconciliations on pages 37 and 39 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 spending 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 inflows of resources (unavailable revenue) on the governmental fund statements.

Notes to the Financial Statements

The notes to the financial statements, 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 statements.

Required Supplementary Information (RSI)

Following the Basic Financial Statements are budgetary comparison schedules for the General Fund and all major special revenue funds. In addition, the RSI includes information on the County's pension plans. RSI also includes information about the County's defined benefit Other Postemployment Benefit Plan. RSI further supports the information in the basic financial statements.

Supplementary Information

Supplementary Information includes combining statements for the County's nonmajor governmental funds, internal service funds, and agency funds. This section also includes schedules which compare budgeted expenditures to actual results for the major capital projects fund and all of the nonmajor governmental funds.

Statistical Section

This section provides up to ten years of financial, economic, and demographic information.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Position

The largest component of the County's net position, almost \$97.1 million or 68.9 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 and adjusted by related deferred outflows of resources. 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. Although capital assets decreased by about \$3.6 million, the amount of net investment in capital assets actually increased by nearly \$0.8 million. The difference was primarily the result of principal payments on related debt exceeding the net change in capital assets.

Restricted net position comprised almost \$21.9 million or 15.5 percent of total net position and is subject to external restrictions on how they may be used. Corridor Preservation and Proposition 1 transportation projects accounted for \$9.1 million and \$4 million, respectively, of the restriction, while B-Roads accounted for about \$3.2 million, and Debt Service restrictions accounted for \$5.6 million. Unrestricted net position was approximately \$20.6 million for governmental activities and \$1.5 million for business-type activities at December 31, 2017.

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2017

	Davis County Net Position December 31,					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 86,978,776	\$ 66,829,585	\$ 2,686,472	\$ 2,179,526	\$ 89,665,248	\$ 69,009,111
Capital Assets	151,702,746	155,332,247	4,912,019	4,894,047	156,614,765	160,226,294
Total Assets	238,681,522	222,161,832	7,598,491	7,073,573	246,280,013	229,235,405
Total deferred outflows of resources	20,405,077	18,454,713	341,872	298,251	20,746,949	18,752,964
Current and Other Liabilities	4,157,093	2,506,728	386,211	139,765	4,543,304	2,646,493
Long-term Liabilities	114,885,373	115,853,996	1,082,738	990,715	115,968,111	116,844,711
Total Liabilities	119,042,466	118,360,724	1,468,949	1,130,480	120,511,415	119,491,204
Total deferred inflows of resources	5,452,521	3,596,133	105,030	68,666	5,557,551	3,664,799
Net Position:						
Net investment in Capital Assets	92,141,359	91,364,621	4,912,019	4,894,047	97,053,378	96,258,668
Restricted	21,868,148	16,252,175	-	-	21,868,148	16,252,175
Unrestricted	20,582,105	11,042,892	1,454,365	1,278,631	22,036,470	12,321,523
Total Net Position	\$ 134,591,612	\$ 118,659,688	\$ 6,366,384	\$ 6,172,678	\$ 140,957,996	\$ 124,832,366
Percentage change in total Net Position from prior year	13.4%		3.1%		12.9%	

Changes in Net Position

The County's combined net position increased by approximately \$16.1 million or about 12.9 percent from the prior year. Most of the increase in Net Position, specifically \$15.9 million or 13.4 percent, is attributable to governmental activities and will be discussed in the Governmental Activities section found below. Net position of business-type activities increased by \$194 thousand, which represents a 3.1 percent increase from the prior year ending balance. The following table shows the comparison of revenue and expenses of governmental activities and business type activities from 2017 compared to 2016.

(Table on next page)

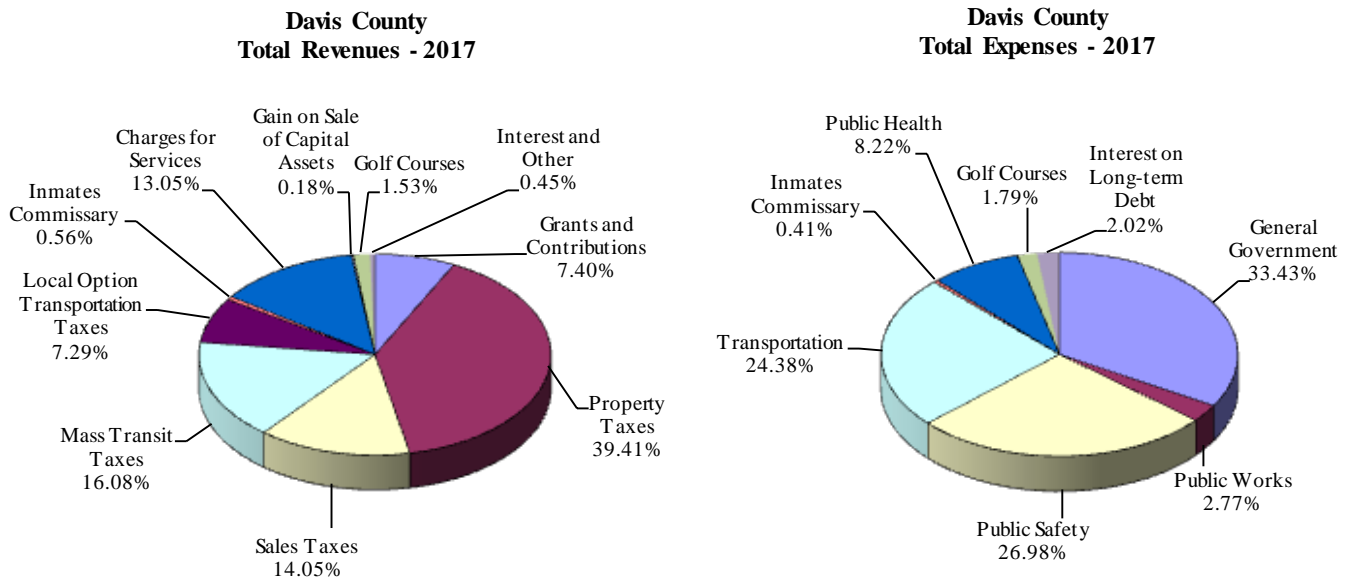
DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2017

Davis County
Changes in Net Position
For the Years Ended December 31,

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change 2016 to 2017
	2017	2016*	2017	2016	2017	2016*	
Revenues							
General Revenues:							
Property taxes	\$ 63,563,662	\$ 54,788,984	\$ -	\$ -	\$ 63,563,662	\$ 54,788,984	16.0%
Sales taxes	22,662,948	21,133,147	-	-	22,662,948	21,133,147	7.2%
Mass transit taxes	25,930,110	24,178,647	-	-	25,930,110	24,178,647	7.2%
Local option transportation taxes	11,752,468	8,568,763	-	-	11,752,468	8,568,763	37.2%
Gain on Sale of Capital Assets	262,552	162,614	21,092	1,000	283,644	163,614	73.4%
Interest Revenue	705,915	327,996	23,877	6,737	729,792	334,733	118.0%
Program Revenues:							
Charges for Services	21,054,651	20,093,708	3,366,208	3,426,158	24,420,859	23,519,866	3.8%
Operating Grants	11,158,167	11,860,658	-	-	11,158,167	11,860,658	-5.9%
Capital Grants	779,520	807,718	-	-	779,520	807,718	-3.5%
Total Revenues	157,869,993	141,922,235	3,411,177	3,433,895	161,281,170	145,356,130	11.0%
Expenses							
General Government	48,525,487	46,844,753	-	-	48,525,487	46,844,753	3.6%
Public Safety	39,157,278	37,215,293	-	-	39,157,278	37,215,293	5.2%
Public Health	11,935,685	11,884,295	-	-	11,935,685	11,884,295	0.4%
Public Works	4,023,520	3,795,913	-	-	4,023,520	3,795,913	6.0%
Transportation	35,389,754	33,051,814	-	-	35,389,754	33,051,814	7.1%
Interest on Long-term Debt	2,927,945	3,065,058	-	-	2,927,945	3,065,058	-4.5%
Golf Courses	-	-	2,593,409	2,358,060	2,593,409	2,358,060	10.0%
Commissary	-	-	602,462	563,592	602,462	563,592	6.9%
Total Expenses	141,959,669	135,857,126	3,195,871	2,921,652	145,155,540	138,778,778	4.6%
Changes in Net Position before Transfer	15,910,324	6,065,109	215,306	512,243	16,125,630	6,577,352	
Transfer In (Out)	21,600	(1,901,687)	(21,600)	1,901,687	-	-	
Changes in Net Position	15,931,924	4,163,422	193,706	2,413,930	16,125,630	6,577,352	
Net Position - Beginning	118,659,688	114,496,266	6,172,678	3,758,748	124,832,366	118,255,014	
Net Position - Ending	\$ 134,591,612	\$ 118,659,688	\$ 6,366,384	\$ 6,172,678	\$ 140,957,996	\$ 124,832,366	12.9%

* 2016 category allocations were restated for comparability purposes.

The following charts summarize the County's revenues and expenses for fiscal year 2017:



DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2017

Governmental Activities

Property taxes comprise the largest source of revenue for the County; \$63.6 million was recognized from property tax revenues, which is 39.4 percent of total revenues from all sources. Property taxes increased by \$8.8 million or 16 percent. This increase was due to a 2017 property tax rate increase for county-wide services and libraries. This rate increase was needed in order to address the increasing costs related to growth within the County, adjust employee wages to remain competitive in the labor market, pay for County technology needs, and fund necessary flood control projects and various capital needs including renovation and replacement of Library facilities.

Sales taxes (including transient room taxes) increased by \$1.5 million or 7.2 percent in 2017, most likely due to increased collection of sales taxes by online companies that have not historically collected sales taxes due on purchases made over the internet. Another contributing factor is the effect of continuing improving economic conditions. Mass transit taxes increased by almost \$1.8 million or 7.2 percent. This percentage increase is the same as other sales taxes for the same reasons. The reason that the County has chosen to disclose mass transit taxes as its own category is that, although the County levies this tax, it is entirely passed through to the UTA. The County does not retain any of these taxes nor does it determine how they are spent.

Local option transportation taxes, similar to mass transit taxes, are mostly passed through to other government entities. This tax was created by the passage of Proposition 1 by the voters of the County in the November election of 2015. Proposition 1 imposed a 0.25 percent sales and use tax for the specific purpose of transportation improvements. The largest portion of this tax is distributed to the UTA (40 percent) and the cities (40 percent) with the remaining 20 percent to be used for County transportation improvements. The County is required to recognize the entire amount as revenue to the County since it was the entity that levied the tax. The increase of \$3.2 million (37.2 percent) in local option transportation taxes was probably the result of 2017 being the first year that these taxes were collected for the whole year, as opposed to only most of the year during 2016.

For 2017, program revenues generated \$33 million or 23.2 percent of their total expenses through charges for services and grants. Program revenues in 2017 increased by only \$230 thousand, or 0.7 percent, as compared to 2016. This was the net effect of multiple minor increases and decreases in program revenues throughout the County.

Total program expenses for governmental activities were almost \$142 million for 2017. This represents an increase of \$6.1 million, or 4.5 percent, when compared to the prior year. However, \$2.3 million of this change was for transportation "pass-through" taxes. As discussed above, the County levies mass transit taxes and local option transportation taxes which are almost entirely distributed to the UTA and to cities within the County. For 2017, taxes "passed-through" to these other entities totaled to \$35.4 million. Another element contributing to the increase in 2017 was a net adjustment for pension expense, this accounted for an additional \$2.3 million. An additional \$2.2 million can be attributed to an increase in wages and related benefits in line with efforts to be more competitive in the labor market. These increases were based upon the results of an independent wage study which found that many County employees were being paid less than other employees in comparable positions at other entities. Finally, the \$0.7 million difference going the other direction was the result of a one-time legal settlement over a longstanding property tax appeal paid in the prior period, 2016.

	For the Year Ended December 31,				Program	
	Total	Less	Net	Revenue as a		
	Program	Program	Program	Percentage of		
	Expenses	Revenues	Costs	Total Expenses		
	2017	2017	2017	2017	2016	
Activities						
General Government	\$ 48,525,487	\$ (9,304,706)	\$ 39,220,781	\$ 37,892,661	19.2%	19.1%
Public Safety	39,157,278	(11,410,612)	27,746,666	25,834,737	29.1%	30.6%
Public Health	11,935,685	(10,369,798)	1,565,887	1,385,078	86.9%	88.3%
Public Works	4,023,520	(1,907,222)	2,116,298	1,865,694	47.4%	50.8%
Transportation	35,389,754	-	35,389,754	33,051,814	0.0%	0.0%
Interest on Long-term Debt	2,927,945	-	2,927,945	3,065,058	0.0%	0.0%
Total Governmental Activities	\$ 141,959,669	\$ (32,992,338)	\$ 108,967,331	\$ 103,095,042	23.2%	24.1%

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2017

Business-type Activities

In 2017, Davis County's Golf Courses suffered an operating loss of approximately \$126 thousand. Revenues were up by approximately \$123 thousand, which was primarily the result of an increase in the price of green fees at the beginning of 2017. Expenses increased by approximately \$235 thousand which can be mostly attributed to an increase in general maintenance costs related to operating a golf course. A transfer to governmental activities of almost \$22 thousand was made for administrative expenses related to the golf courses.

The Jail Commissary continues to generate sufficient revenues to cover its operating costs, with an operating profit of \$297 thousand. Commissary revenue decreased by \$183 thousand, while expenses increased by \$39 thousand.

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

Capital Assets

Davis County added approximately \$2.8 million in new capital assets during 2017. The County spent about \$885 thousand on construction of infrastructure and \$536 thousand on the purchase of County vehicles. Other general capital purchases for buildings, equipment, and improvements comprised the remaining \$1.4 million. Additional information can be found in Note 5 of the Notes to the Financial Statement found on page 59.

Long-term Debt

Total bonded debt outstanding at December 31, 2017 was nearly \$60.5 million, as compared to \$65.1 million at the end of the prior year. This \$4.6 million (7.1 percent) reduction of bonded debt is attributable to making required debt service payments. The balance on the County's capital lease was \$65 thousand at the end of 2017. The County had the following long-term debt outstanding. Additional information can be found in Note 6 of the Notes to the Financial Statement beginning on page 60.

Davis County							
Long-term Liabilities							
December 31,							
	Governmental		Business-type		Total Primary		Total
	Activities		Activities		Government		Percentage
	2017	2016	2017	2016	2017	2016	2016 to 2017
General Obligation Bonds, net of premiums	\$ 13,297,606	\$ 14,780,075	\$ -	\$ -	\$ 13,297,606	\$ 14,780,075	-10.0%
Sales Tax Revenue Bonds, net of premiums	29,475,759	31,624,656	-	-	29,475,759	31,624,656	-6.8%
Lease Revenue Bonds	17,680,000	18,653,000	-	-	17,680,000	18,653,000	-5.2%
Capital Lease	65,328	143,720	-	-	65,328	143,720	-54.5%
Compensated Absences	3,669,958	3,515,169	135,680	111,081	3,805,638	3,626,250	4.9%
OPEB	21,870,556	19,947,185	406,875	371,789	22,277,431	20,318,974	9.6%
Net Pension Liability	28,826,165	27,190,188	540,184	507,847	29,366,349	27,698,035	6.0%
Total	\$114,885,372	\$115,853,993	\$1,082,739	\$990,717	\$115,968,111	\$116,844,710	-0.8%

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2017

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Fund Balances

At December 31, 2017, Davis County's governmental funds reported combined fund balances of \$76.1 million. Of this amount, \$0.7 million or 0.9 percent is nonspendable due to its form and approximately \$21.9 million or 28.7 percent is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. An additional \$18.3 million or 24 percent of total fund balance has been committed to specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Commissioners. An additional \$14.7 million or 19.4 percent of total fund balance has been assigned to specific purposes, as expressed by management's intent. The remaining \$20.5 million or 27 percent of fund balance is unassigned and available for appropriation. The following chart presents the County's 2017 ending fund balances.

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

	2017					Total	2016 Total	% Change from prior year
	Nonspendable	Restricted	Committed	Assigned	Unassigned			
General Fund	\$ 262,121	\$ -	\$ -	\$ 1,576,879	\$ 20,530,583	\$ 22,369,583	\$ 18,731,887	19.4%
Health Fund	276,533	-	-	2,216,128	-	2,492,661	2,500,019	-0.3%
Library Fund	6,965	-	-	2,639,731	-	2,646,696	2,435,308	8.7%
Transportation/Pass-Through	-	13,084,123	-	-	-	13,084,123	7,895,823	65.7%
Capital Projects Fund	-	-	18,301,495	-	-	18,301,495	8,557,045	113.9%
NonMajor Funds	154,975	8,784,025	-	8,311,561	-	17,250,561	17,523,087	-1.6%
Total	<u>\$ 700,594</u>	<u>\$ 21,868,148</u>	<u>\$ 18,301,495</u>	<u>\$ 14,744,299</u>	<u>\$ 20,530,583</u>	<u>\$ 76,145,119</u>	<u>\$ 57,643,169</u>	<u>32.1%</u>

General Fund

During 2016, the fund balance in the General Fund increased by \$3.6 million or 19.4 percent. General Fund revenues increased by \$9 million or 13 percent when compared to the prior year. Property tax revenues for the General Fund increased by \$7.5 million or 18.4 percent. As previously discussed, this was the result of a property tax rate increase in 2017. General Fund sales taxes increased by \$1.1 million or 7.7 percent. As also previously mentioned, the increase in sales tax revenues is primarily the result of online companies collecting sales tax from internet sales. Non-tax revenues of the General Fund experienced a net increase of almost \$480 thousand. This was the net effect of multiple minor increases and decreases in various revenue sources.

Total General Fund expenditures increased by \$1.6 million or 2.6 percent from 2016. Most of this increase (\$1.5 million) is attributable to the aforementioned increase in employee wages and associated benefits. The remaining increase of approximately \$0.1 million was the net effect of various minor increases and decreases in expenses rather than resulting from any specific item.

For the year ended December 31, 2017, transfers in were slightly over \$1 million. Transfers of nearly \$0.9 from the Special Service Area Fund accounted for the majority of transfers in.

The Commission authorized a total of almost \$12.5 million in transfers out of the General Fund in 2017. This is \$2.6 million more than the previous year. Approximately \$0.9 million was transferred to the MBA debt service fund for bond payments and an additional \$4.8 million was transferred to the Flood Control Fund for flood projects. An additional \$3.1 million was transferred to the Capital Projects Fund for future capital projects. The remaining \$3.6 million went to support County operations in Health Services and Emergency 911 dispatch. A complete list of transfer activity can be found in Note 4 of the Notes to the Financial Statements found on page 58.

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:

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended December 31, 2017

- The General Fund's property tax revenue budget was decreased overall by approximately \$115 thousand to better match the revenues projected through the certified tax rate process.
- The General Fund's expenditure budget was decreased by \$217 thousand during the year ended December 31, 2017 as estimates changed slightly.
- The General Fund's transfer out budget was increased by \$2.1 million for future capital projects.

Actual General Fund revenues were approximately \$78.4 million, which was \$1.4 million, or 1.8 percent above the final budgeted revenues. The most significant differences between budgeted and actual revenues occurred because current general property taxes were \$918 thousand above what was budgeted and jail fees were \$848 thousand above what was budgeted. As the result of fiscally responsible management, General Fund expenditures were approximately \$63.5 million, which was \$3.7 million (5.5 percent) below the final budgeted expenditures.

Other Major Governmental Funds

During 2017, Health Fund revenues decreased by \$465 thousand (3.6 percent). This change in revenues was the result of fewer grants being received. Health Fund expenditures decreased by only \$174 thousand (1.1 percent). County transfers from the General Fund were just over \$3.4 million. A total of \$200 thousand was transferred to the Capital Projects Fund to pay for future health related capital projects. The net change in fund balance resulted in a very slight decrease in fund balance of a little over \$7 thousand. The ending fund balance was approximately \$2.5 million at December 31, 2017.

The fund balance in the Library Fund increased approximately \$211 thousand (8.7 percent) to \$2.6 million. Before transfers out totaling \$1.9 million, the Library had an excess of revenues over expenditures of \$2.1 million. About \$1.6 million was transferred to the Capital Projects Fund to pay for future library related capital projects. An additional transfer of \$275 thousand was made to the pay the library portion of debt service payments.

The Transportation Fund reported an increase in fund balance of \$5.2 million, bringing the ending fund balance to nearly \$13.1 million. Of this fund balance, \$9.1 million is restricted to reimburse UDOT for purchases of land to be used for future transportation corridors through the County. The remaining \$4 million is the County's portion of Proposition 1 local option sales and use tax, all of which is restricted for transportation projects within the County. All other taxes accounted for in this fund were passed through to other governments.

The Capital Projects Fund received transfers in of \$10.2 million, of which \$0.2 million came from the Health Fund; \$1.6 million came from the Library; \$5.3 million came from Tourism Fund, and \$3.1 million came from the General Fund. The ending fund balance of \$18.3 million is fully committed to future capital projects or retirement of debt service for prior capital projects specific to the funds that contributed to this balance.

Proprietary Funds

The County's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. Substantially all of the Golf Courses Fund's \$4.9 million in net position at the end of the year was in the net investment in capital assets. The Commissary's unrestricted net position was almost \$1.4 million. The change in net position for the two funds was a \$127 thousand decrease for Golf and a \$315 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.

OTHER MATTERS

Currently, County officials are not aware of any pending issues that would materially impact the County's future financial position.

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2017

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 Clerk/Auditor's website at 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



www.daviscountyutah.gov



BASIC FINANCIAL STATEMENTS



Davis
C O U N T Y



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DAVIS COUNTY

EXHIBIT A

STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Primary Government			Component Units (as of June 30, 2017)	
	Governmental Activities	Business-Type Activities	Total	Davis Behavioral Health	Wasatch Integrated Waste
ASSETS					
CURRENT:					
Cash and cash equivalents	\$ 77,442,344	\$ 2,424,245	\$ 79,866,589	\$ 5,146,976	\$ 1,476,921
Investments	-	-	-	68,918	14,427,632
Accounts receivable	7,501,090	66,606	7,567,696	1,301,765	1,470,454
Taxes receivable	631,726	-	631,726	-	-
Internal balances	(98,027)	98,027	-	-	-
Inventory	305,268	61,751	367,019	9,195	59,330
Prepays and other	1,175,958	35,843	1,211,801	1,477,999	105,682
Total current assets	86,958,359	2,686,472	89,644,831	8,004,853	17,540,019
NONCURRENT:					
Net pension asset	20,417	-	20,417	-	-
Capital assets:					
Land and related non-depreciable assets	47,180,425	3,760,513	50,940,938	2,216,753	32,309,180
Construction-in-progress	117,070	23,550	140,620	22,869	33,637
Depreciable infrastructure	32,689,622	-	32,689,622	-	-
Buildings, equipment, and other depreciable assets	149,951,509	4,592,207	154,543,716	14,803,183	23,446,400
Less accumulated depreciation	(78,235,880)	(3,464,251)	(81,700,131)	(6,359,254)	(24,865,262)
Total capital assets, net of depreciation	151,702,746	4,912,019	156,614,765	10,683,551	30,923,955
Total noncurrent assets	151,723,163	4,912,019	156,635,182	10,683,551	30,923,955
TOTAL ASSETS	238,681,522	7,598,491	246,280,013	18,688,404	48,463,974
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources relating to pensions	19,447,771	341,872	19,789,643	-	1,166,993
Deferred charge on refunding	957,306	-	957,306	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	20,405,077	341,872	20,746,949	-	1,166,993
LIABILITIES					
CURRENT:					
Accounts payable	2,871,778	373,469	3,245,247	613,293	371,415
Accrued liabilities	1,252,114	12,742	1,264,856	884,956	519,564
Unearned revenue	33,201	-	33,201	-	-
Bonds and lease payable	4,284,328	-	4,284,328	144,894	-
Compensated absences	733,992	27,136	761,128	326,003	-
Total current liabilities	9,175,413	413,347	9,588,760	1,969,146	890,979
LONG-TERM:					
Landfill closure and postclosure care costs	-	-	-	-	6,438,683
Bonds and lease payable	56,234,365	-	56,234,365	4,255,005	-
Net OPEB obligation	21,870,556	406,875	22,277,431	-	-
Compensated absences	2,935,966	108,544	3,044,510	813,871	-
Net pension liability	28,826,166	540,183	29,366,349	-	2,195,271
Total long-term liabilities	109,867,053	1,055,602	110,922,655	5,068,876	8,633,954
TOTAL LIABILITIES	119,042,466	1,468,949	120,511,415	7,038,022	9,524,933
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources relating to pensions	5,452,521	105,030	5,557,551	-	369,393
NET POSITION					
Net investment in capital assets	92,141,359	4,912,019	97,053,378	6,283,652	30,923,955
Restricted for:					
Corridor Preservation	9,058,162	-	9,058,162	-	-
Proposition 1 transportation projects	4,025,961	-	4,025,961	-	-
Class B-Roads	3,154,102	-	3,154,102	-	-
Debt Service	5,629,923	-	5,629,923	-	-
Closure and post-closure costs	-	-	-	-	5,531,587
Unrestricted	20,582,105	1,454,365	22,036,470	5,366,730	3,281,099
TOTAL NET POSITION	\$ 134,591,612	\$ 6,366,384	\$ 140,957,996	\$ 11,650,382	\$ 39,736,641

The notes to the financial statements are an integral part of this statement

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Direct Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-Type Activities	Total	Davis Behavioral Health	Wasatch Integrated Waste
Primary Government:									
Governmental activities:									
General government	\$ 48,525,487	\$ 5,870,034	\$ 3,027,336	\$ 407,336	\$ (39,220,781)	\$ -	\$ (39,220,781)	\$ -	\$ -
Public safety	39,157,278	11,076,858	296,642	37,112	(27,746,666)	-	(27,746,666)	-	-
Public health	11,935,685	3,942,793	6,427,005	-	(1,565,887)	-	(1,565,887)	-	-
Public works	4,023,520	164,966	1,407,184	335,072	(2,116,298)	-	(2,116,298)	-	-
Transportation	35,389,754	-	-	-	(35,389,754)	-	(35,389,754)	-	-
Interest on long-term debt	2,927,945	-	-	-	(2,927,945)	-	(2,927,945)	-	-
Total governmental activities	141,959,669	21,054,651	11,158,167	779,520	(108,967,331)	-	(108,967,331)	-	-
Business-type activities:									
Golf	2,593,409	2,467,031	-	-	-	(126,378)	(126,378)	-	-
Inmates Commissary	602,462	899,177	-	-	-	296,715	296,715	-	-
Total business-type activities	3,195,871	3,366,208	-	-	-	170,337	170,337	-	-
TOTAL PRIMARY GOVERNMENT	\$ 145,155,540	\$24,420,859	\$11,158,167	\$ 779,520	(108,967,331)	170,337	(108,796,994)	-	-
Component Unit:									
Davis behavioral health	\$ 23,153,307	\$ 2,378,553	\$19,916,525	\$ -	-	-	-	(858,229)	-
Wasatch integrated waste	21,195,531	17,702,297	-	-	-	-	-	-	(3,493,234)
TOTAL COMPONENT UNIT	\$ 44,348,838	\$20,080,850	\$19,916,525	\$ -	-	-	-	(858,229)	(3,493,234)
General revenues:									
Taxes:									
Property taxes					63,563,662	-	63,563,662	-	-
Sales taxes					22,662,948	-	22,662,948	-	-
Mass transit taxes					25,930,110	-	25,930,110	-	-
Local option transportation taxes					11,752,468	-	11,752,468	-	-
Total taxes					123,909,188	-	123,909,188	-	-
Unrestricted investment earnings					705,915	23,877	729,792	44,295	147,636
Gain on sale of capital assets					262,552	21,092	283,644	5,316	70,174
Special item-Disposal of waste to energy facility					-	-	-	-	(10,373,727)
Transfers					21,600	(21,600)	-	-	-
Total general revenues, special items, and transfers					124,899,255	23,369	124,922,624	49,611	(10,155,917)
Change in net position					15,931,924	193,706	16,125,630	(808,618)	(13,649,151)
Net position - beginning					118,659,688	6,172,678	124,832,366	12,459,000	53,385,792
Net position - ending					\$ 134,591,612	\$6,366,384	\$ 140,957,996	\$11,650,382	\$39,736,641

The notes to the financial statements are an integral part of this statement



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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 Special Revenue Fund

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

Library Special Revenue Fund

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

Transportation Special Revenue Fund

This fund accounts for corridor preservation taxes, which are levied by the County and then held to reimburse the Utah Department of Transportation for its purchases of land for future transportation corridors through the County. This fund also accounts for mass transit and transportation taxes which are levied by the County but are mostly distributed directly to the Utah Transit Authority and city governments for transportation projects.

Capital Projects Fund

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

Nonmajor Governmental Funds

Nonmajor governmental funds are presented individually beginning on page 93.

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	<u>Major Special Revenue Funds</u>				Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Health Fund	Library Fund	Transportation Fund			
ASSETS							
Cash and cash equivalents	\$ 20,744,977	\$ 1,779,700	\$ 2,745,188	\$ 12,250,978	\$ 18,314,529	\$ 15,385,198	\$ 71,220,570
Accounts receivable	3,986,501	644,170	-	833,145	500	2,020,149	7,484,465
Taxes receivable	506,985	-	87,633	-	-	37,108	631,726
Inventory	52,253	253,015	-	-	-	-	305,268
Prepays and other	209,868	23,518	6,965	-	-	154,975	395,326
Total assets	<u>\$ 25,500,584</u>	<u>\$ 2,700,403</u>	<u>\$ 2,839,786</u>	<u>\$ 13,084,123</u>	<u>\$ 18,315,029</u>	<u>\$ 17,597,430</u>	<u>\$ 80,037,355</u>
LIABILITIES							
Accounts payable	\$ 2,197,130	\$ 138,188	\$ 68,539	\$ -	\$ 13,534	\$ 259,007	\$ 2,676,398
Accrued liabilities	409,285	69,554	36,918	-	-	35,154	550,911
Unearned revenue	17,601	-	-	-	-	15,600	33,201
Total liabilities	<u>2,624,016</u>	<u>207,742</u>	<u>105,457</u>	<u>-</u>	<u>13,534</u>	<u>309,761</u>	<u>3,260,510</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	<u>506,985</u>	<u>-</u>	<u>87,633</u>	<u>-</u>	<u>-</u>	<u>37,108</u>	<u>631,726</u>
FUND BALANCES							
Nonspendable:							
Inventory	52,253	253,015	-	-	-	-	305,268
Prepays and other	209,868	23,518	6,965	-	-	154,975	395,326
Restricted	-	-	-	13,084,123	-	8,784,025	21,868,148
Committed	-	-	-	-	18,301,495	-	18,301,495
Assigned	1,576,879	2,216,128	2,639,731	-	-	8,311,561	14,744,299
Unassigned	20,530,583	-	-	-	-	-	20,530,583
Total fund balances	<u>22,369,583</u>	<u>2,492,661</u>	<u>2,646,696</u>	<u>13,084,123</u>	<u>18,301,495</u>	<u>17,250,561</u>	<u>76,145,119</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,500,584</u>	<u>\$ 2,700,403</u>	<u>\$ 2,839,786</u>	<u>\$ 13,084,123</u>	<u>\$ 18,315,029</u>	<u>\$ 17,597,430</u>	<u>\$ 80,037,355</u>

The notes to the financial statements are an integral part of this statement.

DAVIS COUNTY

EXHIBIT D

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017**

Total fund balances--governmental funds \$ 76,145,119

Amounts reported for governmental activities in the statement of net position 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	\$ 47,180,425	
Construction-in-progress	117,070	
Depreciable infrastructure	32,689,622	
Buildings, equipment, and other depreciable assets	148,734,074	
Accumulated depreciation	<u>(77,106,537)</u>	
Total capital assets		151,614,654

Deferred outflows of resources are not reported in the governmental funds:

Amount on refunding of bonded debt	957,306	
Related to pensions	<u>18,865,148</u>	
Total deferred outflows of resources		19,822,454

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 reported as unavailable in the funds. 631,726

An internal charge between the governmental and business-type activities is not recorded at the fund level. (98,027)

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 position. 5,722,763

Deferred inflows of resources relating to pensions are not reported in the governmental funds. (5,281,207)

Net pension assets are not available in the current period and are therefore not reported in governmental funds. 20,417

Long-term liabilities, including bonds and capital leases payable, are not due and payable in the current period and therefore are not reported in the funds. The details of these differences are as follows:

Bonds and lease payable	(60,518,693)	
Net OPEB obligation	(21,215,966)	
Compensated absences	(3,607,474)	
Net pension liability	(27,963,018)	
Accrued interest on bonds	<u>(681,136)</u>	
Total long-term liabilities		<u>(113,986,287)</u>

Total net position--governmental activities **\$ 134,591,612**

The notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Major Special Revenue Funds				Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Health Fund	Library Fund	Transportation Fund			
REVENUES:							
Taxes:							
General property taxes-current	\$ 47,003,377	\$ -	\$ 8,262,821	\$ 2,755,178	\$ -	\$ 4,255,672	\$ 62,277,048
General property taxes-delinquent	513,528	-	92,422	-	-	385,123	991,073
Penalties and interest on delinquent taxes	646,661	-	52,624	-	-	65,076	764,361
Sales taxes	15,091,183	-	-	-	-	7,571,765	22,662,948
Mass transit taxes	-	-	-	25,930,110	-	-	25,930,110
Local option transportation taxes	-	-	-	11,752,468	-	-	11,752,468
Total taxes	63,254,749	-	8,407,867	40,437,756	-	12,277,636	124,378,008
Licenses and permits	274,631	-	-	-	-	-	274,631
Fines and forfeitures	920,937	-	163,598	-	-	-	1,084,535
Intergovernmental and grant revenue	1,036,253	8,305,278	49,250	-	-	2,187,450	11,578,231
Charges for services	11,244,699	3,318,630	-	-	-	2,312,051	16,875,380
Interest	96,529	20,620	13,978	140,298	173,681	177,672	622,778
Other	1,594,658	624,161	116,965	-	-	678,903	3,014,687
Total revenues	78,422,456	12,268,689	8,751,658	40,578,054	173,681	17,633,712	157,828,250
EXPENDITURES:							
Current:							
General government	27,956,313	4,021,823	6,634,378	-	210,935	5,809,372	44,632,821
Public safety	34,321,460	-	-	-	-	1,634,812	35,956,272
Public health	6,231	11,311,321	-	-	17,797	-	11,335,349
Public works	384,080	-	-	-	-	2,021,810	2,405,890
Transportation	-	-	-	35,389,754	-	-	35,389,754
Capital outlay	706,616	205,411	5,892	-	425,499	1,214,403	2,557,821
Debt service:							
Principal retirement	78,393	-	-	-	-	4,455,000	4,533,393
Interest and fiscal charges	-	-	-	-	-	2,832,622	2,832,622
Total expenditures	63,453,093	15,538,555	6,640,270	35,389,754	654,231	17,968,019	139,643,922
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES							
	14,969,363	(3,269,866)	2,111,388	5,188,300	(480,550)	(334,307)	18,184,328
OTHER FINANCING SOURCES (USES)							
Sale of capital assets	127,768	19,154	-	-	-	149,100	296,022
Transfers in	1,012,361	3,443,354	-	-	10,225,000	9,908,907	24,589,622
Transfers out	(12,471,796)	(200,000)	(1,900,000)	-	-	(9,996,226)	(24,568,022)
Total other financing sources (uses), net	(11,331,667)	3,262,508	(1,900,000)	-	10,225,000	61,781	317,622
NET CHANGE IN FUND BALANCES	3,637,696	(7,358)	211,388	5,188,300	9,744,450	(272,526)	18,501,950
FUND BALANCES:							
Beginning of year	18,731,887	2,500,019	2,435,308	7,895,823	8,557,045	17,523,087	57,643,169
End of year	\$ 22,369,583	\$ 2,492,661	\$ 2,646,696	\$ 13,084,123	\$ 18,301,495	\$ 17,250,561	\$ 76,145,119

The notes to the financial statements are an integral part of this statement.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

Net change in fund balances--total governmental funds	\$ 18,501,950
Amounts 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. This is the amount by which depreciation (\$6,181,511) exceeded capital purchases (\$2,557,821) during the current period.	(3,623,690)
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 position differs from the change in fund balance by the basis of the assets sold.	(33,471)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements.	(468,820)
Expenditures are recognized in the governmental funds when paid or due for interest on long term debt, but the statement of activities is presented on the accrual basis and expenses and liabilities are reported when incurred, regardless of when financial resources are available or expenses are paid or due. This is the amount by which the net amortization on bond premiums and refundings (\$127,154) exceeded the decrease in accrued interest on bonds payable (\$31,831) during the year.	(95,323)
The liabilities for pensions, OPEB, and compensated absences are not recorded in the governmental funds, but are reported in the statement of net position. This is the current year increase in OPEB (\$1,849,165), compensated absences (\$149,287) and net pension costs (1,230,990). These amounts are reported as adjustments to expense in the statement of activities.	(3,229,442)
Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	4,533,393
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.	(6,466)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds is reported with governmental activities.	<u>353,793</u>
Change in net position of governmental activities	<u>\$ 15,931,924</u>

The notes to the financial statements are an integral part of this statement.



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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 operations of a commissary available to 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 Security System, and Buildings and Grounds.

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds			Governmental
	Golf Courses	Commissary	Total	Activities - Internal Service Funds
ASSETS				
CURRENT:				
Cash and cash equivalents	\$ 611,682	\$ 1,812,563	\$ 2,424,245	\$ 6,221,774
Accounts receivable	59,707	6,899	66,606	16,625
Inventory	61,751	-	61,751	-
Prepays and other	35,717	126	35,843	780,632
Total current assets	<u>768,857</u>	<u>1,819,588</u>	<u>2,588,445</u>	<u>7,019,031</u>
NONCURRENT:				
Capital assets:				
Land	754,259	-	754,259	-
Construction-in-progress	23,550	-	23,550	-
Buildings	2,015,917	-	2,015,917	-
Improvements other than buildings	3,006,254	-	3,006,254	-
Furniture, fixtures, and equipment	2,576,290	-	2,576,290	1,217,435
Less accumulated depreciation	(3,464,251)	-	(3,464,251)	(1,129,343)
Total noncurrent assets	<u>4,912,019</u>	<u>-</u>	<u>4,912,019</u>	<u>88,092</u>
TOTAL ASSETS	<u>5,680,876</u>	<u>1,819,588</u>	<u>7,500,464</u>	<u>7,107,123</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources relating to pensions	<u>259,652</u>	<u>82,220</u>	<u>341,872</u>	<u>582,623</u>
LIABILITIES				
CURRENT:				
Accounts payable	53,759	319,710	373,469	195,380
Accrued liabilities	12,320	422	12,742	20,067
Obligations for compensated absences	27,136	-	27,136	12,497
Total current liabilities	<u>93,215</u>	<u>320,132</u>	<u>413,347</u>	<u>227,944</u>
LONG-TERM:				
Net OPEB obligation	343,937	62,938	406,875	654,590
Obligations for compensated absences	108,544	-	108,544	49,987
Net pension liability	401,226	138,957	540,183	863,148
Total long-term liabilities	<u>853,707</u>	<u>201,895</u>	<u>1,055,602</u>	<u>1,567,725</u>
TOTAL LIABILITIES	<u>946,922</u>	<u>522,027</u>	<u>1,468,949</u>	<u>1,795,669</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources relating to pensions	<u>82,014</u>	<u>23,016</u>	<u>105,030</u>	<u>171,314</u>
NET POSITION				
Net investment in capital assets	4,912,019	-	4,912,019	88,092
Unrestricted	(427)	1,356,765	1,356,338	5,634,671
TOTAL NET POSITION	<u>\$ 4,911,592</u>	<u>\$ 1,356,765</u>	<u>\$ 6,268,357</u>	<u>\$ 5,722,763</u>
Total net position--enterprise funds			\$ 6,268,357	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>98,027</u>	
Total net position--business-type activities			<u>\$ 6,366,384</u>	

The notes to the financial statements are an integral part of this statement.

DAVIS COUNTY

EXHIBIT H

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	Business-type Activities - Enterprise Funds			Governmental
	Golf Courses	Commissary	Total	Activities - Internal Service Funds
OPERATING REVENUES:				
Golf course fees	\$ 2,062,474	\$ -	\$ 2,062,474	\$ -
Commissary sales	-	899,177	899,177	-
Charges to other funds	-	-	-	6,225,859
Other revenue	404,557	-	404,557	164,874
Total operating revenue	<u>2,467,031</u>	<u>899,177</u>	<u>3,366,208</u>	<u>6,390,733</u>
OPERATING EXPENSES:				
Salaries, wages, and employee benefits	1,612,317	137,805	1,750,122	2,390,060
Other operating expenses	838,277	465,129	1,303,406	3,689,973
Depreciation	148,809	-	148,809	40,044
Total operating expenses	<u>2,599,403</u>	<u>602,934</u>	<u>3,202,337</u>	<u>6,120,077</u>
OPERATING INCOME	<u>(132,372)</u>	<u>296,243</u>	<u>163,871</u>	<u>270,656</u>
NON-OPERATING REVENUES:				
Interest income	5,403	18,474	23,877	83,137
Gain on disposal of capital assets	21,092	-	21,092	-
Total non-operating revenues	<u>26,495</u>	<u>18,474</u>	<u>44,969</u>	<u>83,137</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(105,877)</u>	<u>314,717</u>	<u>208,840</u>	<u>353,793</u>
Transfers out	<u>(21,600)</u>	<u>-</u>	<u>(21,600)</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(127,477)</u>	<u>314,717</u>	<u>187,240</u>	<u>353,793</u>
NET POSITION:				
Beginning of year	<u>5,039,069</u>	<u>1,042,048</u>		<u>5,368,970</u>
End of year	<u>\$ 4,911,592</u>	<u>\$ 1,356,765</u>		<u>\$ 5,722,763</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>6,466</u>	
Change in net position of business-type activities			<u>\$ 193,706</u>	

The notes to the financial statements are an integral part of this statement.

DAVIS COUNTY

EXHIBIT I

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds			Governmental
	Golf Courses	Commissary	Total	Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 2,409,268	\$ 1,124,628	\$ 3,533,896	\$ 155,975
Receipts for interfund services provided	-	-	-	6,225,859
Payments to suppliers	(845,198)	(227,953)	(1,073,151)	(4,407,178)
Payments to employees	(1,521,617)	(136,644)	(1,658,261)	(2,249,425)
Net cash provided by (used in) operating activities	<u>42,453</u>	<u>760,031</u>	<u>802,484</u>	<u>(274,769)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers out	(21,600)	-	(21,600)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(166,781)	-	(166,781)	(67,704)
Proceeds from sale of capital assets	21,092	-	21,092	-
Net cash provided by (used in) capital and related financing activities	<u>(145,689)</u>	<u>-</u>	<u>(145,689)</u>	<u>(67,704)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	5,403	18,474	23,877	83,137
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(119,433)	778,505	659,072	(259,336)
CASH AND CASH EQUIVALENTS:				
Beginning of year	731,115	1,034,058	1,765,173	6,481,110
End of year	<u>\$ 611,682</u>	<u>\$ 1,812,563</u>	<u>\$ 2,424,245</u>	<u>\$ 6,221,774</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (132,372)	\$ 296,243	\$ 163,871	\$ 270,656
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	148,809	-	148,809	40,044
Net changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Accounts receivable	(57,763)	225,451	167,688	2,265
Inventory and other assets	(17,496)	8,350	(9,146)	(716,611)
Net pension asset	34	16	50	-
Deferred outflows of resources	(42,321)	(1,300)	(43,621)	(90,125)
Accounts payable	10,575	228,826	239,401	(594)
Accrued liabilities	7,489	(444)	7,045	9,007
Unearned revenues	-	-	-	(11,164)
Obligation for OPEB	34,230	856	35,086	74,206
Obligation for compensated absences	24,599	-	24,599	5,501
Net pension liability	31,389	949	32,338	66,916
Deferred inflows of resources	35,280	1,084	36,364	75,130
Net cash provided by (used in) operating activities	<u>\$ 42,453</u>	<u>\$ 760,031</u>	<u>\$ 802,484</u>	<u>\$ (274,769)</u>

The notes to the financial statements are an integral part of this statement.

Fiduciary Fund Financial Statements

Agency Funds

These funds account for assets held by the County as an agent for individuals, organizations, and other governments. These funds are custodial in nature and do not involve measuring the results of operations. Individual agency funds are presented in Supplemental Schedule 16 beginning on page 114.

DAVIS COUNTY

EXHIBIT J

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES AGENCY FUNDS DECEMBER 31, 2017

ASSETS

Cash and cash equivalents	<u>\$ 61,498,647</u>
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LIABILITIES

Due to individuals, organizations, and other governments	<u>\$ 61,498,647</u>
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The notes to the financial statements are an integral part of this statement.

Under paragraph 110 of GASB 34, agency funds should not be reported in the statement of changes in fiduciary net position. Davis County only has agency funds in the Statement of Fiduciary Net Position. Thus, no Statement of Changes in Fiduciary Net Position is required.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

INDEX TO THE NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:	
A. Reporting Entity	49
B. Government-wide and Fund Financial Statements	50
C. Measurement Focus and Basis of Accounting	52
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance....	52
E. Revenues and Expenditures/Expenses.....	54
F. Interfund Activity and Balances	55
G. Budgeting and Budgetary Control	55
H. Estimates.....	56
2. New Accounting Pronouncements.....	56
3. Deposits and Investments:	
A. Custodial Credit risk	56
B. Credit Risk	57
C. Interest Rate Risk	57
D. Concentration of Credit Risk	57
4. Interfund Transfers	58
5. Capital Assets	59
6. Long-term Liabilities:	
A. Changes in Long-term Liabilities	60
B. General Obligation Bonds	61
C. Sales Tax Revenue Bonds	61
D. Lease Revenue Bonds	63
E. Defeased Bonds.....	63
F. Capital Lease.....	63
7. Short-Term Debt.....	64
8. Net Position and Fund Balances	
A. Net Position	64
B. Fund Balance.....	65
9. Retirement Plans:	
A. Pension Plans	66
B. Defined Contribution Savings Plans.....	73
10. Other Postemployment Benefits	
A. Plan Description	74
B. Funding Policy	74
C. Annual OPEB Cost and Net OPEB Obligation	74
D. Funded Status and Funding Progress	75
E. Actuarial Methods and Assumptions	75
11. Risk Management	75
12. Litigation and Contingencies	76
13. Joint Ventures – South Davis Metro Service Area	76
14. Conduit Debt	76

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

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). 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 (referred to as the "primary government" for reporting purposes) and its "component units". Component units are separate legal entities for which the County is considered to be financially accountable. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. The primary criteria for including a board or agency in the CAFR is financial accountability, meaning the County appoints a voting 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.

Where the County does not appoint a voting majority of an organization's governing body, GASB standards require inclusion in the reporting entity if: 1) an organization is fiscally dependent on the County because its resources are held for the direct benefit of the County or can be accessed by the County; and 2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial statements to be misleading.

Blended component units, although legally separate, 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

A component unit should be reported as part of the primary government and blended into the appropriate funds if: 1) services are provided entirely or almost entirely to the primary government; 2) the governing body is substantively the same as the governing body of the primary government and there is a financial benefit or burden relationship or the primary government has operational responsibility; 3) the component unit's total outstanding debt is expected to be repaid entirely or almost entirely by the primary government; or 4) if it is organized as a not-for-profit corporation in which the primary government is the sole corporate member.

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

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

health and substance abuse. The County provides significant support to these behavioral health services. Payments during 2017 were \$1,690,296 and pass through grants were \$9,168,965. Related party items at December 31, 2017 consisted of \$1,756,813 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, 934 South Main Street #6, Layton, Utah 84041.

Wasatch Integrated Waste Management District (WIWMD) – Wasatch Integrated Waste Management District (WIWMD) was a regional refuse incinerator. Energy created from the refuse incineration was 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. On March 1, 2017, the board of WIWMD voted to cease operation of the Davis Energy Recovery Facility, also known as the “Burn Plant”. WIWMD continues to operate the Davis Landfill.

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 the financial statements may be misleading if WIWMD were not included. Separate financial statements for WIWMD may be obtained from Wasatch Integrated Waste Management District, P.O. Box 900, Layton, Utah 84041-0900.

The determination that a component unit is “major” is based on the nature and significance of its relationship to the primary government. Both Davis Behavioral Health and Wasatch Integrated Waste Management District are considered to be major component units and are presented as of their fiscal year-ends, June 30, 2017.

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.

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 financial statements (the statement of net position and the statement of activities) report 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 Position* presents the County's non-fiduciary assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Net position is restricted when constraints placed upon it 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 financial statements are provided for

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. For governmental and enterprise funds, the emphasis is on *major funds*, with each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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 to provide health and aging services. The Health Fund’s principal revenue source is grants.
- **Library Fund** – This special revenue fund accounts for the operations of the County’s main library and six branches. The Library Fund’s principal revenue source is property taxes.
- **Transportation Fund** – This special revenue fund accounts for corridor preservation taxes, which are levied by the County and then held to reimburse the Utah Department of Transportation for its purchases of land for future transportation corridors through the County. This fund also accounts for mass transit and transportation taxes which are levied by the County but are mostly distributed directly to the Utah Transit Authority and to the cities residing within the County for transportation projects. A portion of these transportation taxes remains in the County and is restricted for usage in County transportation projects.
- **Capital Projects Fund** – This fund accounts for funds accumulated and spent for capital projects.

The County’s nonmajor governmental funds account for specific revenue sources that are legally restricted to expenditures for specific purposes. Funds included are Tourism, RDA, Emergency 911 Dispatch, Municipal Building Authority (MBA) Operations, Special Service Area, Flood Control, General Government Debt Service, MBA Debt Service, and Sales Tax Revenue Bonds Debt Service 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 major enterprise fund accounts for the operations of the County owned golf courses.
- **Commissary Fund** – This major enterprise fund accounts for the sale of items available to inmates in the jail.
- **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, e-mail, and security 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.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

- **Employee Benefits Agency Fund** – This fund accounts for monies held by the County in the payroll process until paid out for payroll, taxes, insurance, bonds, etc.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurements focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 related 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 imposed by the provider 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 due to their custodial nature, 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.

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. “Measurable” means that amounts can be reasonably determined within the current period. Expenditures are generally recorded when the related liability is incurred, as under accrual accounting. More specific details concerning revenues and expenditures can be found below in section E.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash, Cash Equivalents, and Investments

Cash and cash equivalents consist primarily of demand deposits with financial institutions and short-term, highly liquid 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 delinquent property taxes. Property taxes attach as an enforceable lien on property on January 1st of each year. Taxes are levied on property owners before June 22 and are payable by November 30th. 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 31st of the subsequent year. The County records a receivable and a deferred inflow of resources 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 Prepaid Items

Inventories are valued at cost using either the first-in, first out (FIFO) or average cost method and consist of expendable supplies and merchandise. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

Certain payments to vendors for goods and services reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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, donated works of art and similar items, and capital assets received in a service concession arrangements are recorded at estimated acquisition value on the date of acquisition.

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County reports a deferred charge (\$957,306) on refunding on the government-wide statement of net position, which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has one item, which arises only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes (\$631,726). These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The County also reports both deferred outflows and inflows of resources relating to pensions on the statement of net position for both the government-wide and the proprietary fund statements. See Note 8 for further information on deferred outflows and inflows of resources relating to pension reporting.

Compensated Absences

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)

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

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 expenditures 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 Position 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.

Long-term Obligations

In the government-wide statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums and discounts are netted against the debt payable. Debt premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

Debt refunding gains and losses are reported as deferred inflows or outflows of resources on the statements of net position. These gains and losses are deferred and amortized over the shorter of the life of the refunding debt (new debt) and the refunded debt (the old debt).

In the governmental fund financial statements, bond premiums and discounts are recognized 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. The face amount of debt issued is reported as other financing sources.

Bond issuance costs are recognized as an outflow of resources in the reporting period in which they are incurred for both the government-wide and fund statements.

Pensions

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

Net Position and Fund Balances

The difference between assets/deferred outflows and liabilities/deferred inflows is *net position* on the government-wide and proprietary fund statements, and *fund balance* on the governmental fund statements. Note 8 provides more information on the County's policies and classifications related to net position and fund balances.

E. Revenues and Expenditures/Expenses

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

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

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. For this purpose, the 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/Expense Recognition

In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to pensions, compensated absences, OPEB, and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures.

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.

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. Transfers between governmental and business-type activities are reported at the net amount in the government-wide statement of activities. Interfund receivables and payables have been eliminated from the Statement of Net Position, except for the residual amounts due between governmental and business-type activities, which are shown as “internal balances” and offset each other to result in a zero balance in the total column.

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 County 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 budget is reviewed, considered, and adopted by the County Commission in a regular or specially scheduled meeting on or before November 1st.

Prior to December 31, the County Commission shall hold 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.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

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 operational 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 by resolution of the Commission in accordance with state law. Expenditure appropriations of any fund may be increased by resolution only after a public hearing. Notice of such hearing must be published at least five days in advance of the meeting in accordance with state law.

H. Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2. NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) issued Statement No. 80, *Blending Requirements for Certain Component Units*. This Statement amends the blending requirements for the financial statement presentation of component units. It requires the blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. Implementing this Statement had no impact on the County or its component units at the present time.

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 with 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) are uninsured and are not collateralized, nor are they required to be collateralized by state statutes. The County’s deposits on December 31, 2017 were \$8,806,188, of which \$8,556,188 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.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

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 investment 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 is not rated. 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, 2017 are shown below:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Quality/Rating</u>
Utah Public Treasurer's Investment Fund	\$ 132,772,491	50*	not rated

*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.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 4. 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, 2017 are shown below.

	Transfer In		Transfer Out
Major Funds:			
General Fund	\$ 1,012,361	a, c, f	\$ 12,471,796
Health Fund	3,443,354	b	200,000
Library Fund	-		1,900,000
Capital Projects Fund	10,225,000	b, d	-
Golf Course Fund	-		21,600
Nonmajor Funds:			
Tourism Fund	-		6,579,663
Emergency 911 Dispatch Fund.....	200,000	b	-
MBA Operating Fund	-		473,205
Special Service Area Fund	176,935	h	858,500
Flood Control Fund	4,800,000	b	2,084,858
MBA Debt Service Fund	1,544,386	b, f, g	-
Sales Tax Revenue Bonds Debt Service Fund ...	3,187,586	e	-
Total Nonmajor Funds	9,908,907		9,996,226
Total Transfers In and Transfers Out	\$ 24,589,622		\$ 24,589,622

- a) Golf Courses Fund transferred \$21,600 to the General Fund to pay for administrative expenses.
- b) The General Fund transferred general tax monies of the County totaling \$3,643,354 to support health and senior service programs and emergency 911 dispatch. The General Fund also transferred \$4,800,000 to the Flood Control Fund for flood projects, \$3,100,000 to the Capital Projects Fund for future capital projects, and \$928,442 to the MBA Debt Service Fund for debt service payments.
- c) The Special Service Area Fund transferred \$858,500 to the General Fund to pay for administrative, animal control and public safety services.
- d) The Health, Library, and Tourism Funds transferred \$200,000, \$1,625,000, and \$5,300,000, respectively, to the Capital Projects Fund to pay for health, library, and tourism related capital projects.
- e) The Tourism Fund transferred \$1,279,663 and the Flood Control Fund transferred \$1,907,923 to the Sales Tax Revenue Bonds Debt Service Fund for debt service payments.
- f) The MBA Operating Fund transferred \$340,944 to the MBA Debt Service Fund to make the 2017 debt service payments and \$132,261 to reimburse the general fund for debt service payments made on the DMV out of that fund in prior years.
- g) The Library Fund transferred \$275,000 to the MBA Debt Service Fund for debt service payments.
- h) The Flood Control Fund transferred \$176,935 to the Special Service Area Fund to rent heavy equipment used in flood control projects.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 15,262,145	\$ 6,440	\$ -	\$ 15,268,585
Land under infrastructure	31,623,515	288,325	-	31,911,840
Construction in progress	234,713	117,070	(234,713)	117,070
Total capital assets not being depreciated	<u>47,120,373</u>	<u>411,835</u>	<u>(234,713)</u>	<u>47,297,495</u>
Capital assets being depreciated:				
Buildings and improvements	128,365,170	577,653	-	128,942,823
Furniture, fixtures, and equipment	20,226,969	1,273,720	(492,003)	21,008,686
Infrastructure	32,544,534	597,030	(451,942)	32,689,622
Total capital assets being depreciated	<u>181,136,673</u>	<u>2,448,403</u>	<u>(943,945)</u>	<u>182,641,131</u>
Less accumulated depreciation for:				
Buildings and improvements	(41,698,233)	(3,325,774)	-	(45,024,007)
Furniture, fixtures, and equipment	(17,068,736)	(1,628,445)	458,533	(18,238,648)
Infrastructure	(14,157,830)	(1,267,337)	451,942	(14,973,225)
Total accumulated depreciation	<u>(72,924,799)</u>	<u>(6,221,556)</u>	<u>910,475</u>	<u>(78,235,880)</u>
Total capital assets being depreciated, net	<u>108,211,874</u>	<u>(3,773,153)</u>	<u>(33,470)</u>	<u>104,405,251</u>
Governmental activity capital assets, net	<u>\$ 155,332,247</u>	<u>\$ (3,361,318)</u>	<u>\$ (268,183)</u>	<u>\$ 151,702,746</u>
Business-type activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 3,760,513	\$ -	\$ -	\$ 3,760,513
Construction in progress	-	23,550	-	23,550
Total capital assets not being depreciated	<u>3,760,513</u>	<u>23,550</u>	<u>-</u>	<u>3,784,063</u>
Capital assets being depreciated:				
Buildings and improvements	2,001,952	13,965	-	2,015,917
Furniture, fixtures, and equipment	2,565,213	129,266	(118,189)	2,576,290
Total capital assets being depreciated	<u>4,567,165</u>	<u>143,231</u>	<u>(118,189)</u>	<u>4,592,207</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,122,646)	(44,373)	-	(1,167,019)
Furniture, fixtures, and equipment	(2,310,985)	(104,436)	118,189	(2,297,232)
Total accumulated depreciation	<u>(3,433,631)</u>	<u>(148,809)</u>	<u>118,189</u>	<u>(3,464,251)</u>
Total capital assets being depreciated, net	<u>1,133,534</u>	<u>(5,578)</u>	<u>-</u>	<u>1,127,956</u>
Business-type activity capital assets, net	<u>\$ 4,894,047</u>	<u>\$ 17,972</u>	<u>\$ -</u>	<u>\$ 4,912,019</u>

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

Governmental activities:	
General government	\$ 2,481,026
Public safety	1,934,292
Public Health	269,795
Public works	1,496,399
Depreciation on capital assets of the County's internal service funds is charged to the various functions based on their usage of the assets	<u>40,044</u>
Total depreciation expense—governmental activities	<u>\$ 6,221,556</u>
Business-type activities:	
Golf	<u>\$ 148,809</u>

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 6. LONG-TERM LIABILITIES

A. Changes in Long-term Liabilities

Changes in long-term liabilities for the year ended December 31, 2017 were as follows:

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2017</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds:					
Davis County general obligation refunding bonds, series 2012	\$ 14,185,000	\$ -	\$ (1,345,000)	\$ 12,840,000	\$ 1,385,000
Unamortized premiums	595,075	-	(137,469)	457,606	-
Total general obligation bonds	<u>14,780,075</u>	<u>-</u>	<u>(1,482,469)</u>	<u>13,297,606</u>	<u>1,385,000</u>
Sales tax revenue bonds:					
Davis County taxable build America bonds, series 2009B	19,450,000	-	(1,225,000)	18,225,000	1,250,000
Davis County sales tax revenue refunding bonds, series 2009C	4,205,000	-	(535,000)	3,670,000	555,000
Davis County sales tax revenue refunding bonds, series 2015	7,929,000	-	(377,000)	7,552,000	384,000
Unamortized premiums	40,656	-	(11,897)	28,759	-
Total sales tax revenue bonds	<u>31,624,656</u>	<u>-</u>	<u>(2,148,897)</u>	<u>29,475,759</u>	<u>2,189,000</u>
Lease revenue bonds:					
Municipal Building Authority lease revenue bonds, series 2001	338,000	-	(338,000)	-	-
Municipal Building Authority taxable recovery zone lease revenue bonds, series 2010B	18,315,000	-	(635,000)	17,680,000	645,000
Total lease revenue bonds	<u>18,653,000</u>	<u>-</u>	<u>(973,000)</u>	<u>17,680,000</u>	<u>645,000</u>
Capital lease obligations	143,720	-	(78,392)	65,328	65,328
Compensated absences	3,515,169	2,406,727	(2,251,938)	3,669,958	733,992
OPEB obligation	19,947,185	2,591,038	(667,667)	21,870,556	-
Net pension liability	27,190,188	11,381,313	(9,745,335)	28,826,166	-
Total governmental activity long-term debt	<u>\$ 115,853,993</u>	<u>\$ 16,379,078</u>	<u>\$ (17,347,698)</u>	<u>\$ 114,885,373</u>	<u>\$ 5,018,320</u>
Business-type activities:					
Compensated absences	\$ 111,081	\$ 107,854	\$ (83,255)	\$ 135,680	\$ 27,136
OPEB obligation	371,789	47,265	(12,179)	406,875	-
Net pension liability	507,847	224,970	(192,634)	540,183	-
Total business-type long-term debt	<u>\$ 990,717</u>	<u>\$ 380,089</u>	<u>\$ (288,068)</u>	<u>\$ 1,082,738</u>	<u>\$ 27,136</u>

The compensated absence, OPEB liabilities, and net pension liabilities of governmental activities are liquidated in the General Fund or 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.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

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, 2017 was \$699,741,194, providing a debt margin of \$686,443,588. General Obligation Bonds Payable at December 31, 2017 consisted of the following:

General Obligation Bonds Payable					
	<u>Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original</u>	<u>Balance</u>
	<u>Date</u>			<u>Amount</u>	<u>December 31,</u>
					<u>2017</u>
2012 Refunding Bonds	5/10/2012	2/1/2025	1.50%-5.00%	\$ 15,750,000	\$ 12,840,000
					12,840,000
					457,606
					\$ 13,297,606

General Obligation Bonds-Debt Service Requirement to Maturity

<u>Year</u>	<u>Refunding Series 2012</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 1,385,000	\$ 433,037
2019	1,445,000	369,213
2020	1,520,000	295,088
2021	1,600,000	217,087
2022	1,655,000	158,469
2023-2025	5,235,000	221,125
Total	\$ 12,840,000	\$ 1,694,019

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. Pursuant to the American Recovery and Reinvestment Act of 2009, the County will receive cash subsidy payments from the United States Treasury equal to 35% of the interest payable on the 2009B Build America Bonds. During 2017, the US Treasury reduced the cash subsidy dollar amount by 6.9% on payments through September 30, 2017 and 6.6% starting October 1, 2017 through September 30, 2018. It is unknown if similar actions will be taken beyond this date. Sales Tax Revenue Bonds Payable at December 31, 2017 consisted of the following:

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

Sales Tax Revenue Bonds Payable

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance December 31, 2017</u>
2009B Taxable Build America Bonds	9/23/2009	4/1/2029	4.20%-6.000%	\$ 19,450,000	\$ 18,225,000
2009C Refunding Bonds	9/23/2009	4/1/2023	2.00%-4.000%	4,925,000	3,670,000
2015 Refunding Bonds	4/14/2015	10/1/2027	0.75%-3.400%	8,036,000	7,552,000
Total Sales Tax Revenue Bonds Outstanding.....					29,447,000
Add Unamortized Premium.....					28,759
Total Sales Tax Revenue Bonds Payable.....					\$ 29,475,759

Sales Tax Revenue Bonds-Debt Service Requirement to Maturity

<u>Year</u>	<u>Build America Bonds Series 2009B</u>				<u>Refunding Series 2009C</u>	
	<u>Principal</u>	<u>Interest</u>	<u>BAB Subsidy</u>	<u>Interest Net of BAB Subsidy</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 1,250,000	\$ 956,562	\$ (311,456)	\$ 645,106	\$ 555,000	\$ 129,125
2019	1,300,000	897,887	(314,260)	583,627	575,000	106,525
2020	1,325,000	835,206	(292,322)	542,884	600,000	83,025
2021	1,375,000	768,356	(268,925)	499,431	625,000	58,525
2022	1,425,000	696,588	(243,806)	452,782	645,000	34,737
2023-2027	7,925,000	2,242,469	(784,864)	1,457,605	670,000	11,725
2028-2029	3,625,000	218,863	(76,602)	142,261	-	-
Total	\$ 18,225,000	\$ 6,615,931	\$ (2,292,235)	\$ 4,323,696	\$ 3,670,000	\$ 423,662

Sales Tax Revenue Bonds-Debt Service Requirement to Maturity (Continued)

<u>Year</u>	<u>Refunding Series 2015</u>		<u>Total</u>			<u>Interest Net of BAB Subsidy</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>BAB Subsidy</u>	
2018	\$ 384,000	\$ 209,239	\$ 2,189,000	\$ 1,294,926	\$ (311,456)	\$ 983,470
2019	391,000	204,248	2,266,000	1,208,660	(314,260)	894,400
2020	393,000	198,383	2,318,000	1,116,614	(292,322)	824,292
2021	400,000	191,112	2,400,000	1,017,993	(268,925)	749,068
2022	408,000	183,112	2,478,000	914,437	(243,806)	670,631
2023-2027	5,576,000	599,413	14,171,000	2,853,607	(784,864)	2,068,743
2028-2029	-	-	3,625,000	218,863	(76,602)	142,261
Total	\$ 7,552,000	\$ 1,585,507	\$ 29,447,000	\$ 8,625,100	\$ (2,292,235)	\$ 6,332,865

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

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. Pursuant to the American Recovery and Reinvestment Act of 2009, the bonds are designated as "Recovery Zone Bonds", and the County will receive cash subsidy payments from the United States Treasury equal to 45% of the interest payable on the 2010B Bonds. During 2017, the US Treasury reduced the cash subsidy dollar amount by 6.9% on payments through September 30, 2017 and 6.6% starting October 1, 2017 through September 30, 2018. It is unknown if similar actions will be taken beyond this date. Lease Revenue Bonds Payable at December 31, 2017 consists of the following:

Lease Revenue Bonds Payable					
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance December 31, 2017
2010B Taxable Recovery Zone Bonds	10/21/2010	11/1/2040	1.85%-6.00%	19,600,000	\$ 17,680,000

Lease Revenue Bonds-Debt Service Requirement to Maturity

Taxable Recovery Zone Economic Development Bonds Series 2010B				
Year	Principal	Interest	Subsidy	Interest Net of Subsidy
2018	\$ 645,000	\$ 952,910	\$ (399,933)	\$ 552,977
2019	655,000	930,980	(418,941)	512,039
2020	670,000	905,763	(407,593)	498,170
2021	685,000	879,297	(395,684)	483,613
2022	700,000	851,213	(383,046)	468,167
2023-2027	3,515,000	3,742,120	(1,683,954)	2,058,166
2028-2032	3,640,000	2,785,505	(1,253,477)	1,532,028
2033-2037	4,260,000	1,650,700	(742,815)	907,885
2038-2040	2,910,000	352,800	(158,760)	194,040
Total	\$ 17,680,000	\$ 13,051,288	\$ (5,844,203)	\$ 7,207,085

E. Defeased Bonds

The County has defeased certain General Obligation and Sales Tax Revenue Bonds by placing the proceeds of the new refunding bonds in an irrevocable trust escrow account to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Statement of Net Assets. At December 31, 2017, \$12,695,000 of General Obligation and \$10,760,000 of Sales Tax Revenue Bonds outstanding are considered defeased.

F. Capital Lease

The County has a lease agreement that is accounted for as a capital lease in governmental activity long-term debt and capital assets. This lease is for 18 "Lifepaks", equipment used by the Sheriff's department and was valued at \$482,315 at the time the lease was incurred. The portion financed by the lease agreement was \$391,965, which represents the fair market value of the equipment less the trade-in value of the old equipment. The lease has a remaining lease period of 1 year at zero percent interest.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

There is also a maintenance agreement that is paid on a monthly basis in conjunction with the equipment lease, but that has not been accounted for as part of the lease since it is a service agreement independent of the value of the assets.

The assets acquired through capital lease are as follows:

	Governmental Activities
Lifepak equipment	\$ 482,315
Less accumulated depreciation	<u>(482,315)</u>
 Total	 <u>\$ -</u>

The following is a schedule of future minimum lease payments under capital lease in governmental activity long-term debt, together with the present value of the net minimum lease payments as of December 31, 2017:

Year		
2018	\$	80,821
Total net minimum lease payments		80,821
Less amount representing maintenance agreement		(15,494)
Less amount representing interest		<u>-</u>
 Present value of net minimum lease payments	 \$	 <u>65,327</u>

NOTE 7. SHORT-TERM DEBT

On July 18, 2017, the County issued \$7 million of tax anticipation notes at 1.26 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 \$38,955 and total principal and interest on the notes was paid in full on December 27, 2017.

NOTE 8. NET POSITION AND FUND BALANCES

A. Net Position

The net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. The net position component "net investment in capital assets" consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Deferred outflows/inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. The net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The government-wide statement of net position reports \$21,868,148 of restricted net position, none of which is restricted by enabling legislation. The balance of the net position is reported as unrestricted. The County's flow assumption policy is to use restricted net position before using unrestricted net position.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

B. Fund Balance

Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by grantors, creditors, or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commissioners through the approval of a motion. Only the County Commissioners may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. The budget officer of the County or his designee has authority to assign fund balance. As defined by County ordinance, the County Clerk/Auditor is the budget officer of the County. The Commissioners may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily, so an additional action does not need to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criteria. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

It is the County’s policy to consider restricted fund balance to have been used before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, it is the County’s policy to use fund balance in the following order: 1. Committed, 2. Assigned, and 3. Unassigned. The table on the next page summarizes the purposes of the County’s restricted, committed, and assigned fund balances:

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

	Governmental Fund Balances		
	Restricted Purposes	Committed Purposes	Assigned Purposes
General Fund:			
Subsequent year's budget: appropriation of fund balance	\$ -	\$ -	\$ 1,576,879
Health Fund:			
Public Health and Aging Services Programs	-	-	2,216,128
Library Fund	-	-	2,639,731
Transportation Fund:			
Corridor Preservation	9,058,162	-	-
Proposition 1 transportation projects	4,025,961	-	-
Capital Projects Fund:			
Future Capital Projects	-	18,301,495	-
Nonmajor Funds:			
Tourism and Convention Activities	-	-	2,093,826
Public Safety Programs	-	-	800,439
Public Works Programs	-	-	1,670,522
Class B-Roads	3,154,102	-	-
Debt Service	5,629,923	-	-
Municipal Building Authority	-	-	297,511
Future Flood Related Capital Projects	-	-	3,449,263
	<hr/>	<hr/>	<hr/>
Total, All Governmental Funds	<u>\$ 21,868,148</u>	<u>\$ 18,301,495</u>	<u>\$ 14,744,299</u>

NOTE 9. RETIREMENT PLANS

A. Pension Plans

General Information about the Pension Plan

Plan description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

Defined Benefit Plans

- **Public Employees Noncontributory Retirement System (Noncontributory System)** – Is a multiple employer, cost sharing, public employee retirement system.
- **Public Safety Retirement System (Public Safety System)** – Is a mixed agent and cost sharing, multiple employer retirement systems.
- **Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System)** – Is a multiple employer, cost sharing, public employees, retirement system.
- **Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System)** – Is a multiple employer, cost sharing, public employees, retirement system.

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the *Utah Code Annotated*, 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing to Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102 or by visiting the website: www.urs.org.

Benefits provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

	Tier 1		Tier 2	
	Noncontributory System	Public Safety System	Public Employees System	Public Safety and Firefighter System
Final Average Salary	Highest 3 Years	Highest 3 Years	Highest 5 Years	Highest 5 Years
Years of Service Required and/or Age Eligible for Benefit	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	35 years any age 20 years age 60 (a) 10 years age 62 (a) 4 years age 65	25 years any age 20 years age 60 (a) 10 years age 62 (a) 4 years age 65
Benefit Percent per Year of Service	2.0% per year all years	2.5% per year up to 20 2.0% per year over 20 years	1.5% per year all years	1.5% per year all years
Annual Cost of Living Adjustment (b)	up to 4.0%	up to 2.5%	up to 2.5%	up to 2.5%

(a) With actuarial reductions.

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

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of December 31, 2017 are as follows:

Utah Retirement Systems

	Employee	Employer	Employer 401(k)
Contributory System			
111 - Local Governmental Division Tier 2	N/A	15.11%	1.58%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	18.47%	N/A
Public Safety Retirement System			
Noncontributory			
43 - Other Division A with 2.5% COLA	N/A	34.04%	N/A
Contributory			
122 - Tier 2 DB Hybrid Public Safety	N/A	22.57%	1.26%
Tier 2 DC Only			
211 - Local Government	N/A	6.69%	10.00%
222 - Local Government	N/A	11.83%	12.00%

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

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

For the fiscal year ended December 31, 2017, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 4,153,136	N/A
Public Safety Retirement System	2,900,028	-
Tier 2 Public Employees System	702,936	-
Tier 2 Public Safety and Firefighter	519,298	-
Tier 2 DC Only System	69,205	N/A
Tier 2 DC Public Safety and Firefighter System	41,924	N/A
Total Contributions	\$ 8,386,527	\$ -

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

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Relating to Pensions

At December 31, 2017, we reported a net pension asset of \$20,417 and a net pension liability of \$29,366,348.

	December 31, 2016 (Measurement Date)				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2015	Change (Decrease)
Noncontributory System	\$ -	\$ 16,501,694	2.5698675%	2.7023380%	(0.1324705)%
Public Safety Retirement System	-	12,812,255	6.3137072%	6.9263829%	(0.6126757)%
Tier 2 Public Employees System	-	52,399	0.4697410%	0.4625418%	0.0071992%
Tier 2 Public Safety and Firefighter	20,417	-	2.3520412%	2.5247234%	(0.1726822)%
	<u>\$ 20,417</u>	<u>\$ 29,366,348</u>			

The net pension asset and liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2016 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended December 31, 2017, we recognized pension expense of \$9,693,051.

At December 31, 2017, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 373,525	\$ 1,532,386
Changes in assumptions	4,503,240	990,999
Net difference between projected and actual earnings on pension plan investments	6,394,047	1,884,157
Changes in proportion and differences between contributions and proportionate share of contributions	132,304	1,150,009
Contributions subsequent to the measurement date	8,386,527	-
Total	<u>\$ 19,789,643</u>	<u>\$ 5,557,551</u>

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

\$8,386,527 was reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2016.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources	
2017	\$	1,623,649
2018	\$	1,940,182
2019	\$	2,476,694
2020	\$	(250,088)
2021	\$	4,281
Thereafter	\$	50,848

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2017, we recognized pension expense of \$5,537,353.

At December 31, 2017, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 358,440	\$ 449,104
Changes in assumptions	2,228,972	537,094
Net difference between projected and actual earnings on pension plan investments	3,667,369	1,087,143
Changes in proportion and differences between contributions and proportionate share of contributions	53,879	464,548
Contributions subsequent to the measurement date	4,153,136	-
Total	<u>\$ 10,461,796</u>	<u>\$ 2,537,889</u>

\$4,153,136 was reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2016.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources	
2017	\$	1,160,813
2018	\$	1,175,113
2019	\$	1,489,960
2020	\$	(55,115)
2021	\$	-
Thereafter	\$	-

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2017, we recognized pension expense of \$3,624,641.

At December 31, 2017, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,039,838
Changes in assumptions	2,222,539	446,642
Net difference between projected and actual earnings on pension plan investments	2,696,690	786,937
Changes in proportion and differences between contributions and proportionate share of contributions	22,279	685,461
Contributions subsequent to the measurement date	<u>2,900,028</u>	<u>-</u>
Total	<u>\$ 7,841,536</u>	<u>\$ 2,958,878</u>

\$2,900,028 was reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2016.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2017	\$ 450,787
2018	\$ 753,020
2019	\$ 975,558
2020	\$ (196,734)
2021	\$ -
Thereafter	\$ -

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2017, we recognized pension expense of \$336,279.

At December 31, 2017, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 43,444
Changes in assumptions	33,872	4,771
Net difference between projected and actual earnings on pension plan investments	19,787	6,323
Changes in proportion and differences between contributions and proportionate share of contributions	37,593	-
Contributions subsequent to the measurement date	<u>772,140</u>	<u>-</u>
Total	<u>\$ 863,392</u>	<u>\$ 54,538</u>

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

\$772,140 was reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2016.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2017	\$ 6,674
2018	\$ 6,674
2019	\$ 6,059
2020	\$ (127)
2021	\$ 1,454
Thereafter	\$ 15,977

Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2017, we recognized pension expense of \$194,778.

At December 31, 2017, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,085	\$ -
Changes in assumptions	17,857	2,492
Net difference between projected and actual earnings on pension plan investments	10,201	3,754
Changes in proportion and differences between contributions and proportionate share of contributions	18,554	-
Contributions subsequent to the measurement date	561,223	-
Total	\$ 622,920	\$ 6,246

\$561,223 was reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2016.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2017	\$ 5,375
2018	\$ 5,375
2019	\$ 5,117
2020	\$ 1,888
2021	\$ 2,827
Thereafter	\$ 34,870

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

Actuarial assumptions: The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.6 Percent
Salary increases	3.35 – 10.35 percent, average, including inflation
Investment rate of return	7.2 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2016, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2013.

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

Asset class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
		Inflation	2.60%
		Expected arithmetic nominal return	7.83%

The 7.2 percent assumed investment rate of return is comprised of an inflation rate of 2.6 percent, and a real return of 4.6 percent that is net of investment expense.

Discount Rate: The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement period.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.2 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.2 percent) or 1-percentage-point higher (8.2 percent) than the current rate:

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

System	1% Decrease (6.2%)	Discount Rate (7.2%)	1 % Increase (8.2%)
Noncontributory System	\$ 34,180,602	\$ 16,501,694	\$ 1,749,614
Public Safety System	26,646,587	12,812,255	1,566,831
Tier 2 Public Employees System	356,664	52,399	(179,070)
Tier 2 Public Safety and Firefighter	142,844	\$ (20,417)	(145,880)
Total	\$ 61,326,697	\$ 29,345,931	\$ 2,991,495

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

B. Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b), and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

The County participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan
- Traditional IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended December 31, were as follows:

401(k) Plan			
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer Contributions	\$ 1,645,760	\$ 1,525,105	\$ 1,801,708
Employee Contributions	\$ 1,940,576	\$ 1,796,263	\$ 1,807,460
457 Plan			
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	\$ 298,774	\$ 261,916	\$ 273,435
Roth IRA Plan			
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 235,647	\$ 183,434	\$ 183,952
Traditional IRA			
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 3,470	\$ 1,800	\$ -

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

In addition to the pension benefits described in Note 9, the County provides postemployment health care, through a single employer defined benefit plan, to all employees who have worked for the County for at least eight years and are eligible to retire under Utah Retirement System regulations. The benefits, benefit levels, employee contributions, and employer contributions are governed by County policy, and can be amended at any time. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

B. Funding Policy

The County currently pays for postemployment benefits on a “pay-as-you-go” basis. Although the County is studying the establishment of a trust that would be used to accumulate and invest assets necessary to pay for the accumulated liability, these financial statements assume that “pay-as-you-go” funding will continue.

C. Annual OPEB Cost and Net OPEB Obligation

The County’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the employer’s annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. For the fiscal year ended December 31, 2017 the County’s annual OPEB cost (expense) was \$2,638,303. The following table shows the components of the County’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County’s net OPEB obligation:

Annual required contribution	\$ 3,273,883
Interest on net OPEB obligation	812,759
Adjustment to annual required contribution	(1,448,339)
Annual OPEB cost (expense)	2,638,303
Contributions made	(679,846)
Increase in net OPEB obligation	1,958,457
Net OPEB obligation-beginning of year	20,318,974
Net OPEB obligation-end of year	\$ 22,277,431

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended December 31, 2015, 2016, and 2017 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2015	\$ 3,301,552	\$ 835,079	25.29%	\$ 18,316,349
December 31, 2016	2,497,704	495,079	19.82%	20,318,974
December 31, 2017	2,638,303	679,846	25.77%	22,277,431

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

D. Funded Status and Funding Progress

The funded status of the plan as of December 31, 2017 was as follows:

Actuarial accrued liability (AAL)	\$ 23,609,326
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	23,609,326
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	38,821,132
UAAL as a percentage of covered payroll	61%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, shown as required supplementary information following the notes to the financial statements, presents the results of OPEB valuations as of December 31, 2017 and earlier and provides multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the most recent actuarial valuation dated January 1, 2017, the projected unit credit actuarial cost method was used with full accrual at full eligibility age. The actuarial assumptions utilized a 4 percent investment rate of return. Because the plan is unfunded, reference to the general assets, which are short-term in nature, was considered in the selection of the 4 percent rate. The valuation assumes a 9.4 percent health cost trend rate for those under age 65 and 10 percent for those 65 and older for 2017, reduced by decrements to an ultimate rate of 4 percent. Covered payroll included a 2.3 percent inflation assumption. The unfunded actuarial accrued liability (UAAL) is being amortized over a closed 30 year period in level dollar amounts.

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 finances these risks through membership in the Utah Counties Indemnity Pool (UCIP), which is a self-insurance risk sharing interlocal agency of 22 Utah Counties along with 18 county associate agencies (special service districts), to mitigate the costs of these risks. The County's responsibility extends only to payment of premiums and deductibles. Deductibles are \$500 for damage to equipment, \$1,000 for auto physical damage, and \$100,000 for damage to buildings. UCIP provides Davis County \$5,000,000 per occurrence coverage with no annual aggregate for liability claims. The amount of settlements has not exceeded UCIP coverage since the inception of County membership in 1998.

The County maintains the Risk Management Fund (an internal service fund) to account for the cost of commercial insurance, group self-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.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

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 Service Area

The South Davis Metro Fire Service Area was created by Resolution of each of the member entities on December 8, 2015, pursuant Title 17B of Utah Code Annotated. The Service Area provides fire prevention and suppression and emergency medical services to participating entities in southern Davis County, including: Bountiful, Centerville, North Salt Lake, West Bountiful, Woods Cross, and the Davis County Special Service Area (responsible for servicing the municipal needs of the unincorporated portion of the County).

The South Davis Metro Fire Service Area assumed all functions and responsibilities of the South Davis Metro Fire Agency effective July 1, 2016 and the Interlocal entity was dissolved and assets transferred to the Service Area. Pursuant Utah Code Annotated § 59-2-919, the Service Area held a public hearing on August 10, 2016 and passed Resolution 2016-03 levying property taxes at a rate of .00001. Member entities continue to provide an annual assessment to the Service Area in order to fund the day to day operations and certain capital needs of the Service Area.

The Service area is governed by a 6-member Board of Trustees composed of one elected official appointed by each participating entity pursuant Utah Code Annotated § 17B-2a-905. A 6-member Administrative Committee provides advisory assistance to the Board of Trustees and is composed of the city manager, or representative appointed by the governing body of each entity, as well as a designee appointed by the Davis County Board of Commissioners. The Fire Chief serves as the Chief Executive and Administrative Officer of the Service Area, and the Chair of the Administrative Committee serves as the Budget Officer for the Service Area. Separate financial information may be obtained from South Davis Metro Fire Service Area, 255 South 100 West, Bountiful, Utah 84010.

The operations of the Service Area are supported through ad valorem tax levies, impact fees, fees for services, member assessments, and other revenues authorized by law. Member assessments are calculated based on an average assessed value of each participating entity. In 2017, the County contributed \$412,318 from the Special Service Area Fund to provide services in the participating unincorporated portions of the County.

NOTE 14. CONDUIT DEBT

The County has issued Facility and Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The County is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2017, there were four series of Facility or Industrial Revenue Bonds outstanding for an aggregate principal balance of \$21,420,753.



***REQUIRED SUPPLEMENTARY
INFORMATION***





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DAVIS COUNTY, UTAH
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended December 31, 2017

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.

Changes in Assumptions

The following actuarial assumption changes were adopted January 1, 2016. The assumed investment return assumption was decreased from 7.5 percent to 7.2 percent and the assumed inflation rate was decreased from 2.75 percent to 2.6 percent. With the decrease in the assumed rate of inflation, both the payroll growth and wage inflation assumptions were decreased by 0.15 percent from the prior year's assumption.

DAVIS COUNTY

EXHIBIT L
(Page 1 of 3)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes:				
General property taxes - current	\$ 43,140,330	\$ 43,025,025	\$ 43,943,007	\$ 917,982
General property taxes - delinquent	1,090,000	1,090,000	513,528	(576,472)
Penalties and interest on delinquent taxes	765,000	765,000	646,661	(118,339)
Fee-in-lieu	3,504,500	3,504,500	3,060,370	(444,130)
Sales tax	14,469,000	14,469,000	15,091,183	622,183
Total taxes	<u>62,968,830</u>	<u>62,853,525</u>	<u>63,254,749</u>	<u>401,224</u>
Licenses and permits:				
Marriage licenses	55,000	55,000	58,980	3,980
Animal licenses	220,000	220,000	215,651	(4,349)
Total licenses and permits	<u>275,000</u>	<u>275,000</u>	<u>274,631</u>	<u>(369)</u>
Fines and forfeitures				
Justice court	1,054,000	1,054,000	920,937	(133,063)
Total fines and forfeitures	<u>1,054,000</u>	<u>1,054,000</u>	<u>920,937</u>	<u>(133,063)</u>
Intergovernmental and grant revenue:				
Federal - emergency services	73,900	73,900	108,364	34,464
Federal payment in lieu of taxes	77,000	77,000	87,942	10,942
INS grant	75,000	75,000	-	(75,000)
State grants:				
State forest service	7,000	7,000	7,000	-
Victim services	98,587	98,587	102,370	3,783
EMS per capita	12,500	12,500	-	(12,500)
Children's justice centers	206,000	206,000	254,647	48,647
Drug court grant	90,000	90,000	84,722	(5,278)
DUI grant	188,000	188,000	203,236	15,236
Other	404,554	404,554	187,972	(216,582)
Total intergovernmental and grant revenue	<u>1,232,541</u>	<u>1,232,541</u>	<u>1,036,253</u>	<u>(196,288)</u>
Charges for services:				
Clerk fees	160,000	160,000	181,544	21,544
Recorder fees	1,500,000	1,500,000	1,580,266	80,266
A.L.S. fees	138,000	138,000	169,622	31,622
Sheriff fees	1,265,528	1,265,528	1,305,198	39,670
Jail fees	5,720,861	5,720,861	6,568,697	847,836
Drug court participation fees	18,700	18,700	16,984	(1,716)
Surveyor filing fees	3,600	3,600	3,981	381
Wellness program fees	29,571	29,571	-	(29,571)
Animal shelter fees	1,030,765	1,030,765	1,121,091	90,326
Causeway user fees	170,000	170,000	227,695	57,695
Miscellaneous fees	63,350	63,350	69,621	6,271
Total charges for services	<u>10,100,375</u>	<u>10,100,375</u>	<u>11,244,699</u>	<u>1,144,324</u>
Interest	30,000	30,000	96,529	66,529

(Continued)

DAVIS COUNTY

EXHIBIT L
(Page 2 of 3)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Other:				
Rent	97,026	97,026	138,821	41,795
Sundry:				
Public defender	159,000	159,000	180,588	21,588
Information systems	352,500	352,500	398,795	46,295
Clerk/Auditor	300,500	303,390	383,678	80,288
Attorney	15,000	15,000	22,184	7,184
Human Resources	81,209	81,209	167,730	86,521
Children's Justice Center	21,100	21,100	8,152	(12,948)
Treasurer	300	300	1,278	978
Surveyor	500	500	310	(190)
S.S. revenues	5,000	5,000	2,000	(3,000)
Miscellaneous	443,072	445,572	291,122	(154,450)
Total other revenues	1,475,207	1,480,597	1,594,658	114,061
TOTAL REVENUES	77,135,953	77,026,038	78,422,456	1,396,418
EXPENDITURES				
General government:				
Commissioners	848,555	849,105	823,880	25,225
Drug court	233,581	248,581	222,817	25,764
Justice court	810,905	813,839	761,255	52,584
Legal defender	2,081,829	2,088,704	2,078,345	10,359
Human Resources	1,100,481	1,172,553	1,019,706	152,847
Information systems	6,013,951	6,040,268	5,289,910	750,358
Clerk/Auditor	3,012,445	3,030,515	2,825,126	205,389
Treasurer	581,892	589,127	576,124	13,003
Recorder	1,417,676	1,421,648	1,335,130	86,518
Attorney	5,005,540	5,002,449	4,927,518	74,931
Assessor	3,023,318	2,999,774	2,942,978	56,796
Surveyor	741,081	738,160	708,937	29,223
Victim services	328,613	328,613	304,810	23,803
Children's Justice Center	319,708	324,708	290,791	33,917
Community and Economic Development	851,824	859,711	848,838	10,873
USU AG Extension	225,500	225,500	225,500	-
Non-departmental	4,019,687	3,616,177	2,774,648	841,529
Total general government	30,616,586	30,349,432	27,956,313	2,393,119
Public safety:				
Sheriff	12,984,164	12,974,614	12,535,593	439,021
Paramedic	1,469,000	1,469,000	1,456,300	12,700
State forest fire protection	50,000	50,000	15,454	34,546
Jail	18,830,448	18,838,778	18,305,497	533,281
Animal care and control	2,052,647	2,074,853	2,008,616	66,237
Total public safety	35,386,259	35,407,245	34,321,460	1,085,785
Public health - poor and indigent	5,850	5,850	6,231	(381)
Public works - vehicle maintenance	404,113	404,113	384,080	20,033

(Continued)

DAVIS COUNTY

EXHIBIT L
(Page 3 of 3)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Capital outlay	837,398	866,405	706,616	159,789
Debt service - capital lease	96,996	96,996	78,393	18,603
TOTAL EXPENDITURES	67,347,202	67,130,041	63,453,093	3,676,948
EXCESS OF REVENUES OVER EXPENDITURES	9,788,751	9,895,997	14,969,363	5,073,366
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	19,000	19,000	127,768	108,768
Transfers in	1,039,954	1,039,954	1,012,361	(27,593)
Transfers out	(10,625,036)	(12,725,036)	(12,471,796)	253,240
Total other financing sources (uses), net	(9,566,082)	(11,666,082)	(11,331,667)	334,415
NET CHANGE IN FUND BALANCE	222,669	(1,770,085)	3,637,696	5,407,781
FUND BALANCE - Beginning of year	16,010,597	18,731,887	18,731,887	-
FUND BALANCE - End of year	<u>\$ 16,233,266</u>	<u>\$ 16,961,802</u>	<u>\$ 22,369,583</u>	<u>\$ 5,407,781</u>

(Concluded)

DAVIS COUNTY

EXHIBIT M

HEALTH SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
Intergovernmental and grant revenue	\$ 8,332,010	\$ 8,448,485	\$ 8,305,278	\$ (143,207)
Charges for services	3,624,400	3,624,400	3,318,630	(305,770)
Interest	-	-	20,620	20,620
Other	540,200	540,200	624,161	83,961
Total revenues	12,496,610	12,613,085	12,268,689	(344,396)
EXPENDITURES				
General government:				
Salaries and benefits	2,524,964	2,527,837	2,409,784	118,053
Operating expenditures	1,671,280	1,733,047	1,612,039	121,008
Public health:				
Salaries and benefits	6,943,583	6,855,583	6,435,478	420,105
Operating expenditures	2,423,756	2,603,949	2,174,127	429,822
Food vouchers	2,985,000	2,985,000	2,701,716	283,284
Capital outlay	297,528	281,920	205,411	76,509
Total expenditures	16,846,111	16,987,336	15,538,555	1,448,781
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(4,349,501)	(4,374,251)	(3,269,866)	1,104,385
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	-	19,154	19,154
Transfers in	3,700,000	3,700,000	3,443,354	(256,646)
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses), net	3,500,000	3,500,000	3,262,508	(237,492)
NET CHANGE IN FUND BALANCE	(849,501)	(874,251)	(7,358)	866,893
FUND BALANCE - Beginning of year	2,855,510	2,500,019	2,500,019	-
FUND BALANCE - End of year	\$ 2,006,009	\$ 1,625,768	\$ 2,492,661	\$ 866,893

**LIBRARY SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
General property taxes:				
Current	\$ 8,056,692	\$ 8,114,415	\$ 8,262,821	\$ 148,406
Delinquent	268,723	268,723	92,422	(176,301)
Penalties and interest on delinquent taxes	28,642	28,642	52,624	23,982
Total taxes	8,354,057	8,411,780	8,407,867	(3,913)
Fines and forfeitures	165,000	165,000	163,598	(1,402)
Intergovernmental and grant revenue	48,000	48,000	49,250	1,250
Interest	1,000	1,000	13,978	12,978
Other	9,250	109,250	116,965	7,715
Total revenues	8,577,307	8,735,030	8,751,658	16,628
EXPENDITURES:				
General government:				
Salaries and benefits	4,679,330	4,679,330	4,371,554	307,776
Operating expenditures	2,417,645	2,514,202	2,262,824	251,378
Capital outlay	21,000	26,893	5,892	21,001
Total expenditures	7,117,975	7,220,425	6,640,270	580,155
EXCESS OF REVENUES OVER EXPENDITURES	1,459,332	1,514,605	2,111,388	596,783
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,900,000)	(1,900,000)	(1,900,000)	-
NET CHANGE IN FUND BALANCE	(440,668)	(385,395)	211,388	596,783
FUND BALANCE - Beginning of year	2,179,469	2,435,308	2,435,308	-
FUND BALANCE - End of year	\$ 1,738,801	\$ 2,049,913	\$ 2,646,696	\$ 596,783

**TRANSPORTATION SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
Fee-in-lieu - corridor preservation	\$ 2,500,000	\$ 2,500,000	\$ 2,755,178	\$ 255,178
Mass transit taxes	29,000,000	29,000,000	25,930,110	(3,069,890)
Local option transportation taxes	7,200,000	11,200,000	11,752,468	552,468
Interest	42,000	42,000	140,298	98,298
Total revenues	38,742,000	42,742,000	40,578,054	(2,163,946)
EXPENDITURES				
Corridor preservation	2,500,900	8,200,900	-	8,200,900
Utah Transit Authority mass transit taxes	29,000,000	29,000,000	25,930,110	3,069,890
Utah Transit Authority local option transportation taxes	2,900,000	4,900,000	4,703,437	196,563
Local option transportation tax distributed to cities	3,350,000	5,350,000	4,756,207	593,793
Total expenditures	37,750,900	47,450,900	35,389,754	12,061,146
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	991,100	(4,708,900)	5,188,300	9,897,200
FUND BALANCE - Beginning of year	7,664,440	7,895,823	7,895,823	-
FUND BALANCE - End of year	\$ 8,655,540	\$ 3,186,923	\$ 13,084,123	\$ 9,897,200

DAVIS COUNTY

EXHIBIT P
(Page 1 of 2)

SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
FOR THE LAST TEN FISCAL YEARS ENDED DECEMBER 31

	2017	2016	2015	2014	2013
<u>Noncontributory System</u>					
Contractually required contribution	\$ 4,153,136	\$ 4,092,822	\$ 4,217,186	\$ 4,044,332	\$ 3,884,268
Contributions in relation to the contractually required contribution	(4,153,136)	(4,092,822)	(4,217,186)	(4,044,332)	(3,884,268)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 22,965,128	\$ 22,595,371	\$ 23,295,918	\$ 23,219,301	\$ 23,989,259
Contributions as a percentage of covered employee payroll	18.08%	18.11%	18.10%	17.42%	16.19%
<u>Public Safety System</u>					
Contractually required contribution	\$ 2,900,028	\$ 3,037,127	\$ 3,363,461	\$ 3,259,166	\$ 3,220,363
Contributions in relation to the contractually required contribution	(2,900,028)	(3,037,127)	(3,363,461)	(3,259,166)	(3,220,363)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 8,867,064	\$ 9,256,715	\$ 10,300,907	\$ 10,240,620	\$ 10,675,104
Contributions as a percentage of covered employee payroll	32.71%	32.81%	32.65%	31.83%	30.17%
<u>Tier 2 Public Employees System*</u>					
Contractually required contribution	\$ 702,936	\$ 575,697	\$ 447,007	\$ 320,553	\$ 179,615
Contributions in relation to the contractually required contribution	(702,936)	(575,697)	(447,007)	(320,553)	(179,615)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 4,684,319	\$ 3,861,145	\$ 2,995,273	\$ 2,208,841	\$ 1,335,471
Contributions as a percentage of covered employee payroll	15.01%	14.91%	14.92%	14.51%	13.45%
<u>Tier 2 Public Safety and Firefighter System*</u>					
Contractually required contribution	\$ 519,298	\$ 437,248	\$ 338,718	\$ 240,859	\$ -
Contributions in relation to the contractually required contribution	(519,298)	(437,248)	(338,718)	(240,859)	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 2,304,621	\$ 1,943,326	\$ 1,503,969	\$ 1,106,211	\$ -
Contributions as a percentage of covered employee payroll	22.53%	22.50%	22.52%	21.77%	0.00%
<u>Tier 2 Public Employees System DC Only*</u>					
Contractually required contribution	\$ 69,205	\$ 39,600	\$ 31,142	\$ 15,103	\$ 6,801
Contributions in relation to the contractually required contribution	(69,205)	(39,600)	(31,142)	(15,103)	(6,801)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 1,024,980	\$ 591,917	\$ 464,524	\$ 245,966	\$ 131,782
Contributions as a percentage of covered employee payroll	6.75%	6.69%	6.70%	6.14%	5.16%
<u>Tier 2 Public Safety and Firefighter DC Only*</u>					
Contractually required contribution	\$ 41,924	\$ 31,916	\$ 24,157	\$ 13,098	\$ 6,801
Contributions in relation to the contractually required contribution	(41,924)	(31,916)	(24,157)	(13,098)	(6,801)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 354,389	\$ 269,792	\$ 204,202	\$ 120,321	\$ 92,615
Contributions as a percentage of covered employee payroll	11.83%	11.83%	11.83%	10.89%	7.34%

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

2012	2011	2010	2009	2008
\$ 3,640,701 (3,640,701)	\$ 3,309,611 (3,309,611)	\$ 2,983,751 (2,983,751)	\$ 2,752,014 (2,752,014)	\$ 2,543,596 (2,543,596)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 25,140,624	\$ 25,075,221	\$ 23,948,208	\$ 23,639,407	\$ 21,141,775
14.48%	13.20%	12.46%	11.64%	12.03%
\$ 2,999,984 (2,999,984)	\$ 2,826,273 (2,826,273)	\$ 2,579,795 (2,579,795)	\$ 2,280,128 (2,280,128)	\$ 2,023,960 (2,023,960)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 10,874,657	\$ 11,045,322	\$ 10,525,787	\$ 9,909,850	\$ 8,951,620
27.59%	25.59%	24.51%	23.01%	22.61%
\$ 81,374 (81,374)	\$ 6,717 (6,717)			
\$ -	\$ -			
\$ 683,871	\$ 65,022			
11.90%	10.33%			
\$ -	\$ -			
\$ -	\$ -			
\$ -	\$ -			
0.00%	0.00%			
\$ 84 (84)	\$ - -			
\$ -	\$ -			
\$ 1,950	\$ -			
4.33%	0.00%			
\$ 84 (84)	\$ - -			
\$ -	\$ -			
\$ 5,773	\$ -			
1.46%	0.00%			

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
FOR THE FISCAL YEARS ENDED DECEMBER 31***

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Noncontributory System</u>				
Proportion of the net pension liability (asset)	2.5698675%	2.7023380%	2.6684495%	2.6684495%
Proportionate share of the net pension liability (asset)	\$ 16,501,694	\$ 15,291,143	\$ 11,587,036	\$ 14,400,334
Covered employee payroll	\$ 22,595,371	\$ 23,295,918	\$ 23,219,301	\$ 23,989,259
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	73.03%	65.64%	49.9%	60.0%
Plan fiduciary net position as a percentage of the total pension liability	87.3%	87.8%	90.2%	N/A
<u>Public Safety System</u>				
Proportion of the net pension liability (asset)	6.3137072%	6.9263829%	6.8874065%	6.8874065%
Proportionate share of the net pension liability (asset)	\$ 12,812,255	\$ 12,406,892	\$ 8,661,486	\$ 11,277,320
Covered employee payroll	\$ 9,256,715	\$ 10,300,907	\$ 10,240,620	\$ 10,675,104
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	138.41%	120.44%	84.6%	105.6%
Plan fiduciary net position as a percentage of the total pension liability	86.5%	87.1%	90.5%	N/A
<u>Tier 2 Public Employees System</u>				
Proportion of the net pension liability (asset)	0.4697410%	0.4625418%	0.4500687%	0.4500687%
Proportionate share of the net pension liability (asset)	\$ 52,399	\$ (1,010)	\$ (13,639)	\$ 2,706
Covered employee payroll	\$ 3,852,252	\$ 2,988,403	\$ 2,208,841	\$ 1,335,471
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	1.36%	-0.03%	-0.6%	0.2%
Plan fiduciary net position as a percentage of the total pension liability	95.1%	100.2%	103.5%	N/A
<u>Tier 2 Public Safety System</u>				
Proportion of the net pension liability (asset)	2.3520412%	2.5247234%	2.6760758%	2.6684495%
Proportionate share of the net pension liability (asset)	\$ (20,417)	\$ (36,887)	\$ (39,588)	\$ (15,803)
Covered employee payroll	\$ 1,943,326	\$ 1,502,553	\$ 1,106,211	N/A
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	-1.05%	-2.45%	-3.6%	N/A
Plan fiduciary net position as a percentage of the total pension liability	103.6%	110.7%	120.5%	N/A

*In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively.

INFORMATION ABOUT OTHER POSTEMPLOYMENT BENEFIT PLAN

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
December 31, 2015	-	26,549,213	26,549,213	0%	38,096,066	70%
December 31, 2016	-	21,715,764	21,715,764	0%	37,656,557	58%
December 31, 2017	-	23,609,326	23,609,326	0%	38,821,132	61%



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SUPPLEMENTARY INFORMATION



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Nonmajor Governmental Funds

Tourism Special Revenue 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.

Redevelopment Agencies (RDA) Special Revenue Fund

This fund accounts for the County's share of tax increment financing provided to various economic, redevelopment, and community development agencies.

Emergency 911 Dispatch Special Revenue Fund

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

Municipal Building Authority Special Revenue Fund

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

Special Services Area Special Revenue Fund

This special revenue fund accounts for revenues and expenditures related to providing municipal type services in the unincorporated areas of Davis County. In addition, it includes the County's B-Roads. The Special Services Area Fund's principal revenue sources include property taxes, sales taxes, and intergovernmental revenues.

Flood Control Capital Projects Fund

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

General Obligation Debt Service 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.

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.

Sales Tax Revenue Bonds Debt Service Fund

This fund accounts for the revenues and expenditures related to the long-term debt of the County's Sales Tax Revenue Bonds.

DAVIS COUNTY

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	Special Revenue Funds				
	Tourism Fund	Redevelopment Agencies (RDA) Fund	Emergency 911 Dispatch	Municipal Building Authority	Special Service Area
ASSETS					
Cash and cash equivalents	\$ 1,115,957	\$ -	\$ 277,980	\$ 285,711	\$ 4,605,587
Accounts receivable	1,124,928	-	547,718	13,345	334,158
Taxes receivable	-	-	-	-	24,187
Prepays and other	144,766	-	8,034	-	2,175
Total assets	<u>\$ 2,385,651</u>	<u>\$ -</u>	<u>\$ 833,732</u>	<u>\$ 299,056</u>	<u>\$ 4,966,107</u>
LIABILITIES					
Accounts payable	\$ 123,592	\$ -	\$ 14,166	\$ -	\$ 115,121
Accrued liabilities	7,867	-	11,093	-	-
Unearned revenue	15,600	-	-	-	-
Total liabilities	<u>147,059</u>	<u>-</u>	<u>25,259</u>	<u>-</u>	<u>115,121</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	-	-	-	-	24,187
FUND BALANCES					
Nonspendable-prepays	144,766	-	8,034	-	2,175
Restricted	-	-	-	1,545	3,154,102
Assigned	2,093,826	-	800,439	297,511	1,670,522
Total fund balances	<u>2,238,592</u>	<u>-</u>	<u>808,473</u>	<u>299,056</u>	<u>4,826,799</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,385,651</u>	<u>\$ -</u>	<u>\$ 833,732</u>	<u>\$ 299,056</u>	<u>\$ 4,966,107</u>

(Continued)

DAVIS COUNTY

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	Flood Control Capital Projects Fund	Debt Service Funds			Total Nonmajor Governmental Funds
		General Government	Municipal Building Authority	Sales Tax Revenue Bonds	
ASSETS					
Cash and cash equivalents	\$ 3,471,585	\$ 4,427,195	\$ -	\$ 1,201,183	\$ 15,385,198
Accounts receivable	-	-	-	-	2,020,149
Taxes receivable	-	12,921	-	-	37,108
Prepays and other	-	-	-	-	154,975
Total assets	\$ 3,471,585	\$ 4,440,116	\$ -	\$ 1,201,183	\$ 17,597,430
LIABILITIES					
Accounts payable	\$ 6,128	\$ -	\$ -	\$ -	\$ 259,007
Accrued liabilities	16,194	-	-	-	35,154
Unearned revenue	-	-	-	-	15,600
Total liabilities	22,322	-	-	-	309,761
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	-	12,921	-	-	37,108
FUND BALANCES					
Nonspendable-prepays	-	-	-	-	154,975
Restricted	-	4,427,195	-	1,201,183	8,784,025
Assigned	3,449,263	-	-	-	8,311,561
Total fund balances	3,449,263	4,427,195	-	1,201,183	17,250,561
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,471,585	\$ 4,440,116	\$ -	\$ 1,201,183	\$ 17,597,430

(Concluded)

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 2

(Page 1 of 2)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	Special Revenue Funds				
	Tourism Fund	Redevelopment Agencies (RDA) Fund	Emergency 911 Dispatch	Municipal Building Authority	Special Service Area
REVENUES:					
Taxes:					
General property taxes - current	\$ -	\$ 2,103,253	\$ -	\$ -	\$ 623,164
General property taxes - delinquent	-	-	-	-	364,522
Penalties and interest on delinquent taxes	-	-	-	-	40,354
Sales taxes	<u>6,827,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>744,358</u>
Total taxes	6,827,407	2,103,253	-	-	1,772,398
Intergovernmental and grant revenue	37,298	-	559	-	1,413,014
Charges for services	603,586	-	1,586,256	-	122,209
Interest	33,110	-	800	2,439	48,032
Other	<u>224,488</u>	<u>-</u>	<u>33,900</u>	<u>377,759</u>	<u>-</u>
Total revenues	<u>7,725,889</u>	<u>2,103,253</u>	<u>1,621,515</u>	<u>380,198</u>	<u>3,355,653</u>
EXPENDITURES:					
Current:					
General government	3,069,373	2,103,253	-	-	636,746
Public safety	-	-	1,634,812	-	-
Public works	-	-	-	-	928,622
Capital outlay	<u>77,945</u>	<u>-</u>	<u>91,830</u>	<u>-</u>	<u>443,950</u>
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>3,147,318</u>	<u>2,103,253</u>	<u>1,726,642</u>	<u>-</u>	<u>2,009,318</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,578,571</u>	<u>-</u>	<u>(105,127)</u>	<u>380,198</u>	<u>1,346,335</u>
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	-	-	-	-	149,100
Transfers in	-	-	200,000	-	176,935
Transfers out	<u>(6,579,663)</u>	<u>-</u>	<u>-</u>	<u>(473,205)</u>	<u>(858,500)</u>
Total other financing sources (uses), net	<u>(6,579,663)</u>	<u>-</u>	<u>200,000</u>	<u>(473,205)</u>	<u>(532,465)</u>
NET CHANGE IN FUND BALANCES	<u>(2,001,092)</u>	<u>-</u>	<u>94,873</u>	<u>(93,007)</u>	<u>813,870</u>
FUND BALANCE:					
Beginning of year	<u>4,239,684</u>	<u>-</u>	<u>713,600</u>	<u>392,063</u>	<u>4,012,929</u>
End of year	<u>\$ 2,238,592</u>	<u>\$ -</u>	<u>\$ 808,473</u>	<u>\$ 299,056</u>	<u>\$ 4,826,799</u>

(Continued)

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 2

(Page 2 of 2)

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)

NONMAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Flood Control Capital Projects Fund	Debt Service Funds			Total Nonmajor Governmental Funds
		General Government	Municipal Building Authority	Sales Tax Revenue Bonds	
REVENUES:					
Taxes:					
General property taxes - current	\$ -	\$ 1,529,255	\$ -	\$ -	\$ 4,255,672
General property taxes - delinquent	-	20,601	-	-	385,123
Penalties and interest on delinquent taxes	-	24,722	-	-	65,076
Sales taxes	-	-	-	-	7,571,765
Total taxes	-	1,574,578	-	-	12,277,636
Intergovernmental and grant revenue	-	-	407,336	329,243	2,187,450
Charges for services	-	-	-	-	2,312,051
Interest	50,474	41,571	-	1,246	177,672
Other	42,756	-	-	-	678,903
Total revenues	93,230	1,616,149	407,336	330,489	17,633,712
EXPENDITURES:					
Current:					
General government	-	-	-	-	5,809,372
Public safety	-	-	-	-	1,634,812
Public works	1,093,188	-	-	-	2,021,810
Capital outlay	600,678	-	-	-	1,214,403
Debt service:					
Principal retirement	-	1,345,000	973,000	2,137,000	4,455,000
Interest and fiscal charges	-	472,825	978,722	1,381,075	2,832,622
Total expenditures	1,693,866	1,817,825	1,951,722	3,518,075	17,968,019
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,600,636)	(201,676)	(1,544,386)	(3,187,586)	(334,307)
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	-	-	-	-	149,100
Transfers in	4,800,000	-	1,544,386	3,187,586	9,908,907
Transfers out	(2,084,858)	-	-	-	(9,996,226)
Total other financing sources (uses), net	2,715,142	-	1,544,386	3,187,586	61,781
NET CHANGE IN FUND BALANCES	1,114,506	(201,676)	-	-	(272,526)
FUND BALANCE:					
Beginning of year	2,334,757	4,628,871	-	1,201,183	17,523,087
End of year	\$ 3,449,263	\$ 4,427,195	\$ -	\$ 1,201,183	\$ 17,250,561

(Concluded)

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 3

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES - Interest earnings	\$ 25,000	\$ 173,681	\$ 148,681
EXPENDITURES:			
General government	-	210,935	(210,935)
Public health	-	17,797	(17,797)
Capital outlay	1,079,511	425,499	654,012
Total expenditures	<u>1,079,511</u>	<u>654,231</u>	<u>425,280</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,054,511)	(480,550)	573,961
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>10,225,000</u>	<u>10,225,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	9,170,489	9,744,450	573,961
FUND BALANCE - Beginning of year	<u>8,557,045</u>	<u>8,557,045</u>	<u>-</u>
FUND BALANCE - End of year	<u>\$ 17,727,534</u>	<u>\$ 18,301,495</u>	<u>\$ 573,961</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 4

TOURISM SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance With Final Budget
REVENUES:			
Sales tax	\$ 6,326,333	\$ 6,827,407	\$ 501,074
Intergovernmental and grant revenue	26,000	37,298	11,298
Charges for services	577,325	603,586	26,261
Interest	1,500	33,110	31,610
Other	277,552	224,488	(53,064)
Total revenues	7,208,710	7,725,889	517,179
EXPENDITURES:			
General government:			
Salaries and benefits	970,610	929,600	41,010
Operating expenditures	2,368,212	2,139,773	228,439
Capital outlay	279,166	77,945	201,221
Total expenditures	3,617,988	3,147,318	470,670
EXCESS OF REVENUES OVER EXPENDITURES	3,590,722	4,578,571	987,849
OTHER FINANCING SOURCES (USES):			
Transfers out	(6,584,162)	(6,579,663)	4,499
NET CHANGE IN FUND BALANCE	(2,993,440)	(2,001,092)	992,348
FUND BALANCE - Beginning of year	4,239,684	4,239,684	-
FUND BALANCE - End of year	\$ 1,246,244	\$ 2,238,592	\$ 992,348

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 5

**REDEVELOPMENT AGENCIES (RDA) SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES:			
General property taxes - redevelopment agencies	<u>2,400,000</u>	<u>2,103,253</u>	<u>(296,747)</u>
EXPENDITURES:			
Redevelopment Agencies	<u>2,400,000</u>	<u>2,103,253</u>	<u>296,747</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 6

**EMERGENCY 911 DISPATCH SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES:			
Intergovernmental and grant revenue	\$ -	\$ 559	\$ 559
Charges for services	1,549,348	1,586,256	36,908
Interest	-	800	800
Other	61,600	33,900	(27,700)
Total revenues	<u>1,610,948</u>	<u>1,621,515</u>	<u>10,567</u>
EXPENDITURES - Public safety:			
Public safety:			
Salaries and benefits	1,583,423	1,407,652	175,771
Operating expenditures	328,289	227,160	101,129
Capital outlay	156,100	91,830	64,270
Total expenditures - public safety	<u>2,067,812</u>	<u>1,726,642</u>	<u>341,170</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(456,864)	(105,127)	351,737
OTHER FINANCING SOURCES - Transfers in	<u>200,000</u>	<u>200,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(256,864)	94,873	351,737
FUND BALANCE - Beginning of year	<u>713,600</u>	<u>713,600</u>	<u>-</u>
FUND BALANCE - End of year	<u>\$ 456,736</u>	<u>\$ 808,473</u>	<u>\$ 351,737</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 7

**MUNICIPAL BUILDING AUTHORITY SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES:			
Interest	\$ -	\$ 2,439	\$ 2,439
Other	460,805	377,759	(83,046)
Total revenues	460,805	380,198	(80,607)
EXPENDITURES - General government	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	460,805	380,198	(80,607)
OTHER FINANCING USES - Transfers out	(466,445)	(473,205)	(6,760)
NET CHANGE IN FUND BALANCE	(5,640)	(93,007)	(87,367)
FUND BALANCE - Beginning of year	392,063	392,063	-
FUND BALANCE - End of year	<u>\$ 386,423</u>	<u>\$ 299,056</u>	<u>\$ (87,367)</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 8

**SPECIAL SERVICE AREA SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES:			
General property taxes:			
Current	\$ 668,895	\$ 623,164	\$ (45,731)
Delinquent	5,000	364,522	359,522
Penalties and interest on delinquent taxes	5,000	40,354	35,354
Sales taxes	750,000	744,358	(5,642)
Total taxes	<u>1,428,895</u>	<u>1,772,398</u>	<u>343,503</u>
Intergovernmental and grant revenue	1,133,500	1,413,014	279,514
Charges for services	64,000	122,209	58,209
Interest	<u>18,500</u>	<u>48,032</u>	<u>29,532</u>
Total revenues	<u>2,644,895</u>	<u>3,355,653</u>	<u>710,758</u>
EXPENDITURES:			
General government-operating expenditures	<u>773,883</u>	<u>636,746</u>	<u>137,137</u>
Public works			
Salaries and benefits	650,000	671,773	(21,773)
Operating expenditures	<u>424,863</u>	<u>256,849</u>	<u>168,014</u>
	<u>1,074,863</u>	<u>928,622</u>	<u>146,241</u>
Capital outlay	<u>819,000</u>	<u>443,950</u>	<u>375,050</u>
Total expenditures	<u>2,667,746</u>	<u>2,009,318</u>	<u>658,428</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(22,851)	1,346,335	1,369,186
OTHER FINANCING SOURCES (USES):			
Sale of capital assets	151,000	149,100	(1,900)
Transfers in	325,000	176,935	(148,065)
Transfers out	<u>(858,500)</u>	<u>(858,500)</u>	<u>-</u>
Total other financing sources (uses), net	<u>(382,500)</u>	<u>(532,465)</u>	<u>(149,965)</u>
NET CHANGE IN FUND BALANCE	(405,351)	813,870	1,219,221
FUND BALANCE - Beginning of year	<u>4,012,929</u>	<u>4,012,929</u>	<u>-</u>
FUND BALANCE - End of year	<u>\$ 3,607,578</u>	<u>\$ 4,826,799</u>	<u>\$ 1,219,221</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 9

**FLOOD CONTROL CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES:			
Interest	\$ 8,000	\$ 50,474	\$ 42,474
Other	10,000	42,756	32,756
Total revenues	<u>18,000</u>	<u>93,230</u>	<u>75,230</u>
EXPENDITURES:			
Public works			
Salaries and benefits	1,444,732	855,189	589,543
Operating expenditures	277,429	237,999	39,430
Capital outlay	<u>816,000</u>	<u>600,678</u>	<u>215,322</u>
Total expenditures	<u>2,538,161</u>	<u>1,693,866</u>	<u>844,295</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(2,520,161)	(1,600,636)	919,525
OTHER FINANCING SOURCES (USES):			
Transfers in	4,800,000	4,800,000	-
Transfers out	<u>(2,228,786)</u>	<u>(2,084,858)</u>	<u>143,928</u>
Total other financing sources (uses), net	<u>2,571,214</u>	<u>2,715,142</u>	<u>143,928</u>
NET CHANGE IN FUND BALANCE	51,053	1,114,506	1,063,453
FUND BALANCE - Beginning of year	<u>2,334,757</u>	<u>2,334,757</u>	<u>-</u>
FUND BALANCE - End of year	<u>\$ 2,385,810</u>	<u>\$ 3,449,263</u>	<u>\$ 1,063,453</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 10

**GENERAL OBLIGATION DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES:			
Taxes - general property taxes - current	\$ 1,526,000	\$ 1,529,255	\$ 3,255
Taxes - general property taxes - delinquent	70,000	20,601	(49,399)
Penalties and interest on delinquent taxes	15,000	24,722	9,722
Interest earnings	12,000	41,571	29,571
	<u>1,623,000</u>	<u>1,616,149</u>	<u>(6,851)</u>
EXPENDITURES			
Principal retirement	1,345,000	1,345,000	-
Interest expense and fiscal charges	473,825	472,825	1,000
	<u>1,818,825</u>	<u>1,817,825</u>	<u>1,000</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(195,825)	(201,676)	(5,851)
FUND BALANCE - Beginning of year	<u>4,628,871</u>	<u>4,628,871</u>	<u>-</u>
FUND BALANCE - End of year	<u>\$ 4,433,046</u>	<u>\$ 4,427,195</u>	<u>\$ (5,851)</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 11

**MUNICIPAL BUILDING AUTHORITY DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES - Intergovernmental revenue - Bond interest subsidy	\$ 410,739	\$ 407,336	\$ (3,403)
EXPENDITURES:			
Wasatch Front Debt			
Principal retirement	338,000	338,000	-
Interest expense and fiscal charges	6,591	2,944	3,647
Total Wasatch Front Debt	<u>344,591</u>	<u>340,944</u>	<u>3,647</u>
Campus Construction Recovery Zone Bonds			
Principal retirement	635,000	635,000	-
Interest expense and fiscal charges	975,778	975,778	-
Total Campus Construction Recovery Zone Debt	<u>1,610,778</u>	<u>1,610,778</u>	<u>-</u>
Total expenditures	<u>1,955,369</u>	<u>1,951,722</u>	<u>3,647</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,544,630)	(1,544,386)	244
OTHER FINANCING SOURCES - Transfers in	<u>1,506,627</u>	<u>1,544,386</u>	<u>37,759</u>
NET CHANGE IN FUND BALANCE	(38,003)	-	38,003
FUND BALANCE - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - End of year	<u>\$ (38,003)</u>	<u>\$ -</u>	<u>\$ 38,003</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 12

**SALES TAX REVENUE BONDS DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES:			
Intergovernmental revenue - Bond interest subsidy	\$ 337,626	\$ 329,243	\$ (8,383)
Interest earnings	-	1,246	1,246
Total revenues	<u>337,626</u>	<u>330,489</u>	<u>(7,137)</u>
EXPENDITURES:			
Conference Center and Refundings			
Principal retirement	912,000	912,000	-
Interest expense and fiscal charges	375,162	367,662	7,500
Total Conference Center	<u>1,287,162</u>	<u>1,279,662</u>	<u>7,500</u>
Flood Projects-Build America Bonds			
Principal retirement	1,225,000	1,225,000	-
Interest expense and fiscal charges	1,013,413	1,013,413	-
Total Flood Projects-Build America Bonds	<u>2,238,413</u>	<u>2,238,413</u>	<u>-</u>
Total expenditures	<u>3,525,575</u>	<u>3,518,075</u>	<u>7,500</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(3,187,949)	(3,187,586)	363
OTHER FINANCING SOURCES - Transfers in	<u>3,187,948</u>	<u>3,187,586</u>	<u>(362)</u>
NET CHANGE IN FUND BALANCE	(1)	-	1
FUND BALANCE - Beginning of year	<u>1,201,183</u>	<u>1,201,183</u>	<u>-</u>
FUND BALANCE - End of year	<u>\$ 1,201,182</u>	<u>\$ 1,201,183</u>	<u>\$ 1</u>



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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 and Security System Fund

This fund accounts for the services provided by the county-wide telephone, e-mail, and security systems.

Building and Grounds Fund

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

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 13

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2017**

	<u>Insurance</u>	<u>Telephone and Security System</u>	<u>Building and Grounds</u>	<u>Total Internal Service Funds</u>
ASSETS				
CURRENT:				
Cash and cash equivalents	\$ 884,221	\$ 926,332	\$ 4,411,221	\$ 6,221,774
Accounts receivables	755	13,736	2,134	16,625
Prepaid Expense	773,942	-	6,690	780,632
Total current assets	<u>1,658,918</u>	<u>940,068</u>	<u>4,420,045</u>	<u>7,019,031</u>
NONCURRENT:				
Capital assets				
Furniture, fixtures, and equipment	574,028	185,699	457,708	1,217,435
Less accumulated depreciation	(574,028)	(167,672)	(387,643)	(1,129,343)
Total noncurrent assets	<u>-</u>	<u>18,027</u>	<u>70,065</u>	<u>88,092</u>
TOTAL ASSETS	<u>1,658,918</u>	<u>958,095</u>	<u>4,490,110</u>	<u>7,107,123</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources relating to pensions	<u>29,156</u>	<u>25,310</u>	<u>528,157</u>	<u>582,623</u>
LIABILITIES				
CURRENT:				
Accounts payable	2,851	4,952	187,577	195,380
Accrued liabilities	972	740	18,355	20,067
Obligations for compensated absences	-	-	12,497	12,497
Total current liabilities	<u>3,823</u>	<u>5,692</u>	<u>218,429</u>	<u>227,944</u>
LONG-TERM:				
Net OPEB obligation	35,635	27,724	591,231	654,590
Obligations for compensated absences	-	-	49,987	49,987
Net pension liability	44,493	39,456	779,199	863,148
Total long-term liabilities	<u>80,128</u>	<u>67,180</u>	<u>1,420,417</u>	<u>1,567,725</u>
TOTAL LIABILITIES	<u>83,951</u>	<u>72,872</u>	<u>1,638,846</u>	<u>1,795,669</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources relating to pensions	<u>8,811</u>	<u>7,714</u>	<u>154,789</u>	<u>171,314</u>
NET POSITION				
Net investment in capital assets	-	18,027	70,065	88,092
Unrestricted	<u>1,595,312</u>	<u>884,792</u>	<u>3,154,567</u>	<u>5,634,671</u>
TOTAL NET POSITION	<u>\$ 1,595,312</u>	<u>\$ 902,819</u>	<u>\$ 3,224,632</u>	<u>\$ 5,722,763</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 14

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	<u>Insurance</u>	<u>Telephone and Security System</u>	<u>Building and Grounds</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES:				
Charges to other funds	\$ 1,081,109	\$ 470,607	\$ 4,674,143	\$ 6,225,859
Other revenues	2,755	97,295	64,824	164,874
Total operating revenues	<u>1,083,864</u>	<u>567,902</u>	<u>4,738,967</u>	<u>6,390,733</u>
OPERATING EXPENSES:				
Salaries, wages, and benefits	124,762	92,560	2,172,738	2,390,060
Insurance premiums	757,449	-	-	757,449
Line charges	-	93,472	-	93,472
Other operating expenses	6,121	295,264	2,537,667	2,839,052
Depreciation	-	13,131	26,913	40,044
Total operating expenses	<u>888,332</u>	<u>494,427</u>	<u>4,737,318</u>	<u>6,120,077</u>
OPERATING INCOME (LOSS)	<u>195,532</u>	<u>73,475</u>	<u>1,649</u>	<u>270,656</u>
NONOPERATING REVENUES				
Interest income	<u>15,230</u>	<u>11,706</u>	<u>56,201</u>	<u>83,137</u>
CHANGE IN NET POSITION	210,762	85,181	57,850	353,793
NET POSITION - Beginning of year	<u>1,384,550</u>	<u>817,638</u>	<u>3,166,782</u>	<u>5,368,970</u>
NET POSITION - End of year	<u>\$ 1,595,312</u>	<u>\$ 902,819</u>	<u>\$ 3,224,632</u>	<u>\$ 5,722,763</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 15

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	<u>Insurance</u>	<u>Telephone and Security System</u>	<u>Building and Grounds</u>	<u>Total Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 2,000	\$ 98,707	\$ 55,268	\$ 155,975
Receipts from interfund services provided	1,081,109	470,607	4,674,143	6,225,859
Payments to suppliers	(1,538,206)	(326,579)	(2,542,393)	(4,407,178)
Payments to employees	(118,995)	(87,718)	(2,042,712)	(2,249,425)
Net cash provided by (used in) operating activities	<u>(574,092)</u>	<u>155,017</u>	<u>144,306</u>	<u>(274,769)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
None				
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	<u>-</u>	<u>(14,889)</u>	<u>(52,815)</u>	<u>(67,704)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	<u>15,230</u>	<u>11,706</u>	<u>56,201</u>	<u>83,137</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(558,862)	151,834	147,692	(259,336)
CASH AND CASH EQUIVALENTS:				
Beginning of year	<u>1,443,083</u>	<u>774,498</u>	<u>4,263,529</u>	<u>6,481,110</u>
End of year	<u>\$ 884,221</u>	<u>\$ 926,332</u>	<u>\$ 4,411,221</u>	<u>\$ 6,221,774</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 195,532	\$ 73,475	\$ 1,649	\$ 270,656
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation expense	-	13,131	26,913	40,044
Net changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Accounts receivables	(755)	1,412	1,608	2,265
Inventories and other assets	(773,942)	60,999	(3,668)	(716,611)
Deferred outflows of resources	(4,457)	(3,714)	(81,954)	(90,125)
Accounts payable	(694)	1,158	(1,058)	(594)
Accrued liabilities	266	257	8,484	9,007
Unearned revenues	-	-	(11,164)	(11,164)
Obligation for OPEB	2,934	2,445	68,827	74,206
Obligation for compensated absences	-	-	5,501	5,501
Net pension liability	3,309	2,758	60,849	66,916
Deferred inflows of resources	3,715	3,096	68,319	75,130
Net cash provided by (used in) operating activities	<u>\$ (574,092)</u>	<u>\$ 155,017</u>	<u>\$ 144,306</u>	<u>\$ (274,769)</u>

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 16****COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES****AGENCY FUNDS****DECEMBER 31, 2017**

	<u>County Agency Fund</u>	<u>Treasurer's Tax Collection Agency Fund</u>	<u>Employee Benefits Agency Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 1,159,855	\$ 56,674,075	\$ 3,664,717	\$ 61,498,647
Accounts receivable	-	-	-	-
TOTAL ASSETS	<u>\$ 1,159,855</u>	<u>\$ 56,674,075</u>	<u>\$ 3,664,717</u>	<u>\$ 61,498,647</u>
LIABILITIES				
Due to individuals, organizations, and other governments	<u>\$ 1,159,855</u>	<u>\$ 56,674,075</u>	<u>\$ 3,664,717</u>	<u>\$ 61,498,647</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 17

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	<u>Balance at January 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31, 2017</u>
COUNTY AGENCY FUND				
ASSETS				
Cash and cash equivalents	\$ 965,341	\$ 13,845,815	\$ 13,651,301	\$ 1,159,855
Accounts receivable	4,106	-	4,106	-
TOTAL ASSETS	<u>\$ 969,447</u>	<u>\$ 13,845,815</u>	<u>\$ 13,655,407</u>	<u>\$ 1,159,855</u>
LIABILITIES				
Due to individuals, organizations, and other governments	<u>\$ 969,447</u>	<u>\$ 13,845,815</u>	<u>\$ 13,655,407</u>	<u>\$ 1,159,855</u>
TREASURER'S TAX COLLECTION AGENCY FUND				
ASSETS				
Cash and cash equivalents	<u>\$ 58,218,558</u>	<u>\$ 321,503,309</u>	<u>\$ 323,047,792</u>	<u>\$ 56,674,075</u>
LIABILITIES				
Due to individuals, organizations, and other governments	<u>\$ 58,218,558</u>	<u>\$ 321,503,309</u>	<u>\$ 323,047,792</u>	<u>\$ 56,674,075</u>
EMPLOYEE BENEFITS AGENCY FUND				
ASSETS				
Cash and cash equivalents	<u>\$ 3,257,755</u>	<u>\$ 76,049,291</u>	<u>\$ 75,642,329</u>	<u>\$ 3,664,717</u>
LIABILITIES				
Due to individuals, organizations, and other governments	<u>\$ 3,257,755</u>	<u>\$ 76,049,291</u>	<u>\$ 75,642,329</u>	<u>\$ 3,664,717</u>



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Other Schedules

Schedule 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.

Treasurer's Tax Collection Agency Fund – Schedule of 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.

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 18
(page 1 of 2)

TREASURER'S TAX COLLECTION FUND
SCHEDULE OF TAXES CHARGED, COLLECTED, AND DISBURSED
FOR THE YEAR ENDED DECEMBER 31, 2017

ENTITY	YEAR-END REAL PROPERTY & CENTRALLY ASSESSED VALUES				PERSONAL PROPERTY			PROPERTY TAX CALCULATION				
	Real Property	Centrally Assessed	Total	Personal Property	ENTITY TOTAL VALUE	Current Year Tax Rate	Prior Year Tax Rate (Personal)	Real Property & Centrally Assessed Tax		Personal Property Tax Charged	Total Taxes Charged	
								Charged	Charged			
Statewide School	19,577,326,678	624,208,339	20,201,535,017	2,461,629,632	22,663,164,649	.005901	.006450	119,209,258	15,877,511	135,086,769		
Davis Co. School Dist.	19,577,326,678	624,208,339	20,201,535,017	2,461,629,632	22,663,164,649	.001568	.001675	31,676,007	4,123,230	35,799,237		
Davis Co. School Dist. Ch	19,577,326,678	624,208,339	20,201,535,017	2,461,629,632	22,663,164,649	.000106	.000000	2,141,363	-	2,141,363		
Davis County	19,577,326,678	624,208,339	20,201,535,017	2,461,629,632	22,663,164,649	.001993	.001779	40,261,659	4,379,239	44,640,898		
County Library	19,577,326,678	624,208,339	20,201,535,017	2,461,629,632	22,663,164,649	.000376	.000342	7,595,777	841,877	8,437,654		
County Assess & Coll	19,577,326,678	624,208,339	20,201,535,017	2,461,629,632	22,663,164,649	.000207	.000224	4,181,718	551,405	4,733,123		
State Assess & Coll	19,577,326,678	624,208,339	20,201,535,017	2,461,629,632	22,663,164,649	.000010	.000011	202,015	27,078	229,093		
Bountiful City	2,787,539,379	28,387,142	2,815,926,521	61,576,926	2,877,503,447	.000832	.000890	2,342,851	54,803	2,397,654		
Centerville City	1,157,662,483	37,177,067	1,194,839,550	39,879,314	1,234,718,864	.001354	.000983	1,617,813	39,201	1,657,014		
Clearfield City	1,306,604,322	80,360,813	1,386,965,135	327,948,782	1,714,913,917	.001745	.001800	2,420,254	590,308	3,010,562		
Clinton City	922,288,927	22,767,539	945,056,466	1,270,799	962,327,265	.001925	.002082	1,819,234	35,958	1,855,192		
Farmington City	1,686,178,620	41,235,669	1,727,414,289	79,220,342	1,806,634,631	.001942	.002132	3,354,639	168,898	3,523,537		
Fruit Heights City	400,747,655	9,281,642	410,029,297	2,688,686	412,717,983	.002117	.002295	868,032	6,171	874,203		
Kaysville City	1,784,939,761	32,064,001	1,817,003,762	38,016,489	1,855,020,251	.001589	.001717	2,887,219	65,274	2,952,493		
Layton City	4,127,808,241	101,291,058	4,229,099,299	225,698,165	4,454,797,464	.001635	.001805	6,914,577	407,385	7,321,962		
North Salt Lake City	1,617,025,447	67,994,653	1,685,020,100	279,533,969	1,964,554,069	.001450	.001622	2,443,279	453,404	2,896,683		
South Weber City	361,021,554	50,283,739	411,305,293	5,037,014	416,342,307	.000815	.000881	335,214	4,438	339,652		
Sunset City	163,643,516	9,478,623	173,122,139	3,029,799	176,151,938	.001950	.002121	337,588	6,426	344,014		
Syracuse City	1,400,437,558	21,814,875	1,422,252,433	26,440,809	1,448,693,242	.001573	.001573	2,237,203	41,591	2,278,794		
West Bountiful City	407,133,784	21,305,367	428,439,151	876,262,137	1,304,701,288	.001566	.001684	670,936	1,475,625	2,146,561		
West Point City	472,298,586	11,310,272	483,608,858	9,041,860	492,650,718	.000945	.000984	457,010	8,897	465,907		
Woods Cross City	754,337,408	22,284,801	776,622,209	75,817,421	852,439,630	.001003	.001057	778,952	80,139	859,091		
Benchland Water Distr	1,302,462,699	27,756,991	1,330,219,690	41,366,124	1,371,585,814	.000375	.000411	498,832	17,001	515,833		
Bountiful Irrigation Water	2,230,132,080	25,559,872	2,255,691,952	75,363,311	2,331,055,263	.000103	.000110	232,336	8,290	240,626		
Central Davis Sewer	3,704,058,283	95,655,765	3,799,714,048	116,143,745	3,915,857,793	.000191	.000208	725,745	24,158	749,903		
Central Weber Sewer	361,474,214	48,680,523	410,154,737	5,037,014	415,191,751	.000709	.000758	290,800	3,818	294,618		
Hooper Water Improv	120,745,315	4,567,322	125,312,637	174,941	125,487,578	.000345	.000369	43,233	65	43,298		
Mosquito Abatement	19,575,952,692	624,082,699	20,200,035,391	2,461,628,233	22,661,663,624	.000107	.000116	2,161,404	285,549	2,446,953		
North Davis Fire Dist.	1,778,902,908	91,671,085	1,870,573,993	336,990,642	2,207,564,635	.001182	.001182	2,211,018	398,323	2,609,341		
North Davis Sewer	8,668,701,345	272,514,701	8,941,216,046	613,919,345	9,555,135,391	.000949	.001025	8,485,214	629,267	9,114,481		
South Davis Recr. Dist.	6,817,852,739	185,161,859	7,003,014,598	1,726,203,726	8,729,218,324	.000279	.000306	1,953,841	528,218	2,482,059		
South Davis Sewer	6,778,503,138	191,912,117	6,970,415,255	1,726,409,404	8,696,824,659	.000264	.000287	1,840,190	495,479	2,335,669		
South Davis Water	483,918,496	5,699,463	489,617,959	8,935,918	498,553,877	.000314	.000234	104,778	2,091	106,869		
South Davis Metro Fire S	6,818,291,014	187,137,655	7,005,428,669	1,726,203,726	8,731,632,395	.000368	.000410	2,577,998	17,262	2,595,260		
Special Serv Area	226,285,451	66,894,608	293,180,059	394,165,721	687,345,780	.000962	.000980	282,039	386,282	668,321		
Weber Basin Water	19,575,952,692	624,082,699	20,200,035,391	2,461,628,233	22,661,663,624	.000174	.000187	3,514,806	460,324	3,975,130		
									259,674,832	32,494,985	292,169,817	

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 18
(continued - page 2 of 2)

TREASURER'S TAX COLLECTION FUND
SCHEDULE OF TAXES CHARGED, COLLECTED, AND DISBURSED
FOR THE YEAR ENDED DECEMBER 31, 2017

ENTITY	TAXES CHARGED			TAXES COLLECTED			PERCENTAGE COLLECTED	OTHER COLLECTIONS					Total, All Collection s/ Distributed	
	Unpaid Taxes	Abatements	Other	Total	Realloc Personal Property	Fee-in-lieu Age-based		Misc. Collection	Redemptions	Delinquent Interest/ Penalty	Less Tax Increment Paid			
Statewide School	135,086,769	4,004,110	2,748,362	472,537	7,225,009	127,861,760	94.7%	(1,081,212)	9,263,393	(4,422,142)	2,929,234	106,983	(5,490,298)	129,167,718
Davis Co. School Dist.	35,799,237	970,065	730,288	125,562	1,825,915	33,973,322	94.9%	(191,591)	2,461,447	(1,169,379)	778,349	28,427	(1,432,195)	34,448,380
Davis Co. School Dist. CI	2,141,363	13,319	49,369	8,488	71,176	2,070,187	96.7%	265,787	166,399	160,191	52,618	1,922	-	2,717,104
Davis County	44,640,898	373,216	928,230	159,595	1,461,041	43,179,857	96.7%	618,054	3,128,612	(1,440,631)	989,318	386,116	(1,766,568)	45,094,738
County Library	8,437,654	87,633	175,120	30,109	292,862	8,144,792	96.5%	100,913	590,245	(272,568)	186,645	6,817	(336,665)	8,420,179
County Assess & Coll	4,733,123	137,276	96,409	16,576	250,261	4,482,862	94.7%	(32,369)	324,949	(154,811)	102,754	3,753	-	4,727,138
State Assess & Coll	229,093	9,414	4,657	801	14,872	214,221	93.5%	(2,004)	15,698	(7,508)	4,964	181	-	225,552
Bountiful City	2,397,654	60,607	31,277	8,163	100,047	2,297,607	95.8%	(2,618)	179,337	(13,902)	62,352	2,446	(83,475)	2,441,747
Centerville City	1,657,014	31,367	17,586	7,033	55,986	1,601,028	96.6%	15,800	122,668	8,122	24,375	1,162	(160,344)	1,612,811
Clearfield City	3,010,562	273,229	70,280	15,067	358,576	2,651,986	88.1%	(7,392)	177,437	(79,849)	104,809	2,726	(366,997)	2,482,720
Clinton City	1,855,192	38,239	91,942	1,854	132,035	1,723,157	92.9%	(2,093)	157,630	12,767	28,947	1,083	(10,237)	1,911,254
Farming City	3,523,537	58,039	33,283	17,533	108,855	3,414,682	96.9%	(12,190)	218,746	(23,843)	34,526	1,898	(644,911)	2,988,908
Fruit Heights City	874,203	24,565	10,962	6,103	41,630	832,573	95.2%	(373)	68,866	(4,401)	25,079	966	-	922,710
Kaysville City	2,952,493	61,876	44,043	3,688	109,607	2,842,886	96.3%	(3,742)	248,826	(14,886)	66,084	2,044	(18,428)	3,122,784
Layton City	7,321,962	194,554	228,114	24,561	447,229	6,874,733	93.9%	(31,504)	540,655	(15,667)	207,242	6,579	(176,123)	7,405,915
North Salt Lake City	2,896,683	113,237	21,116	5,009	139,362	2,757,321	95.2%	(40,540)	162,639	(6,479)	55,042	2,007	(83,546)	2,846,444
South Weber City	339,652	6,055	13,880	3,253	23,188	316,464	93.2%	(256)	32,395	783	1,841	218	-	351,445
Sunset City	344,014	16,436	11,353	633	28,422	315,592	91.7%	(408)	27,406	(7,416)	18,704	797	-	354,675
Syracuse City	2,278,794	69,878	101,066	15,340	186,284	2,092,510	91.8%	774	207,798	8,556	47,878	2,104	(72,730)	2,286,890
West Bountiful City	2,146,561	469,629	8,326	3,666	481,621	1,664,940	77.6%	(77,872)	44,735	(1,168,866)	12,166	671	(25,820)	449,954
West Point City	465,907	5,599	20,884	1,118	27,701	438,206	94.1%	(194)	41,061	1,895	4,198	206	-	485,372
Woods Cross City	859,091	33,262	6,568	1,739	41,569	817,522	95.2%	(2,680)	57,880	(2,948)	35,686	1,245	(27,624)	879,081
Benchnetland Water Distr	515,833	8,688	6,488	1,679	16,855	498,978	96.7%	(1,201)	38,508	(3,144)	7,926	308	(12,119)	529,256
Bountiful Irrigation Water	240,626	6,088	2,915	999	10,002	230,624	95.8%	(383)	16,842	(32,292)	7,050	289	(11,522)	210,608
Central Davis Sewer	749,903	18,785	9,051	2,708	30,544	719,359	95.9%	(1,562)	54,716	958	13,242	499	(65,591)	721,621
Central Weber Sewer	294,618	5,268	12,074	1,999	19,341	275,277	93.4%	(180)	28,043	751	2,432	190	-	306,513
Hooper Water Improv	43,298	883	1,919	198	3,000	40,298	93.1%	(3)	3,989	676	376	22	-	45,358
Mosquito Abatement	2,446,953	72,651	49,834	8,568	131,053	2,315,900	94.6%	(17,255)	167,969	(80,050)	53,093	1,939	(116,538)	2,325,058
North Davis Fire Dist	2,609,341	178,542	73,851	11,604	263,997	2,345,344	89.9%	7,410	171,549	(11,458)	76,245	2,105	(204,382)	2,386,813
North Davis Sewer	9,114,481	339,986	306,793	36,453	683,232	8,431,249	92.5%	(35,820)	693,395	8,606	235,877	7,868	(344,216)	8,996,959
South Davis Recr. Dist	2,482,059	61,927	21,627	6,292	89,846	2,392,213	96.4%	(37,648)	142,419	(214,838)	49,153	1,930	(105,714)	2,227,515
South Davis Sewer	2,335,669	54,367	20,463	5,958	80,788	2,254,881	96.5%	(31,229)	134,354	(202,959)	46,644	1,832	(99,746)	2,103,737
South Davis Water	106,869	1,469	1,531	18	3,018	103,851	97.2%	(143)	9,200	(663)	1,504	100	(9,049)	104,800
South Davis Metro Fire S	2,595,260	74,393	28,526	8,305	111,224	2,484,036	95.7%	629,798	187,880	409,896	65,018	2,554	-	3,779,182
Special Serv Area	688,321	24,187	1,769	3,309	29,265	639,056	95.6%	(41)	19,098	369,579	2,061	165	(772)	1,029,146
Weber Basin Water	3,975,130	112,576	81,039	13,933	207,548	3,767,582	94.8%	(24,033)	273,145	(129,944)	86,337	3,154	(186,368)	3,789,873
	292,169,817	8,011,415	6,061,095	1,030,451	15,102,961	277,066,856		-	20,179,929	(8,497,904)	6,419,769	583,306	(11,851,998)	283,899,958

TREASURER'S TAX COLLECTION FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Treasurer's Balance		Apportionments			Totals	Disbursements	Treasurer's Balance 12/31/2017
	1/1/2017	Receipts	Current Taxes	Delinquent Taxes	Other Collections			
Current 2017 taxes	\$ -	\$ 288,918,852	\$ (288,918,852)	\$ -	\$ -	\$ -	\$ -	\$ -
Prior year redemptions and rollbacks	-	8,075,469	-	(8,075,469)	-	-	-	-
Other taxes - "Class D"	320,535	5,186,510	-	-	(5,112,268)	394,777	-	394,777
Interest received	-	583,306	-	-	(583,306)	-	-	-
Fee in lieu	-	20,179,929	-	-	(20,179,929)	-	-	-
Miscellaneous collections	-	(8,497,905)	-	-	8,497,905	-	-	-
Taxes held for refund & prepayments	445,463	7,057,148	-	-	-	7,502,611	808,692	6,693,919
Total	765,998	321,503,309	(288,918,852)	(8,075,469)	(17,377,598)	7,897,388	808,692	7,088,696
Davis County:								
County funds	-	-	47,662,720	1,381,472	2,247,988	51,292,180	51,292,180	-
County library	-	-	8,144,793	236,106	324,493	8,705,392	8,705,392	-
Special service area	-	-	639,056	44,203	388,843	1,072,102	1,072,102	-
Total Davis County	-	-	56,446,569	1,661,781	2,961,324	61,069,674	61,069,674	-
Davis County School District	34,850,051	-	161,835,082	4,690,097	6,268,730	207,643,960	180,746,491	26,897,469
State Charter School	-	-	2,070,186	66,562	328,512	2,465,260	1,391,130	1,074,130
Cities and towns:								
Bountiful	489,940	-	2,297,606	62,505	167,882	3,017,933	2,216,608	801,325
Centerville	135,464	-	1,601,028	25,338	131,952	1,893,782	1,616,466	277,316
Clearfield	433,966	-	2,651,985	104,809	101,295	3,292,055	3,201,011	91,044
Clinton	405,623	-	1,723,157	55,926	173,398	2,358,104	2,026,203	331,901
Farmington	144,293	-	3,414,682	34,692	196,800	3,790,467	3,781,399	9,068
Fruit Heights	208,955	-	832,573	25,078	65,431	1,132,037	955,918	176,119
Kaysville	696,691	-	2,842,886	81,707	237,369	3,858,653	3,293,835	564,818
Layton	1,668,515	-	6,874,732	240,361	531,567	9,315,175	8,042,232	1,272,943
North Salt Lake	719,029	-	2,757,322	76,392	158,167	3,710,910	3,256,794	454,116
South Weber City	98,700	-	316,464	4,654	33,395	453,213	386,622	66,591
Sunset	73,147	-	315,592	18,704	20,787	428,230	352,966	75,264
Syracuse	361,505	-	2,092,511	65,559	219,608	2,739,183	2,384,202	354,981
West Bountiful	324,550	-	1,664,940	15,185	(1,111,459)	893,216	1,329,980	(436,764)
West Point	98,549	-	438,207	8,807	43,162	588,725	494,036	94,689
Woods Cross	226,145	-	817,523	42,140	56,176	1,141,984	978,671	163,313
Total cities and towns	6,085,072	-	30,641,208	861,857	1,025,530	38,613,667	34,316,943	4,296,724
Other taxing districts:								
Benchland Water Dist	99,560	-	498,978	7,959	35,672	642,169	555,659	86,510
Bountiful Irrigation Water District	47,876	-	230,625	7,069	2,140,055	2,425,625	2,417,809	7,816
Central Davis Sewer	108,999	-	719,359	18,911	56,172	903,441	826,186	77,255
Central Weber Sewer	84,955	-	275,276	4,879	28,985	394,095	335,993	58,102
Hooper Water Improv	8,869	-	40,297	1,280	4,687	55,133	46,920	8,213
Mosquito Abatement	488,949	-	2,315,898	67,168	89,858	2,961,873	2,593,856	368,017
North Davis Fire Dist	383,021	-	2,345,344	82,009	162,195	2,972,569	2,682,218	290,351
North Davis Sewer	1,921,704	-	8,431,250	306,226	743,128	11,402,308	10,006,120	1,396,188
South Davis Metro Fire	45,325	-	2,484,035	73,843	600,330	3,203,533	1,399,095	1,804,438
South Davis Recreation	501,514	-	2,392,214	55,844	(70,490)	2,879,082	2,472,869	406,213
South Davis Sewer	534,019	-	2,254,880	52,975	216,488	3,058,362	2,666,752	391,610
South Davis Water	20,134	-	103,851	1,504	276,932	402,421	390,340	12,081
State Treasurer (State A&C)	26,371	-	214,221	6,279	8,371	255,242	216,151	39,091
Weber Basin Water	782,826	-	3,767,582	109,226	2,501,119	7,160,753	6,641,679	519,074
Total other taxing districts	5,054,122	-	26,073,810	795,172	6,793,502	38,716,606	33,251,647	5,464,959
Redevelopment agencies:								
Bountiful	1,097,450	-	1,090,549	-	-	2,187,999	1,097,450	1,090,549
Centerville	1,549,347	-	1,372,395	-	-	2,921,742	1,549,347	1,372,395
Clearfield	1,391,019	-	1,492,549	-	-	2,883,568	1,391,019	1,492,549
Clinton	71,302	-	67,439	-	-	138,741	71,302	67,439
Farmington	3,775,275	-	3,680,968	-	-	7,456,243	3,775,275	3,680,968
Kaysville	87,864	-	134,305	-	-	222,169	87,864	134,305
Layton	946,771	-	1,339,963	-	-	2,286,734	946,771	1,339,963
Military Instillation Development Auth	642,524	-	664,945	-	-	1,307,469	642,524	664,945
North Salt Lake	490,558	-	825,707	-	-	1,316,265	490,558	825,707
Syracuse	581,747	-	612,700	-	-	1,194,447	581,747	612,700
West Bountiful	431,264	-	172,508	-	-	603,772	431,264	172,508
Woods Cross	157,123	-	170,297	-	-	327,420	157,123	170,297
Woods Cross/West Bountiful	240,971	-	227,672	-	-	468,643	240,971	227,672
Total redevelopment agencies	11,463,215	-	11,851,997	-	-	23,315,212	11,463,215	11,851,997
GRAND TOTAL	\$ 58,218,458	\$ 321,503,309	\$ -	\$ -	\$ -	\$ 379,721,767	\$ 323,047,792	\$ 56,673,975



III. Statistical Section



Davis
COUNTY



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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.

Net Position by Component	124
Changes in Net Position.....	126
Fund Balances – Governmental Funds	128
Changes in Fund Balances – Governmental Funds.....	130

Revenue Capacity Information

These schedules contain information to help the reader assess the County's capacity to raise revenue from the County's most significant revenue source, property tax.

Assessed Value and Estimated Actual Value of Taxable Property.....	132
Direct and Overlapping Property Tax Rates	134
Principal Property Taxpayers.....	135
Property Tax Levies and Collections	136

Debt Capacity Information

These Schedules present information to help the reader understand and assess the County's levels of outstanding debt and the County's ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type.....	137
Ratios of General Bonded Debt Outstanding	138
Computation of Direct and Overlapping Debt	139
Legal Debt Margin.....	140
Pledged Revenue Coverage	141

Demographic and Economic Information

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

Demographic and Economic Statistics	142
Principal Employers.....	143

Operating Information

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

Full Time Equivalent County Government Employees	144
Operating Indicators by Function/Program.....	145
Capital Asset Statistics by Function/program	146

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

DAVIS COUNTY

**STATISTICAL SCHEDULE 1
NET POSITION BY COMPONENT - LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>Restated 2014</u>
Governmental activities:				
Net investment in capital assets	\$ 92,141,359	\$ 91,364,621	\$ 89,724,704	\$ 86,466,593
Restricted	21,868,148	16,252,175	13,457,162	7,499,737
Unrestricted	<u>20,582,105</u>	<u>11,042,892</u>	<u>11,314,400</u>	<u>26,677,822</u>
Total government activities net position	<u>\$ 134,591,612</u>	<u>\$ 118,659,688</u>	<u>\$ 114,496,266</u>	<u>\$ 120,644,152</u>
Business-type activities:				
Net investment in capital assets	\$ 4,912,019	\$ 4,894,047	\$ 4,924,171	\$ 4,849,984
Restricted	-	-	-	-
Unrestricted	<u>1,454,365</u>	<u>1,278,631</u>	<u>(1,165,423)</u>	<u>(1,196,404)</u>
Total business-type activities net position	<u>\$ 6,366,384</u>	<u>\$ 6,172,678</u>	<u>\$ 3,758,748</u>	<u>\$ 3,653,580</u>
Primary government:				
Net investment in capital assets	\$ 97,053,378	\$ 96,258,668	\$ 94,648,875	\$ 91,316,577
Restricted	21,868,148	16,252,175	13,457,162	7,499,737
Unrestricted	<u>22,036,470</u>	<u>12,321,523</u>	<u>10,148,977</u>	<u>25,481,418</u>
Total primary government net position	<u>\$ 140,957,996</u>	<u>\$ 124,832,366</u>	<u>\$ 118,255,014</u>	<u>\$ 124,297,732</u>

Note: Beginning fiscal year 2012, the term "net assets" was replaced by the term "net position" as a result of implementing GASB Statement 63. Also, net position was restated for 2011 to comply with GASB Statement 65. Net position was restated for 2014 to comply with GASB Statement 68. Net position was restated for 2011 and 2012 to correct an inventory error which occurred during those years. Net position has not been restated for years prior to 2011.

2013	Restated 2012	Restated 2011	2010	2009	2008
\$ 85,304,816	\$ 82,993,856	\$ 81,947,428	\$ 83,234,732	\$ 49,323,126	\$ 70,794,633
6,873,325	6,423,979	20,499,016	27,391,189	40,833,438	9,979,541
31,934,720	36,115,358	20,383,230	9,224,736	26,184,917	29,177,532
<u>\$ 124,112,861</u>	<u>\$ 125,533,193</u>	<u>\$ 122,829,674</u>	<u>\$ 119,850,657</u>	<u>\$ 116,341,481</u>	<u>\$ 109,951,706</u>
\$ 4,819,354	\$ 4,920,283	\$ 5,098,487	\$ 5,397,435	\$ 5,523,989	\$ 5,021,973
-	-	-	-	-	-
(1,452,641)	(1,451,213)	(1,453,061)	(1,579,793)	(1,231,369)	(755,083)
<u>\$ 3,366,713</u>	<u>\$ 3,469,070</u>	<u>\$ 3,645,426</u>	<u>\$ 3,817,642</u>	<u>\$ 4,292,620</u>	<u>\$ 4,266,890</u>
\$ 90,124,170	\$ 87,914,139	\$ 87,045,915	\$ 88,632,167	\$ 54,847,115	\$ 75,816,606
6,873,325	6,423,979	20,499,016	27,391,189	40,833,438	9,979,541
30,482,079	34,664,145	18,930,169	7,644,943	24,953,548	28,422,449
<u>\$ 127,479,574</u>	<u>\$ 129,002,263</u>	<u>\$ 126,475,100</u>	<u>\$ 123,668,299</u>	<u>\$ 120,634,101</u>	<u>\$ 114,218,596</u>

DAVIS COUNTY

**STATISTICAL SCHEDULE 2
CHANGES IN NET POSITION - LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Expenses	Year Ended December 31,			
	2017	2016	2015	2014
Government activities:				
General governmental	\$ 48,525,487	\$ 79,896,567	\$ 69,704,635	\$ 52,816,933
Public safety	39,157,278	37,215,293	36,000,767	38,010,920
Public health	11,935,685	11,884,295	11,358,078	11,544,831
Public works	4,023,520	3,795,913	3,605,074	4,287,391
Transportation	35,389,754	-	-	-
Interest on long-term debt	2,927,945	3,065,058	3,195,564	3,377,286
Total governmental activities	141,959,669	135,857,126	123,864,118	110,037,361
Business-type activities:				
Golf Course	2,593,409	2,358,060	2,254,582	2,332,239
Inmates Commissary	602,462	563,592	704,667	577,658
Total business-type activities	3,195,871	2,921,652	2,959,249	2,909,897
Total primary government expenses	\$ 145,155,540	\$ 138,778,778	\$ 126,823,367	\$ 112,947,258
Program Revenues				
Government activities:				
Charges for services:				
General governmental	\$ 5,870,034	\$ 5,442,728	\$ 6,291,905	\$ 5,325,796
Public safety	11,076,858	10,730,516	11,060,023	10,502,366
Public health	3,942,793	3,621,673	3,474,998	3,112,150
Public works	164,966	298,791	274,897	656,068
Operating grants and contributions	11,158,167	11,860,658	11,090,303	11,684,940
Capital grants and contributions	779,520	807,718	835,297	843,659
Total governmental activities program revenues	32,992,338	32,762,084	33,027,423	32,124,979
Business-type activities:				
Charges for services:				
Golf Course	2,467,031	2,343,642	2,455,258	2,489,984
Inmates Commissary	899,177	1,082,516	880,640	707,656
Total business-type activities program revenues	3,366,208	3,426,158	3,335,898	3,197,640
Total primary government program revenues	\$ 36,358,546	\$ 36,188,242	\$ 36,363,321	\$ 35,322,619
Net (Expense)/Revenue				
Governmental activities	\$ (108,967,331)	\$ (103,095,042)	\$ (90,836,695)	\$ (77,912,382)
Business-type activities	170,337	504,506	376,649	287,743
Total primary government net expenses	\$ (108,796,994)	\$ (102,590,536)	\$ (90,460,046)	\$ (77,624,639)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 63,563,662	\$ 54,788,984	\$ 58,455,145	\$ 54,924,710
Sales taxes	22,662,948	53,880,557	43,449,029	19,369,384
Mass Transit Taxes	25,930,110	-	-	-
Local Option Transportation Taxes	11,752,468	-	-	-
Investment earnings	705,915	327,996	272,680	133,579
Sale of capital assets	262,552	162,614	-	-
Transfers	21,600	(1,901,687)	(64,895)	16,000
Total governmental activities	124,899,255	107,258,464	102,111,959	74,443,673
Business-type activities:				
Investment earnings	23,877	6,737	3,474	2,424
Sale of capital assets	21,092	1,000	8,806	12,700
Transfers	(21,600)	1,901,687	64,895	(16,000)
Total business-type activities	23,369	1,909,424	77,175	(876)
Total primary government	\$ 124,922,624	\$ 109,167,888	\$ 102,189,134	\$ 74,442,797
Changes in Net Position				
Governmental activities	15,931,924	4,163,422	11,275,264	(3,468,709)
Business-type activities	193,706	2,413,930	453,824	286,867
Total primary government	\$ 16,125,630	\$ 6,577,352	\$ 11,729,088	\$ (3,181,842)

Note: Prior to 2017, Transportation Expense was included with General Expense and Mass Transit and Local Option Transportation Taxes were included with Sales Tax. Beginning fiscal year 2012, the term "net assets" was replaced by the term "net position" as a result of implementing GASB Statement 63. Also, the numbers were restated for 2011 to comply with GASB Statement 65 and for 2011 and 2012 to correct an inventory error which occurred during those years. Numbers have not been restated for years prior to 2011.

2013	2012 (Restated)	2011 (Restated)	2010	2009	2008
\$ 43,166,989	\$ 42,270,996	\$ 40,130,429	\$ 39,406,125	\$ 38,282,727	\$ 35,180,227
37,633,934	36,905,270	35,577,640	34,241,872	33,054,829	30,904,112
11,680,397	12,447,487	12,048,718	12,037,386	12,232,929	11,785,783
4,211,655	4,072,629	3,908,616	3,938,669	2,791,754	4,506,001
-	-	-	-	-	-
3,494,637	3,431,611	3,836,966	3,079,963	2,024,496	1,925,416
100,187,612	99,127,993	95,502,369	92,704,015	88,386,735	84,301,539
2,276,146	2,328,423	2,422,690	2,409,586	2,358,484	2,360,640
443,139	524,585	582,734	529,040	321,386	201,464
2,719,285	2,853,008	3,005,424	2,938,626	2,679,870	2,562,104
\$ 102,906,897	\$ 101,981,001	\$ 98,507,793	\$ 95,642,641	\$ 91,066,605	\$ 86,863,643
\$ 6,577,072	\$ 6,303,616	\$ 6,811,617	\$ 6,196,860	\$ 6,825,863	\$ 7,782,162
10,462,088	11,647,177	12,314,622	12,561,950	12,308,071	11,124,802
3,341,099	4,027,561	3,890,624	3,742,446	3,889,556	3,685,802
49,249	66,261	58,675	129,059	75,823	42,990
11,928,302	12,542,601	12,642,377	12,597,575	12,110,452	10,479,540
799,850	891,064	1,794,609	1,164,996	1,496,789	611,539
33,157,660	35,478,280	37,512,524	36,392,886	36,706,554	33,726,835
2,320,522	2,461,843	2,033,729	2,055,001	2,062,591	2,255,855
1,026,160	1,216,022	1,343,807	1,073,918	902,144	671,473
3,346,682	3,677,865	3,377,536	3,128,919	2,964,735	2,927,328
\$ 36,504,342	\$ 39,156,145	\$ 40,890,060	\$ 39,521,805	\$ 39,671,289	\$ 36,654,163
\$ (67,029,952)	\$ (63,649,713)	\$ (57,989,845)	\$ (56,311,129)	\$ (51,680,181)	\$ (50,574,704)
627,397	824,857	372,112	190,293	284,865	365,224
\$ (66,402,555)	\$ (62,824,856)	\$ (57,617,733)	\$ (56,120,836)	\$ (51,395,316)	\$ (50,209,480)
\$ 47,116,760	\$ 46,727,996	\$ 45,490,304	\$ 44,199,765	\$ 43,017,735	\$ 42,848,970
17,591,414	16,772,100	15,779,389	14,657,381	14,352,182	15,949,104
-	-	-	-	-	-
-	-	-	-	-	-
160,446	288,708	296,803	292,159	348,457	858,912
-	1,548,428	102,583	-	85,582	78,391
741,000	1,016,000	550,100	671,000	266,000	266,000
65,609,620	66,353,232	62,219,179	59,820,305	58,069,956	60,001,377
3,958	9,487	5,772	5,729	6,865	14,932
7,288	5,300	-	-	-	-
(741,000)	(1,016,000)	(550,100)	(671,000)	(266,000)	(266,000)
(729,754)	(1,001,213)	(544,328)	(665,271)	(259,135)	(251,068)
\$ 64,879,866	\$ 65,352,019	\$ 61,674,851	\$ 59,155,034	\$ 57,810,821	\$ 59,750,309
(1,420,332)	2,703,519	4,229,334	3,509,176	6,389,775	9,426,673
(102,357)	(176,356)	(172,216)	(474,978)	25,730	114,156
\$ (1,522,689)	\$ 2,527,163	\$ 4,057,118	\$ 3,034,198	\$ 6,415,505	\$ 9,540,829

DAVIS COUNTY

**STATISTICAL SCHEDULE 3
FUND BALANCES, GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

Fiscal year	2017	2016	2015	2014
General Fund				
Nonspendable:				
Inventories	\$ 52,253	\$ 49,095	\$ 42,678	\$ 53,050
Prepays and other	209,868	280,741	541,902	187,960
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	1,576,879	-	2,710,309	1,854,877
Unassigned	20,530,583	18,402,051	16,433,444	12,884,660
Total General Fund	<u>\$ 22,369,583</u>	<u>\$ 18,731,887</u>	<u>\$ 19,728,333</u>	<u>\$ 14,980,547</u>
All Other Governmental Funds				
Nonspendable:				
Inventories	\$ 253,015	\$ 162,861	\$ 242,999	\$ 105,608
Prepays and other	185,458	218,915	252,613	160,052
Restricted	21,868,148	16,252,175	13,457,162	7,499,737
Committed	18,301,495	8,557,045	171,429	171,429
Assigned	13,167,420	13,720,286	20,186,711	22,094,349
Total All Other Governmental Funds	<u>\$ 53,775,536</u>	<u>\$ 38,911,282</u>	<u>\$ 34,310,914</u>	<u>\$ 30,031,175</u>
General fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital project funds	-	-	-	-
Debt service funds	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Source: Davis County Balance Sheet(s) 2008-2017

Note: Beginning fiscal year 2011, the fund balance categories were reclassified as a result of implementing GASB Statement 54.

Fund balance has been restated for 2011 and 2012 to correct an inventory error which occurred during those years.

Fund balance has not been restated for years prior to 2011.

2013	Restated 2012	Restated 2011	2010	2009	2008
\$ 53,707	\$ 53,364	\$ 58,900	\$ -	\$ -	\$ -
162,272	149,454	246,215	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,747,786	3,114,988	5,921,045	-	-	-
13,493,988	14,844,659	13,633,241	-	-	-
<u>\$ 16,457,753</u>	<u>\$ 18,162,465</u>	<u>\$ 19,859,401</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 105,163	\$ 100,550	\$ 161,257	\$ -	\$ -	\$ -
319,139	252,578	264,852	-	-	-
6,873,325	6,423,979	20,499,016	-	-	-
171,429	171,429	410,194	-	-	-
24,004,526	23,968,107	19,518,154	-	-	-
<u>\$ 31,473,582</u>	<u>\$ 30,916,643</u>	<u>\$ 40,853,473</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	19,820,821	16,298,104	18,286,835
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,820,821</u>	<u>\$ 16,298,104</u>	<u>\$ 18,286,835</u>
\$ -	\$ -	\$ -	\$ 800,804	\$ 725,764	\$ 673,274
-	-	-	29,477,885	37,791,322	9,602,582
-	-	-	22,194,664	8,957,275	5,622,782
-	-	-	4,395,721	4,128,494	3,683,485
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,869,074</u>	<u>\$ 51,602,855</u>	<u>\$ 19,582,123</u>

DAVIS COUNTY

**STATISTICAL SCHEDULE 4
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year	2017	2016	2015	2014
Revenues				
Taxes	\$ 124,378,008	\$ 109,015,833	\$ 101,865,732	\$ 74,641,080
Licenses, fees, and permits	274,631	252,788	254,965	253,870
Intergovernmental revenue	11,578,231	12,568,849	11,597,388	12,119,166
Charges for services	16,875,380	16,394,660	17,128,155	15,888,800
Fines and forfeitures	1,084,535	1,250,991	1,457,809	1,531,225
Interest	622,778	280,945	238,663	106,522
Other revenues	3,014,687	2,139,069	2,440,376	2,178,722
Total revenues	<u>157,828,250</u>	<u>141,903,135</u>	<u>134,983,088</u>	<u>106,719,385</u>
Expenditures				
General government	\$ 44,632,821	\$ 76,812,200	\$ 67,145,739	\$ 47,794,965
Public Safety	35,956,272	34,981,611	35,208,908	35,506,587
Public health	11,335,349	11,472,564	11,135,905	11,065,807
Public works	2,405,890	2,279,240	2,079,430	2,466,806
Transportation	35,389,754			
Capital Outlay	2,557,821	3,838,084	5,939,545	5,752,100
Debt Service				
Principal retirement	4,533,393	4,160,393	3,974,393	3,821,926
Interest and fiscal charges	2,832,622	2,953,814	3,140,324	3,337,715
Bond issuance costs	-	-	56,955	-
Total expenditures	<u>139,643,922</u>	<u>136,497,906</u>	<u>128,681,199</u>	<u>109,745,906</u>
Excess of revenues over (under) expenditures	<u>18,184,328</u>	<u>5,405,229</u>	<u>6,301,889</u>	<u>(3,026,521)</u>
Other Financing Sources (Uses)				
Proceeds from sale of Capital Assets	296,022	184,856	85,657	90,908
Sales tax revenue and Build America bonds issued	-	-	-	-
Refunding bonds issued	-	-	8,036,000	-
Premium on bonds issued	-	-	-	-
MBA Lease Rev./Recovery Zone bonds issued	-	-	-	-
Capital lease	-	-	-	-
Transfers in	24,589,622	18,853,718	16,120,032	15,623,222
Transfers out	(24,568,022)	(20,839,881)	(13,537,367)	(15,607,222)
Refunded bonds redeemed	-	-	-	-
Payment to refunded bond escrow agent	-	-	(7,978,686)	-
Total other financing sources (uses)	<u>317,622</u>	<u>(1,801,307)</u>	<u>2,725,636</u>	<u>106,908</u>
Net change in fund balances before special item	18,501,950	3,603,922	9,027,525	(2,919,613)
Special item	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 18,501,950</u>	<u>\$ 3,603,922</u>	<u>\$ 9,027,525</u>	<u>\$ (2,919,613)</u>
Debt service as a percentage of noncapital expenditures	5.4%	5.4%	5.8%	6.9%

Sources: Davis County Statement of Revenues, Expenditures, and Changes in Fund Balances 2008-2017
Prior to 2017, Transportation Expenditures were classified with General Expenditures.
The numbers were restated for 2011 and 2012 to correct an inventory error which occurred during those years.

2013	Restated 2012	Restated 2011	2010	2009	2008
\$ 65,382,608	\$ 62,714,686	\$ 61,601,396	\$ 58,989,801	\$ 57,598,744	\$ 58,135,168
284,412	317,417	249,767	252,732	245,852	260,010
12,668,219	13,368,627	14,327,645	13,119,927	12,124,516	10,985,979
16,281,356	18,124,040	18,411,815	18,861,739	19,021,171	18,539,585
1,496,812	1,571,946	1,961,996	1,923,871	1,963,453	1,952,672
130,792	251,473	272,029	268,634	308,101	751,765
2,277,699	1,916,621	2,399,752	1,581,287	1,854,450	1,889,260
<u>98,521,898</u>	<u>98,264,810</u>	<u>99,224,400</u>	<u>94,997,991</u>	<u>93,116,287</u>	<u>92,514,439</u>
\$ 39,430,329	\$ 39,771,040	\$ 37,930,408	\$ 37,173,921	\$ 36,222,968	\$ 33,207,764
34,846,742	33,909,392	32,894,660	31,807,064	30,255,383	28,412,212
11,136,428	11,918,184	11,516,922	11,569,818	11,819,066	11,374,251
2,450,704	2,235,092	2,251,044	2,443,846	3,002,249	2,660,187
6,091,499	20,011,201	24,115,927	17,175,246	5,396,113	8,086,052
3,620,000	3,314,264	3,487,286	3,334,401	2,190,359	2,133,508
3,457,320	3,504,374	3,875,229	2,967,283	1,764,389	2,001,272
-	243,852	-	250,657	-	-
<u>101,033,022</u>	<u>114,907,399</u>	<u>116,071,476</u>	<u>106,722,236</u>	<u>90,650,527</u>	<u>87,875,246</u>
(2,511,124)	(16,642,589)	(16,847,076)	(11,724,245)	2,465,760	4,639,193
230,386	106,028	319,955	225,135	98,768	97,050
-	-	-	-	27,000,000	-
-	15,750,000	-	1,335,000	4,925,000	-
-	1,474,979	-	52,977	454,620	-
-	-	-	19,600,000	-	-
391,965	-	-	-	-	-
13,994,153	17,885,646	13,996,946	17,546,652	22,397,614	13,360,616
(13,253,153)	(16,869,646)	(13,446,846)	(16,875,652)	(22,131,614)	(13,094,616)
-	-	-	(1,370,931)	-	-
-	(17,121,128)	-	-	(5,178,147)	-
<u>1,363,351</u>	<u>1,225,879</u>	<u>870,055</u>	<u>20,513,181</u>	<u>27,566,241</u>	<u>363,050</u>
(1,147,773)	(15,416,710)	(15,977,021)	8,788,936	30,032,001	5,002,243
-	3,782,944	-	-	-	-
<u>\$ (1,147,773)</u>	<u>\$ (11,633,766)</u>	<u>\$ (15,977,021)</u>	<u>\$ 8,788,936</u>	<u>\$ 30,032,001</u>	<u>\$ 5,002,243</u>
7.5%	7.2%	8.0%	7.0%	4.6%	5.2%

DAVIS COUNTY

STATISTICAL SCHEDULE 5

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

December 31,	Residential Property	Commercial and Industrial Property	Agricultural Property	Mobile and Personal Property	Centrally Assessed Property
2017	\$ 14,481,985,166	\$ 4,904,783,303	\$ 190,558,209	\$ 2,461,629,632	\$ 633,218,825
2016	13,172,061,449	4,420,949,580	116,721,149	2,136,054,321	600,247,124
2015	12,137,403,230	4,056,727,388	124,107,984	1,982,261,211	576,650,891
2014	11,769,131,872	3,879,303,467	128,848,651	1,718,928,896	514,590,370
2013	10,574,438,844	3,628,542,669	115,058,346	1,621,119,209	523,398,238
2012	10,124,228,191	3,583,071,829	119,949,215	1,471,722,453	502,545,497
2011	10,127,751,543	3,507,953,650	117,895,470	1,441,813,546	485,292,602
2010	10,657,206,804	3,717,208,859	144,417,417	1,185,481,355	493,463,739
2009	11,031,774,065	3,622,873,532	157,847,356	1,307,517,190	412,551,226
2008	11,483,109,031	3,649,547,749	195,089,731	1,206,790,087	370,416,894

Source: Davis County Assessor's Office.

Fee in lieu property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Market Value	Ratio of Taxable Assessed Value to Estimated Market Value
\$ 1,345,328,581	\$ 22,672,175,135	0.002586	\$ 34,987,059,677	64.8%
1,292,725,501	20,446,033,623	0.002356	31,623,889,734	64.7%
1,258,418,555	18,877,150,704	0.002514	29,257,820,639	64.5%
1,181,154,351	18,010,803,256	0.002522	28,052,491,146	64.2%
1,181,530,533	16,462,557,306	0.002720	24,965,085,765	65.9%
1,174,052,533	15,801,517,185	0.002787	24,023,945,974	65.8%
1,192,245,935	15,680,706,811	0.002775	25,595,666,942	61.3%
1,219,363,049	16,197,778,174	0.002576	25,058,738,383	64.6%
1,361,982,489	16,532,563,369	0.002456	25,477,711,753	64.9%
1,353,063,017	16,904,953,492	0.002329	26,372,578,441	64.1%

DAVIS COUNTY

STATISTICAL SCHEDULE 6

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

Fiscal year	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
County direct rates										
County Basic Rate	0.001924	0.001703	0.001795	0.001797	0.001935	0.001977	0.001960	0.001817	0.001739	0.001653
General Obligation Debt Service	0.000069	0.000076	0.000110	0.000114	0.000126	0.000131	0.000137	0.000128	0.000126	0.000123
County Assess & Collect	0.000207	0.000224	0.000236	0.000237	0.000112	0.000115	0.000114	0.000106	0.000101	0.000100
State Assess & Collect	0.000010	0.000011	0.000012	0.000013	0.000158	0.000168	0.000172	0.000162	0.000142	0.000121
County Library	0.000376	0.000342	0.000361	0.000361	0.000389	0.000396	0.000392	0.000363	0.000348	0.000332
Total direct rate	0.002586	0.002356	0.002514	0.002522	0.002720	0.002787	0.002775	0.002576	0.002456	0.002329
County school districts' rates										
Davis County School District	0.005901	0.006450	0.006819	0.006840	0.007175	0.007290	0.007270	0.006365	0.005685	0.005514
City Rates										
Bountiful	0.000832	0.000890	0.000957	0.000946	0.001063	0.001094	0.001093	0.001037	0.000948	0.000903
Centerville	0.001354	0.000116	0.001088	0.001072	0.001141	0.001165	0.001173	0.001102	0.000997	0.000923
Clearfield	0.001745	0.001664	0.001800	0.001800	0.001800	0.001800	0.001800	0.001548	0.001548	0.001548
Clinton	0.001925	0.002082	0.002198	0.002253	0.001831	0.001871	0.001866	0.001752	0.001729	0.001623
Farmington	0.001942	0.002132	0.002226	0.002127	0.002290	0.002269	0.002283	0.002109	0.002051	0.001982
Fruit Heights	0.002117	0.002295	0.002369	0.001863	0.002023	0.002054	0.002071	0.002006	0.001845	0.001925
Kaysville	0.001589	0.001717	0.001782	0.001826	0.000999	0.001028	0.001035	0.000987	0.000907	0.000829
Layton	0.001635	0.001842	0.001928	0.001896	0.002046	0.002084	0.002068	0.001933	0.001876	0.001771
North Salt Lake	0.001450	0.001475	0.001517	0.001541	0.001613	0.001637	0.001637	0.001520	0.001396	0.001258
South Weber	0.000815	0.000881	0.000941	0.000954	0.000993	0.000998	0.000927	0.000827	0.000840	0.000883
Special Service Area	0.000962	0.000980	0.000992	0.001003	0.000968	0.000901	0.000918	0.000899	0.000844	0.000794
Sunset	0.001950	0.002121	0.002290	0.002258	0.002357	0.002492	0.002297	0.002138	0.001483	0.001253
Syracuse	0.001573	0.001573	0.001639	0.001659	0.001787	0.001832	0.001821	0.001631	0.001613	0.001500
West Bountiful	0.001566	0.001684	0.001806	0.001788	0.001946	0.001951	0.001997	0.001366	0.001384	0.001204
West Point	0.000945	0.000984	0.001036	0.001036	0.001111	0.001111	0.001008	0.000936	0.000876	0.000895
Woods Cross	0.001003	0.000848	0.000927	0.000913	0.001007	0.001058	0.001049	0.000840	0.000690	0.000646
Overlapping Rates										
Weber Basin Water	0.000174	0.000187	0.000196	0.000199	0.000210	0.000215	0.000217	0.000207	0.000188	0.000181
Mosquito Abatement	0.000107	0.000116	0.000122	0.000124	0.000103	0.000105	0.000104	0.000097	0.000093	0.000088
North Davis Sewer	0.000949	0.001025	0.001025	0.001025	0.001025	0.000993	0.000928	0.000864	0.000763	0.000763
Bountiful Irrigation 1	0.000103	0.000110	0.000120	0.000120	0.000128	0.000131	0.000130	0.000122	0.000113	0.000110
South Davis Water	0.000214	0.000234	0.000250	0.000246	0.000264	0.000253	0.000248	0.000240	0.000243	0.000228
Central Davis Sewer	0.000191	0.000208	0.000216	0.000217	0.000237	0.000237	0.000237	0.000227	0.000212	0.000200
South Davis Sewer	0.000264	0.000287	0.000303	0.000301	0.000324	0.000330	0.000329	0.000315	0.000290	0.000270
Benchland Water	0.000375	0.000411	0.000433	0.000430	0.000475	0.000488	0.000483	0.000451	0.000427	0.000408
Hooper Water	0.000345	0.000369	0.000387	0.000415	0.000446	0.000455	0.000433	0.000404	0.000396	0.000379
South Weber Water	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Central Weber Sewer	0.000709	0.000758	0.000802	0.000838	0.000866	0.000880	0.000854	0.000833	0.000811	0.000800
South Davis Recreation	0.000279	0.000306	0.000334	0.000338	0.000374	0.000399	0.000407	0.000379	0.000356	0.000340
North Davis Fire	0.001182	0.001182	0.001301	0.001379	0.001444	0.001467	0.001316	0.001148	0.001194	0.001179

Source: Utah State Tax Commission

Note:

1. Bountiful Water Subconservancy District was changed to Bountiful Irrigation District in 2009.

DAVIS COUNTY

**STATISTICAL SCHEDULE 7
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayers	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value \$22,672,175,135	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value \$16,534,536,598
Woods Cross Refining Comp - LLC	848,941,490	1	3.74%	n/a	n/a	n/a
Chevron U.S. Inc, Chevron Pipeline & California Oil	426,495,650	2	1.88%	205,798,040	1	1.24%
PacifiCorp	222,235,818	3	0.98%	101,308,896	3	0.61%
Station Park Centercal LLC	213,198,826	4	0.94%	n/a	n/a	n/a
Freeport Center Associates	186,302,860	5	0.82%	160,038,928	2	0.97%
ATK Aerospace	155,950,991	6	0.69%	n/a	n/a	n/a
Big West Oil LLC	141,042,963	7	0.62%	97,570,908	4	0.59%
Smith's Food King Properties	137,552,488	8	0.61%	59,452,456	9	0.36%
Layton Hills Mall CMBS LLC	110,725,417	9	0.49%	n/a	n/a	n/a
Questar Gas	109,948,414	10	0.48%	52,938,235	11	0.32%
LHM Utah LLC 2	n/a	n/a	n/a	96,304,753	5	0.58%
Phillips 66	n/a	n/a	n/a	81,755,884	6	0.49%
Wal-Mart	n/a	n/a	n/a	78,550,394	7	0.48%
Albertson's	n/a	n/a	n/a	58,125,861	10	0.35%
Qwest Communications	n/a	n/a	n/a	77,459,016	8	0.47%
Totals	<u>\$ 2,552,394,917</u>		<u>11.25%</u>	<u>\$ 1,069,303,371</u>		<u>6.46%</u>

Source: Davis County Clerk/Auditor's Office.

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		Collections of Previous Years Taxes	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2017	\$ 44,640,898	\$ 43,179,858	96.7%	\$ 989,318	\$ 44,169,175	98.9%
2016	36,629,041	35,000,775	95.6%	925,963	35,926,738	98.1%
2015	35,959,256	33,971,549	94.5%	1,020,248	34,991,797	97.3%
2014	34,664,397	32,666,408	94.2%	1,050,247	33,716,655	97.3%
2013	32,629,005	30,692,132	94.1%	1,649,752	32,341,884	99.1%
2012	31,885,077	29,858,919	93.6%	1,162,950	31,021,869	97.3%
2011	31,526,528	29,202,258	92.6%	1,660,659	30,862,917	97.9%
2010	30,395,866	27,831,487	91.6%	1,472,074	29,303,561	96.4%
2009	29,768,232	27,701,054	93.1%	1,325,097	29,026,151	97.5%
2008	29,367,615	27,161,056	92.5%	987,992	28,149,048	95.9%

Source: Davis County Treasurer's Office.

DAVIS COUNTY

STATISTICAL SCHEDULE 9 RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

December 31,	Governmental Activities						
	General Obligation Bonds	Revenue Bonds	Municipal Building Revenue Bonds	Lease/ Purchase line of credit	Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
2017	\$ 13,297,606	\$ 29,475,759	\$ 17,680,000	\$ 65,328	\$ 60,518,693	0.4%	174
2016	14,780,075	31,624,656	18,653,000	143,720	65,201,451	0.5%	190
2015	16,260,573	33,696,126	19,353,000	222,113	69,531,812	0.5%	207
2014	17,724,100	35,140,985	20,044,000	307,039	73,216,124	0.6%	222
2013	19,155,656	37,011,342	20,713,378	385,432	77,265,808	0.6%	240
2012	20,555,240	38,846,199	21,371,941	-	80,773,380	0.7%	256
2011 (2)	19,805,000	40,645,555	21,542,732	358,264	82,351,551	0.8%	263
2010	20,835,000	41,830,086	21,685,028	981,550	85,331,664	0.8%	278
2009	21,835,000	43,460,342	2,261,000	1,494,801	69,051,143	0.7%	224
2008	22,805,000	16,835,000	2,428,000	1,973,160	44,041,160	0.4%	146

Source: For outstanding debt details, see the notes to the financial statement.

Notes:

- (1) See the Schedule of Demographic and Economic Statistics for personal income and population data.
- (2) Beginning in 2012, deferred amounts on refundings are no longer included in the debt computations as per GASB 65. 2011 debt numbers have been restated to be consistent with future years. Years prior to 2011 have not been restated.

DAVIS COUNTY

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

<u>December 31,</u>	<u>General Obligation Bonds</u>	<u>Adjusted Taxable Valuation</u>	<u>Less Amount In Debt Service Reserves</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Population</u>	<u>Per Capita</u>
2017	\$ 13,297,606	\$ 22,672,175,135	\$ 4,427,195	\$ 8,870,411	0.04%	347,637	\$ 26
2016	14,780,075	20,446,033,623	4,628,871	10,151,204	0.05%	342,281	30
2015	16,260,573	18,877,150,704	4,829,655	11,430,918	0.06%	336,043	34
2014	17,724,100	18,010,803,256	4,538,227	13,185,873	0.07%	329,692	40
2013	19,155,656	16,462,557,306	4,248,589	14,907,067	0.09%	322,094	46
2012	20,555,240	15,801,517,185	3,882,762	16,672,478	0.11%	315,809	53
2011	19,805,000	15,680,706,811	3,597,877	16,207,123	0.10%	312,603	52
2010	20,835,000	16,197,778,174	3,279,391	17,555,609	0.11%	306,479	57
2009	21,835,000	16,532,563,369	3,003,173	18,831,827	0.11%	307,656	61
2008	22,805,000	16,904,953,492	2,675,720	20,129,280	0.12%	301,915	67

Source: For outstanding debt details, see the notes to the financial statements.

DAVIS COUNTY

**STATISTICAL SCHEDULE 11
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2017**

Taxing Entity	2017 Year-End Taxable Valuation 1	County's Portion of Taxable Valuation	County's Percentage	Entity's Outstanding G.O. Debt	Davis County Overlapping Debt
Overlapping:					
State of Utah	\$ 258,702,348,415	\$ 22,663,164,649	8.8%	\$ 2,053,720,000	\$ 180,727,360
Davis County School District	22,672,175,135	22,672,175,135	100.0%	504,580,000	<u>504,580,000</u>
Total Overlapping G.O. Debt					<u>685,307,360</u>
Underlying:					
Weber Basin Water Conservatory District 2,3	56,578,614,675	22,670,674,110	40.1%	18,618,938	7,466,194
Clearfield City 3	1,718,065,965	1,718,065,965	100.0%	2,520,000	-
Farmington City	1,806,634,631	1,806,634,631	100.0%	7,369,000	7,369,000
South Davis Recreation District 4	8,731,302,165	8,731,302,165	100.0%	8,815,000	8,815,000
North Davis County Sewer District	11,123,520,030	9,560,109,387	85.9%	23,755,000	<u>20,405,545</u>
Total Underlying					<u>44,055,739</u>
Total Overlapping & Underlying Debt					<u>\$ 729,363,099</u>
Total Overlapping Debt (Excluding the State) 5					\$ 504,580,000
Total Direct Debt					<u>60,518,693</u>
Total Direct and Overlapping Debt (Excluding the State) 5					<u>\$ 565,098,693</u>
Total Underlying Debt					\$ 44,055,739
Total Direct Debt					<u>60,518,693</u>
Total Direct and Underlying Debt					<u>\$ 104,574,432</u>
Total Overlapping & Underlying Debt (Excluding the State) 5					\$ 548,635,739
Total Direct Debt					<u>60,518,693</u>
Total Direct, Overlapping and Underlying Debt (Excl. the State) 5					<u>\$ 609,154,432</u>

Notes:

- 1 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.
- 2 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 self-supporting except for a maximum .000199 tax rate.
- 3 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.'
- 4 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.
- 5 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

<u>Fiscal Year</u>	<u>Estimated Actual Market Value</u>	<u>Debt Limit</u>	<u>Total net debt applicable to limit</u>	<u>Legal debt margin</u>	<u>Total net debt applicable to the limit as a percentage of debt limit</u>
2017	\$ 34,987,059,677	\$ 699,741,194	\$ 13,297,606	\$ 686,443,588	1.90%
2016	31,623,889,734	632,477,795	14,780,075	617,697,720	2.34%
2015	29,257,820,639	585,156,413	16,260,573	568,895,840	2.78%
2014	28,052,491,146	561,049,823	17,724,100	543,325,723	3.16%
2013	24,965,085,765	499,301,715	19,155,656	480,146,059	3.84%
2012	24,023,945,974	480,478,919	20,555,240	459,923,679	4.28%
2011	25,595,666,942	511,913,339	19,805,000	492,108,339	3.87%
2010	25,058,738,383	501,174,768	20,835,000	480,339,768	4.16%
2009	25,477,711,753	509,554,235	21,835,000	487,719,235	4.29%
2008	26,372,578,441	527,451,569	22,805,000	504,646,569	4.32%

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
2017	\$ 340,944	\$ 338,000	\$ 2,944	100%	\$ 15,776,984	\$ 2,137,000	\$ 1,381,075	448%
2016	80,878	75,000	5,878	100%	14,720,513	2,057,000	1,463,058	418%
2015	77,951	71,000	6,951	100%	14,194,393	1,915,000	1,599,118	404%
2014	74,964	67,000	7,964	100%	13,364,291	1,830,000	1,729,655	375%
2013	73,940	65,000	8,940	100%	12,615,253	1,780,000	1,781,758	354%
2012	70,864	61,000	9,864	100%	12,015,480	1,730,000	1,830,120	338%
2011	94,578	59,000	35,578	100%	11,183,227	1,680,000	1,875,032	315%
2010	135,675	55,000	80,675	100%	10,411,345	1,630,000	1,948,808	291%
2009	293,516	167,000	126,516	100%	10,161,709	575,000	635,632	839%
2008	350,713	212,000	138,713	100%	11,484,426	565,000	770,318	860%

DAVIS COUNTY

STATISTICAL SCHEDULE 14 DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population</u>	<u>Births</u>	<u>Deaths</u>	<u>Personal Income</u>	<u>Per Capita Personal Income*</u>	<u>Unemployment Rate</u>	<u>Total Public School Enrollment</u>
2017	347,637	5,473	1,826	n/a	n/a	3.1%	71,908
2016	342,281	5,687	1,762	14,149,554,259	41,339	3.3%	71,021
2015	336,043	5,870	1,710	13,441,720,000	40,000	3.3%	69,879
2014	329,692	5,772	1,684	12,782,158,840	38,770	3.6%	69,139
2013	322,094	5,720	1,612	12,359,390,968	38,372	4.2%	68,571
2012	315,809	5,844	1,544	11,724,093,316	37,124	5.0%	68,342
2011	312,603	5,704	1,514	10,864,517,265	34,755	6.2%	71,232
2010	306,479	5,799	1,329	10,364,200,343	33,817	7.3%	66,019
2009	307,656	6,069	1,339	10,184,644,224	33,104	7.0%	65,452
2008	301,915	6,203	1,359	10,048,636,945	33,283	3.2%	65,014

Source: Utah Department of Workforce Services, Utah Population Estimates Committee, Davis County School District, Davis County Vital Statistics, Bureau of Economic Analysis, Census.gov.

* Note: 2017 per capita personal income, and personal income information was not available at the time this was released.

DAVIS COUNTY

STATISTICAL SCHEDULE 15 PRINCIPAL EMPLOYERS PRIOR YEAR AND NINE YEARS AGO

Employer	2016			2008		
	Employees	Rank	Percentage of Total County Employment 159,781	Employees	Rank	Percentage of Total County Employment 136,426
Hill Air Force Base	10,000 - 14,999	1	9.4%	10,000 - 14,999	1	11.0%
Davis County School District	7,000 - 9,999	2	6.3%	7,000 - 9,999	2	7.3%
Kroger Group Cooperative	1,000 - 1,999	3	1.3%	1,000 - 1,999	5	1.5%
Lifetime Products	1,000 - 1,999	4	1.3%	1,000 - 1,999	4	1.5%
Walmart	1,000 - 1,999	5	1.3%	1,000 - 1,999	6	1.5%
Lagoon Inc	1,000 - 1,999	6	1.3%	1,000 - 1,999	3	1.5%
Utility Trailer & Manufacturing	1,000 - 1,999	7	1.3%	n/a - n/a	n/a	0.0%
ATK Space Systems / Alliant	1,000 - 1,999	8	1.3%	n/a - n/a	n/a	0.0%
Davis County	500 - 999	9	0.6%	1,000 - 1,999	7	1.5%
Alliant	500 - 999	10	0.6%	n/a - n/a	n/a	0.0%
Davis Hospital and Medical Center	500 - 999	11	0.6%	500 - 999	10	0.7%
Albertson's	n/a - n/a	n/a	0.0%	500 - 999	8	0.7%
Citicorp Credit Services	n/a - n/a	n/a	0.0%	500 - 999	9	0.7%
Lakeview Hospital	n/a - n/a	n/a	0.0%	500 - 999	11	0.7%
Totals	<u>24,500 - 39,989</u>		<u>25.3%</u>	<u>24,000 - 38,989</u>		<u>28.6%</u>

Source: Utah Department of Workforce Services

Note: 2017 data was not available at the time this report was issued. Number of employees is based upon an annual average.

Note: Smith's Food and Drug / Distribution Center changed to Kroger Group Cooperative

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,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Commission	5	5	5	5	5	5	5	5	5	5
Justice Court	8	8	9	11	9	10	11	10	8	9
Human Resources	11	9	10	10	10	10	7	7	7	8
Info Systems	35	33	33	33	32	31	30	30	29	29
Clerk/Auditor	27	30	27	23	24	26	24	24	23	24
Treasurer	4	4	4	4	4	4	4	4	4	4
Recorder	16	16	17	17	18	18	18	18	17	19
Attorney	46	45	45	44	43	43	40	38	39	41
Assessor	35	35	37	38	38	38	37	38	39	36
Surveyor	6	6	6	6	6	6	6	6	6	6
Tax Administration	n/a	n/a	n/a	4	4	5	5	4	5	n/a
Senior Services	33	32	30	30	27	29	31	32	32	33
Weatherization	n/a	n/a	2	11	13	17	19	16	12	9
Public Safety										
Sheriff's Officers	130	131	133	135	134	133	128	131	130	130
Correction's Officers	181	179	177	183	177	184	185	186	186	183
Animal Care and Control	24	24	27	26	27	27	27	27	26	24
911-Emergency	19	21	20	21	22	21	22	22	21	21
Health/Nursing										
WIC Program	11	10	10	10	11	13	13	13	13	8
Epidimiology	9	8	8	8	7	8	8	7	6	6
Administration	15	15	10	10	10	8	9	9	8	8
Air Quality	n/a	n/a	2	3	3	24	28	29	29	29
Environmental	18	18	17	18	17	16	16	15	16	16
Nursing	15	17	16	14	12	14	12	12	12	29
Promotion	9	8	8	7	6	5	4	5	5	5
Public Health Performance	n/a	n/a	4	4	3	4	4	4	4	4
Redevelopment										
Community and Economic Development	9	8	4	4	4	4	4	4	4	4
Planning	n/a	n/a	5	5	5	5	5	4	4	4
Parks and recreation										
Valley View Golf Course	15	15	15	15	14	16	17	18	25	24
Davis Park Golf Course	13	13	13	13	14	13	13	15	21	20
Events Center	10	9	10	10	9	9	11	14	14	13
Library	84	84	84	85	85	84	84	84	94	89
Public Works	26	27	27	28	27	28	29	29	29	28
Facilities Management	18	17	29	28	30	29	29	28	29	26
Total	832	827	844	863	850	887	885	888	902	894

Source: Davis County Personnel Department

Beginning in 2010 total employees in each department is calculated by actual hours worked by department divided by 2080 hours (full time equivalent), instead of part-time equivalent ratio's. The number is then rounded to nearest whole number.

Beginning in 2015 Tax Administration is part of the Clerk/Auditor Department.

Beginning in 2016 Planning combined with Community and Economic Development.

Beginning in 2016 Public Health Performance combined with Health Admin.

beginning in 2016 Air Quality combined with Environmental Health.

Beginning in 2016 Facilities Management began contracting for janitorial services.

DAVIS COUNTY

**STATISTICAL SCHEDULE 17
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008
General Government										
Clerk/Auditor										
Veteran Abatements	7,412	7,630	6,655	9,588	5,665	5,454	5,165	4,684	4,310	3,929
Circuit Breaker Abatements	852	857	885	927	931	964	949	960	985	957
Blind Abatements	113	115	131	128	122	123	147	157	149	153
Indigent Abatements	35	145	161	161	169	163	174	172	140	141
Treasurer										
Number of Tax Notices Sent	102,342	101,340	100,481	99,643	98,448	97,436	97,202	96,956	96,307	95,221
Recorder										
Number of Recordings	74,987	78,142	71,735	57,612	72,679	75,848	58,756	73,504	89,770	82,145
Sheriff										
Traffic Citations	3,177	4,513	3,542	3,259	3,960	5,129	5,637	6,010	6,896	5,779
DUIs	119	141	102	131	144	175	158	221	239	352
Arrests	1,161	1,350	1,016	953	1,035	1,471	1,363	1,346	1,588	1,580
E-911 phone calls	145,703	186,406	189,890	181,303	192,705	139,699	138,802	124,502	133,733	141,086
Average number of inmates	717	666	696	698	689	727	755	642	726	730
Senior Services										
Total Meals Delivered	115,893	123,547	123,429	121,719	137,254	141,980	145,903	157,974	154,250	152,042
Health/Nursing										
Client Count	8,764	8,073	10,814	12,587	11,164	11,890	9,613	11,495	17,645	17,130
Number of Immunizations	12,669	12,157	16,751	17,302	20,199	16,456	15,628	15,303	18,517	16,433
Weatherization										
Homes Serviced	n/a	n/a	29	114	131	162	214	230	153	108
Library										
Items Loaned	2,702,161	2,769,721	2,750,531	2,779,102	2,805,128	2,807,144	2,817,866	2,843,728	2,753,295	2,537,384
Materials Held	730,485	816,407	751,754	744,984	728,954	714,722	716,289	690,803	675,184	653,349
Registered Users	167,353	169,638	173,783	176,144	183,179	168,062	171,254	185,051	187,639	169,981
Golf Course										
Rounds	133,500	145,457	153,088	156,058	150,556	158,395	143,542	150,487	151,217	150,146

Source: Davis County Departments

DAVIS COUNTY

**STATISTICAL SCHEDULE 18
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008
General										
Buildings	4	4	4	4	4	4	3	3	3	3
Total Square Footage	157,585	157,585	157,585	157,585	157,585	157,585	59,560	59,560	59,560	59,560
Vehicles	33	33	24	26	26	25	30	33	34	31
Golf Courses										
Acres	280	280	280	280	280	280	280	280	280	280
Number of Buildings	5	5	5	5	5	5	5	5	5	5
Total Square Footage	27,072	27,072	27,072	27,072	27,072	27,072	27,072	27,072	27,072	24,104
Vehicles	6	7	7	7	7	7	6	7	7	7
Events Centers										
Number of Buildings	12	12	12	12	12	12	11	11	11	11
Total Square Footage	147,209	147,209	147,209	147,209	147,209	147,209	142,982	142,982	142,982	142,982
Vehicles	4	4	5	5	5	5	5	6		
Public Libraries										
Number of Library Buildings	7	7	7	7	7	7	6	6	6	6
Total Square Footage	119,283	119,283	119,283	110,704	110,704	110,704	96,203	96,203	96,203	96,203
Vehicles	1	1	1	1	1	1	1	2	2	2
Conference Center (Sq. Ft.)	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000
Health/Nursing										
Number of Buildings	5	5	5	5	5	5	5	6	5	5
Total Square Footage	85,520	85,520	85,520	85,520	85,520	85,520	85,520	123,216	56,663	56,663
Vehicles	10	10	23	23	23	22	22	1	1	1
Sheriff/Corrections										
Number of Buildings	4	4	4	4	4	4	4	3	3	3
Total Square Footage	325,472	325,472	325,472	325,472	325,472	325,472	325,472	259,074	259,074	259,074
Sheriff Vehicles	95	95	93	93	93	93	92	124	121	122
Animal Control										
Animal Control Square Footage	12,577	12,577	12,577	12,577	12,577	12,577	12,577	14,033	14,033	14,033
Animal Control Vehicles	14	14	17	17	18	18	18	20	20	20
Floods										
Number of Channels	24	24	24	24	24	24	24	24	24	24
Miles of Stream Channels	198	198	198	198	198	198	198	198	198	198
Miles of Stream Bank	400	400	400	400	400	400	400	400	400	400
Senior Services										
Number of Senior Centers	3	3	3	3	3	3	3	2	2	2
Total Square Footage	36,511	36,511	36,511	36,511	36,511	36,511	36,511	50,732	50,732	50,732
Vehicles	21	22	25	25	25	25	25	37	36	32
Public Works										
Number of Buildings	6	6	6	6	6	6	6	6	6	6
Total Square Footage	32,052	32,052	32,052	32,052	32,052	32,052	32,052	32,052	32,052	32,052
Vehicles	29	29	30	30	30	30	30	46	47	45

Source: Various Departments of Davis County

Trailers and ATVs were not counted in the vehicle totals starting in 2011



IV. Single Audit Section



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

The Honorable County Commission
Davis County, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Davis County, Utah, as of and for the year ended December 31, 2017, which collectively comprise Davis County, Utah's basic financial statements and have issued our report thereon dated June 21, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Davis County, Utah'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*.

Purpose of this Report

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

Ulrich & Associates, P.C.

Ogden, UT
June 21, 2018

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable County Commission
Davis County, Utah

Report on Compliance for Each Major Federal Program

We have audited Davis County, Utah's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Davis County, Utah's major federal programs for the year ended December 31, 2017. Davis County, Utah's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Davis County, Utah's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance 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, Utah'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 on compliance for each major federal program. However, our audit does not provide a legal determination of Davis County, Utah's compliance.

Opinion on Each Major Federal Program

In our opinion, Davis County, Utah, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of Davis County, Utah is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered Davis County, Utah's, internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, 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, Utah's internal control over compliance.

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

Our consideration of 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. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Ulrich & Associates, P.C.

Ogden, Utah
June 21, 2018

DAVIS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Summary of Auditors' Results

Financial Statements:

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

-Material weaknesses identified Yes No

-Significant deficiencies identified that are not considered to be Material weaknesses? Yes No

Federal Awards:

Internal control over major programs:

-Material weaknesses identified Yes No

-Significant deficiencies identified that are not considered to be Material weaknesses? Yes No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Yes No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance.
93.958	Block Grants for Community Mental Health Services

The dollar threshold for distinguishing Types A and B programs was \$750,000.

Auditee qualified as low-risk auditee Yes No

Findings - Financial Statement Audit

None

Findings and Questioned Costs - Major Federal Award Programs Audit

None

Findings - Financial Statements

None



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DAVIS COUNTY

**SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

(Page 1 of 2)

Federal Grantor Agency Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	2017 Expenditures (Modified Accrual Basis)	2017 Expenditures to Subrecipients
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	2,701,716	
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	10.557	152700151	956,242	
Total U.S. Department of Agriculture			<u>\$ 3,657,958</u>	<u>\$ -</u>
U.S. Department of Health and Human Services				
Food and Drug Administration Research	93.103	G-SP-1611-03645 G-T-1611-04264	5,403	
Passed through Utah State Department of Health:				
Public Health Emergency Preparedness	93.069	162701088, 162700155	291,177	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	152700345	5,583	
Injury Prevention and Control Research and State and Community Based Programs	93.136	172700023	99,862	
Immunization Cooperative Agreements	93.268	162700610, 172700645	250,141	
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	162700994, 172700205	20,822	
National State Based Tobacco Control Programs	93.305	162700056	36,789	
Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	93.521	15-1072, 152700200 162700400, 172700303	56,191	
Temporary Assistance for Needy Families	93.558	162700083	125,540	
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757	162700158	53,772	
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	162700158, 162700330 162701014, 172700849	113,959	
Medical Assistance Program	93.778	16-0605, 162700988	53,024	
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations & Evaluations	93.779	16-0104	26,521	
Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.815	162700873	882	
Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	162700083	213,959	
National Bioterrorism Hospital Preparedness Program	93.889	162700155, 162701088	6,951	
HIV Prevention Activities Health Department Based	93.940	152700287	7,000	
Assistance Programs for Chronic Disease Prevention and Control	93.945	162700553, 162700158	13,530	
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.977	152700276	21,455	
Maternal and Child Health Services Block Grant to the States	93.994	162700355, 162701014 172700849	119,249	
Passed through Utah State Department of Human Services:				
Special Programs for the Aging Title VII, Chapter 2 Long Term Card Ombudsman Services for Older Individuals	93.042	16-0104	9,797	
Special Programs for the Aging Title III, Part D, Disease Prevention and Health Promotion Services	93.043	16-0104	11,362	
Special Programs for the Aging Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	16-0104	240,333	
Special Programs for the Aging Title III, Part C, Nutrition Services	93.045	16-0104	201,457	
Special Programs for the Aging Title IV and Title II Discretionary Projects	93.048	16-0104	26,058	
National Family Caregiver Support, Title III, Part E	93.052	16-0104	185,236	
Nutrition Services Incentive Program	93.053	16-0104	86,136	
Medicare Enrollment Assistance Program	93.071	16-0104	5,179	
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	16-1500	8,000	8,000
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	16-0353, 16-0072, 15-1554, 17-1563, A02494	629,191	629,191
Passed through Utah State Department of Human Services (continued):				
Social Services Block Grant	93.667	13-0374, 16-0104, 17-2227	232,806	
Opioid STR (State Targeted Response to the Opioid Crisis Grants)	93.788	16-0072	59,691	131,784
Block Grants for Community Mental Health Services	93.958	14-0206, 16-0073, 16-1648	472,692	472,692
Block Grants for Prevention and Treatment of Substance Abuse	93.959	15-1876, 16-0072	1,370,893	1,370,893
Assisted Outpatient Treatment	93.997	17-1734	361,055	361,055
Passed through National Association of City and County Officials				
Medical Reserve Corps Small Grant Program	93.008		13,000	
Total U.S. Department of Health and Human Services			<u>\$ 5,434,696</u>	<u>\$ 3,033,306</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, 2017**

(Page 2 of 2)

Federal Grantor Agency Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	2017 Expenditures (Modified Accrual Basis)	2017 Expenditures to Subrecipients
Department of Homeland Security				
Passed through Utah State Department of Public Safety:				
Emergency Management Performance Grants	97.042	EMD-2017-EP-00007-S01	65,800	
Homeland Security Grant Program	97.067	DAVS-15HSGP	21,031	
Total Department of Homeland Security			<u>\$ 86,831</u>	<u>\$ -</u>
U.S. Department of Housing and Urban Development				
Community Development Block Grants/Entitlement Grant	14.218		376,839	376,839
Total Department of Housing and Urban Development			<u>\$ 376,839</u>	<u>\$ 376,839</u>
U.S. Department of Justice				
Equitable Sharing Program	16.922	31E-SU-A2857414, ICA	10,579	
Passed through Layton City Government				
Equitable Sharing Program		I.C.A.	34,279	
Passed through Utah State Office for Victims of Crime:				
Crime Victim Assistance	16.575	16VOCA18, 15V17019 16VOCA19, 15V17020	121,489	
Passed through Utah Department of Human Services				
Drug Court Discretionary Grant Program	16.585	14-2075	56,439	
Passed through National Children's Alliance				
Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers	16.758	2-FARM-UT-SA17	7,000	
Passed through Utah Attorney Generals Office				
Internet Crimes against Children Task Force Program	16.800	MOU	28,261	
Passed through Layton City Government				
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to Units of Local Government	16.804	2016-H3400-UT-DJ	2,300	
Total U.S. Department of Justice			<u>\$ 260,347</u>	<u>\$ -</u>
U.S. Department of Transportation				
Passed through Utah Department of Transportation				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	15-1544, 17-2147 JH	79,441	
Passed through Utah Department of Public Safety				
National Priority Safety Programs	20.616	AR-OT-2017-UTAH, MOI	11,472	
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	DAV-17HMEP	1,420	
Total U.S. Department of Transportation			<u>\$ 92,333</u>	<u>\$ -</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u><u>\$ 9,909,004</u></u>	<u><u>\$ 3,410,145</u></u>

See notes to supplementary schedule of Federal financial assistance.

DAVIS COUNTY
NOTES TO SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. ***Basis of Presentation*** - The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Davis County under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Davis County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Davis County.
2. ***Summary of Significant Accounting Policies*** –
 - a. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.
 - b. Davis County has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.
 - c. Pass-through entity identifying numbers are presented where available.
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.