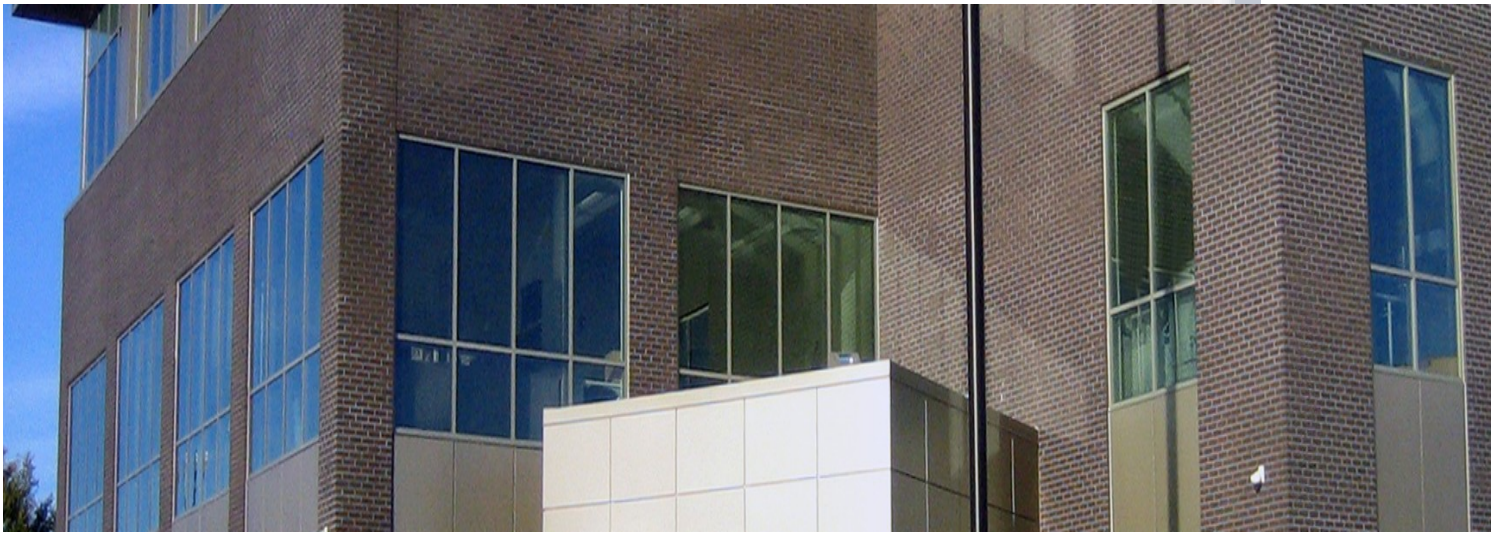
2010

DAVIS COUNTY, UTAH

Comprehensive Annual Financial Report



For the Fiscal Year Ended December 31, 2010

THE NEW COUNTY HEALTH DEPARTMENT BUILDING, CLEARFIELD, UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF

DAVIS COUNTY, UTAH

For the Fiscal Year Ended December 31, 2010

Prepared by:

Davis County Clerk / Auditor's Office

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DAVIS COUNTY, UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2010

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Davis County

COUNTY CLERK/AUDITOR
Steve S. Rawlings, CGFM

June 14, 2011

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

This letter introduces the Comprehensive Annual Financial Report (CAFR) of Davis County (the County) for the fiscal year ended December 31, 2010. The County's CAFR is prepared by the County Clerk/Auditor's Office.

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

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

In compliance with state laws, an annual financial audit of the County is completed each year by independent certified public accountants. The firm of Crane, Christensen & Ambrose P.C., has issued an unqualified ("clean") opinion for the County's financial statements for the year ended December 31, 2010. 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.

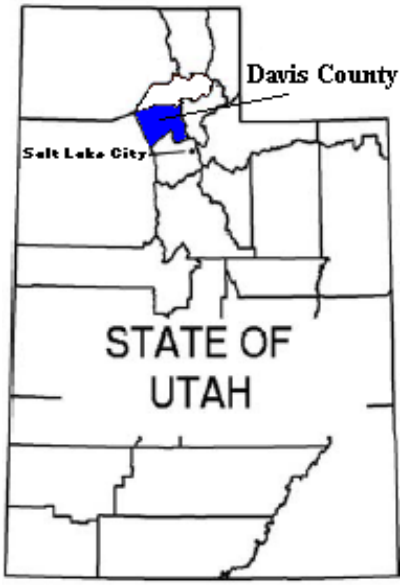
Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

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 U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Government and Non-Profit Organizations*. Information related to the Single Audit, including the schedule of expenditures of federal awards, audit findings and recommendations, summary of prior audit findings, and the auditor's report, are contained in Section IV, Single Audit, beginning on page 143.

PROFILE OF THE COUNTY

For those who may be unfamiliar with the County, we offer a brief introduction. Davis County is Utah's smallest county in land area. It is a narrow strip of land containing only 223 square miles. It is the third largest county in population. An estimated 306,479 residents live in the County's fifteen communities. Frequented by Shoshone Indians during historic times, the area was among the first settled by members of The Church of Jesus Christ of Latter-day Saints who arrived in the Great Salt Lake Valley in 1847. The lush lake-bottom pastures, fertile soils of the bench lands, and streams flowing out of the high Wasatch

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



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

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

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

Diversification brought rapid post-war growth. The County doubled in population between 1940 and 1950, and doubled again in the next decade. Between 1960 and 1980, the population more than doubled again, from 65,000 to 147,000. By 1990 the population had reached 188,000 and the 2000 census recorded 238,994. Being the fastest growing of the four major urban communities along the Wasatch Front, Davis County is projected to build out with a population near 390,000 by the year 2030.

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

Today, many nationally known commercial, industrial, recreational, and service companies provide diversified employment opportunities for residents of Northern Utah. The Freeport Center is the largest distribution center in the State of Utah with more than seven million square feet of covered storage and five million square feet of open storage occupied by more than 70 renowned companies employing some 7,000 employees.

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

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

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

The seven other elected officials, as shown on the organization chart located on page 13; all serve four-year terms and are eligible for re-election in the same county-wide elections as the Commissioners. Chief Deputies serving each of the other elected officials are also exempt (appointed) non-merit employees.

Elected Officials and Administrative Officers are responsible for the daily management of the various services and programs provided by the County. The Clerk/Auditor serves as the chief financial and budget officer of the County and administers 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 work together to insure compliance with the Utah Fiscal Procedures Act.

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

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

ECONOMIC CONDITION AND OUTLOOK

BUSINESS AND INDUSTRY

In 2010, Davis County's average seasonally adjusted unemployment rate was 6.7 percent, compared to the prior year's rate of 5.6 percent for 2009. This is lower than the State rate of 7.3 percent and favorable to the National rate of 9.6 percent. The County and the State continue to have one of the better labor and business climates in the western United States. The work force is young and well educated and, overall, wages are competitive. Employment in Davis County is distributed among many industries. The County is unique, primarily because of its proportion of total jobs made up by the government. One of Utah's largest employers, Hill Air Force Base, is located within the County. This skews the County's class of workers classification with 32 percent of all non-farm jobs being in the government sector, and Hill AFB as the dominant employer employs nearly one-half of all government workers in the County (along with state and local government, mainly schools). This is an increase of 2.5 percent over 2009.

Other larger industry sectors saw gains over 2009, they include retail and wholesale trade (19.4 percent), education and health (14.2 percent), and manufacturing (11.7 percent). The unemployment rate has stabilized but there is no sign of it going down. The majority of companies have downsized or reduced costs to weather the economic storm. Businesses are now looking to position themselves when the economy turns around.

Interest rates continue to stay low while the economy remains slow. Mortgage rates dropped to all time lows of 4.0-4.5 percent. This is primarily due to the Federal Reserve keeping rates low. Total permit-authorized construction increased by 5 percent. Permit-authorized construction in the state remained flat for 2010 compared to 2009. The average number of construction jobs decreased 7.4 percent but permit and construction valuations are up 41 percent. This shows that construction companies have downsized and are doing more with fewer employees. Manufacturing jobs in the County increased a half percent in 2010. The value of overall residential permits authorized for construction in the County grew 17.7 percent in 2010 compared to 2009 figures. We see this largely due to the government incentives that were in place for new home buyers during the first 6 months of 2010. The total value of Non Residential building permits grew 133 percent in 2010. This number is misleading in the fact that Clearfield completed the Center Point Theaters complex which accounts for 50 percent of the growth valuation.

There was a 1.3 percent decrease in the number of homes sold as compared to 2009 and the median prices slipped by $8,000. There is still a large disparity between asking prices and sold prices but they are getting closer. The healthiest sales were in the first two quarters of 2010 due to the federal tax incentive for new home buyers; with that expiring the last two quarters saw a significant drop.

Overall business and construction have seen profits increase but that has been due to cutting overhead costs and doing more with less. Once the businesses feel consumer confidence is up they will look to expand and hire new employees.

The major employers in Davis County are:

BUSINESS	EMPLOYEES
Hill Air Force Base	10,000-14,999
Davis County School District	7,000-9,999
Davis County	1,000-1,999
Lagoon Corporation Inc	1,000-1,999
Lifetime Products Inc	1,000-1,999
Smith's Marketplace Dist.	1,000-1,999
Wal-Mart	1,000-1,999
ATK Space Systems	500-999
Davis Hospital and Medical Center	500-999
Lakeview Hospital	500-999
Lofthouse Bakery Products	500-999
Management & Training Corp	500-999
South Davis Community Hospital Inc	500-999
State of Utah	500-999
Utilitiy Trailer Manufacturing Co.	500-999
Access RV	250-499
Alliant	250-499

TRANSPORTATION AND ACCESSIBILITY

Davis County has superb highway accessibility. Interstate 15 runs north and south through the County, providing easy access to Interstate 80 and other major highways throughout the state. With the completion of Legacy Highway Davis county has seen a reduction in traffic congestion and flow patterns on the West side. All major western cities are within two day's haul away by commercial carrier, while some are only one day.

The Salt Lake International Airport is readily accessible to all of Davis County. The airport is anchored by Delta Airlines and Southwest Airlines and has a total of 8 airlines operating over 748 scheduled daily departures. Almost 21 million passengers traveled through the airport in 2010 making it the 25th busiest airport in North America and 62nd in the world. Several air cargo/express mail services have daily flights in and out of Salt Lake International Airport. They also now provide non-stop service to Paris and Tokyo.

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

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

Rail services in Utah are provided by Southern Pacific and Union Pacific as well as Amtrak. Second-morning freight service is offered to 90 percent of the western market, and all west coast cities can be served directly by rail from Utah without backtracking. Salt Lake is one of only a couple of areas that have an active intermodal facility. Amtrack provides daily passenger service both east and west. Interstate bus service is provided by Greyhound while the Utah Transit Authority (UTA) provides daily mass transit service in the County and along the Wasatch Front. UTA provides a commuter rail through Davis County with four rail stops within the County.

MAJOR INITIATIVES AND OTHER ACCOMPLISHMENTS

TEAM MANAGEMENT

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

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

PUBLIC WORKS FLOOD BONDS

In 2010, the County continued to repair and upgrade various flood channels and drainage systems within the County using the $27 million of Sales Tax Revenue Bonds issued in 2009. In 2010, the County Public Works department has worked on several projects enhancing and enlarging stream channels in Holmes Creek, Kay's Creek, Farmington Creek, Parrish Creek, and Mill Creek. In addition, the department worked on several drainage systems in Bountiful City, Centerville City, Clinton City, North Salt Lake, West Bountiful City, and West Point City. Over the next couple of years, it is the department's plans to use remaining bond funds to complete repairs on the other remaining flood channels and projects which the department has identified and prioritized. These improvements will upgrade storm drainage infrastructure to carry heavy runoff and preclude flooding. Some work will be by in-house Public Works crews, but some of the larger projects will be designed and constructed via contracts to engineering firms and construction companies—many in Davis County.

COMPLETION OF THE HEALTH DEPARTMENT BUILDING

The new Davis County Health Department Building was substantially completed in December 2010. The 48,600 square foot, three story building sits on a four acre site located at 22 South State Street in Clearfield, Utah. It was built to accommodate the increased health service needs of the growing county. This will give the administrative offices and various divisions of the Davis County Health Department an updated and efficient space that is needed. These divisions include WIC, Nursing, Environmental Health, Vital Statistics, and CD/EPI. The new Health Department Building will also house the independently operated Midtown (Hometown) Clinic which includes medical and dental suites. CRSA Architects are the designers and Wadman Corporation is the general contractor. The total cost of the building was $7.2 million dollars and was financed mainly by County capital project monies.

SENIOR SERVICES BUILDING - CLEARFIELD

In 2010 the Davis County Senior Services Division began construction of a new Senior Center in Clearfield, Utah. The location of this new center, which is expected to be completed in mid-2011, will be located adjacent to the new Health Department building in Clearfield, Utah on the four acre site. The North Davis Senior Activity Center is a 14,500 square foot building and was built as a replacement for the leased Heritage Senior Center facility in Clearfield. This new facility is designed to better serve the growing needs of seniors in the County. Included in the new facility will be a large dining area with a stage, full service kitchen, lapidary room, pottery room, craft rooms, travel clinic, nurse and hygiene rooms, exercise rooms, multipurpose rooms, a computer lab and staff offices. CRSA Architects is the designer and Miller General Contractors is the general contractor. The total cost of the building is projected to be around $3 million dollars when completed and will be financed by County capital project monies.

MAIN CAMPUS CONSTRUCTION PROJECT – FARMINGTON

In 2010, after many years of planning, favorable financing conditions enabled the Municipal Building Authority of Davis County to issued $19.6 million of Lease Revenue Bonds to finance the construction of three buildings on the main County Campus in Farmington, Utah. The project consists of a new Administration Building, a new Children's Justice Center, and a new Headquarters Library which will all be located adjacent to the Davis County Memorial Courthouse. The $19.6 million in bonds are Recovery Zone Bonds, an extension of the American Recovery and Reinvestment Act of 2009, and will qualify for a 45% IRS subsidy payment back to the Municipal Building Authority of the County.

The main campus project will be built in three phases. First is the Children's Justice Center with 6,400 square feet and a 3,400 square foot unfinished basement will be built on the southeast section of the campus property, the former location of the Health Department's Annex Building which was demolished in February 2011. While the Children's Justice Center is being constructed work will start on the 77,000 square foot three story Administration Building. After completion of the new Children's Justice Center, the current Children's Justice Center will be demolished to provide room for the new 18,000 square foot, one story, Headquarters Library which will be connected to the new Administration building. The current Headquarters Library, constructed in 1964 will then be demolished to make room for additional parking.

The campus project is projected to be completed by October 2012. Upon completion, the Municipal Building Authority will lease the facilities to Davis County. Blalock and Partners is the architectural firm selected to design the three buildings and Wadman Corporation is the general contractor.

ECONOMIC DEVELOPMENT – JANICKI INDUSTRIES & ATK

In 2010, Janicki Industries, using Davis County's bond ratings, obtained $9.4 million of conduit debt financing to build and occupy a 100,000 square foot building in the East Gate Business Park, East of Hill Air Force Base. The purpose of the building is to fulfill a contract for ATK to provide mill work on the J-35 Joint Strike Fighter. This partnership between Janicki and ATK has proven to be a huge win for both industry and government, in getting and fulfilling contracts and will further enhance the attractiveness of Hill Air Force Base. Janicki has also been awarded part of the ATK commercial airline contract which will require expansion in the facility and more employees.

CORRIDOR PRESERVATION

The Corridor Preservation Fund has been a successful way for Davis County to pay for the future right of way of the West Davis Corridor. Corridor preservation is funded through a motor vehicle tax of $10 placed on all vehicle registrations. For the first two years of the fund's existence, the State would match purchases at 50%. However, we are no longer in the matching cycle. To date the County has spent over $8 million and secured nearly 100 acres of corridor. The fund will continue to be used to purchase the future West Davis Corridor, popularly known as the North Legacy Highway, until a majority of the property is under State ownership.

Currently, the Utah Department of Transportation (UDOT) is in the process of completing an Environmental Impact Statement on the West Davis Corridor. Davis County is waiting for a Record of Decision (ROD) from Federal Highways before anymore property acquisition will take place. We expect the ROD sometime in 2013, and will resume actively acquiring road right-of-way at that time.

FINANCIAL INFORMATION

FINANCIAL REPORTING AND ACCOUNTING STANDARDS

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

THE REPORTING ENTITY

This CAFR includes all funds of the County as follows:

DESCRIPTION	FUND TYPE
General Fund	General Government
Paramedic Fund	Special Revenue
Health Fund	Special Revenue
Tourism Fund	Special Revenue
Library Fund	Special Revenue
Flood Control Fund	Special Revenue
Aging Services Fund	Special Revenue
Emergency 911 Dispatch Fund	Special Revenue
Municipal Building Authority Fund	Special Revenue
Special Service Area Fund	Special Revenue
General Obligation Debt Bond Fund	Debt Service
Sales Tax Revenue Bonds Fund	Debt Service
Municipal Building Authority Bond Fund	Debt Service
Campus Construction Fund	Capital Projects
Special Capital Projects Fund	Capital Projects
Capital Projects Fund	Capital Projects
Golf Courses Fund	Enterprise
Jail Commissary Fund	Enterprise
Insurance Fund	Internal Service
Telephone Fund	Internal Service
Buildings and Grounds Fund	Internal Service
County Agency Fund	Agency
Treasurer’s Tax Collection Fund	Agency
Employee Benefits Fund	Agency

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

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

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

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

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

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

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

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the *Certificate of Achievement for Excellence in Financial Reporting* to Davis County for its Comprehensive Annual Financial Report for the calendar year ended December 31, 2009. This is the seventeenth year in a row that Davis County has received this award.

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

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

CONCLUSION

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

Sincerely,

Steve S. Rawlings

Steve S. Rawlings, CGFM
Clerk/Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Davis County Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

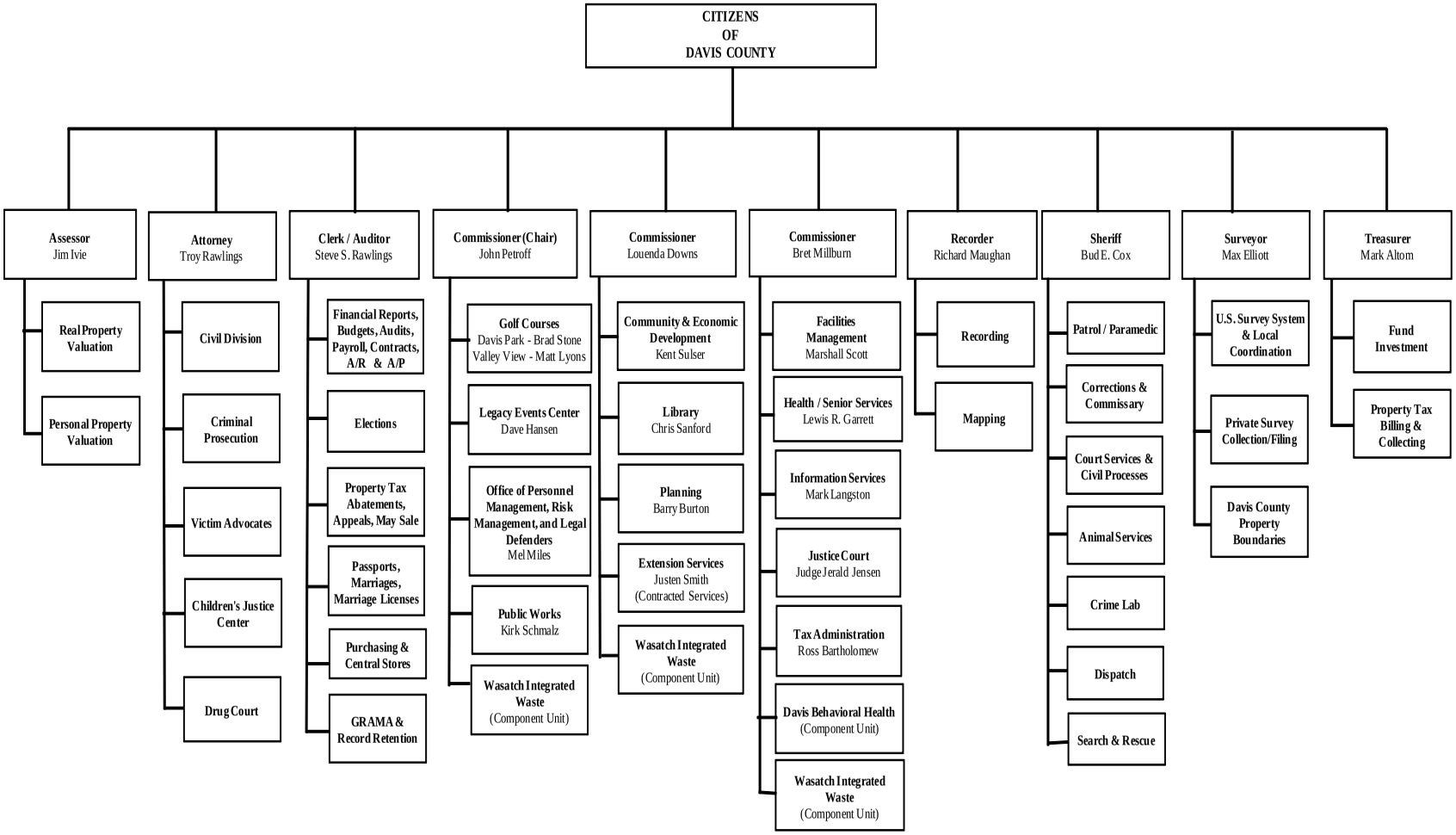
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement - systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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

President

Executive Director

DAVIS COUNTY ORGANIZATION CHART

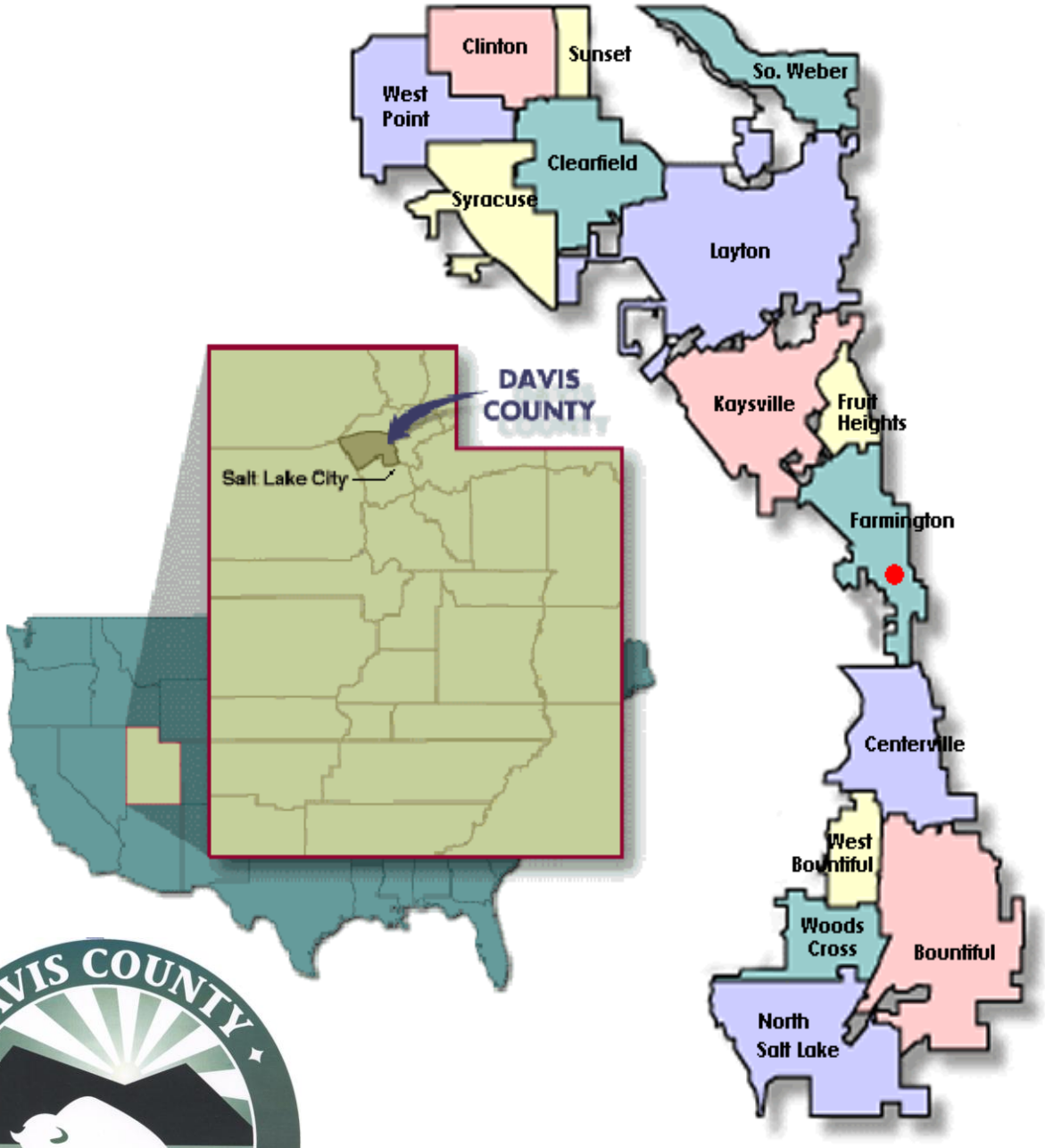
For the Fiscal Year Ended December 31, 2010



www.daviscountyutah.gov

II.

FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

The Board of County Commissioners
Davis County, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Davis County (the County), as of and for the year ended December 31, 2010, which collectively comprises the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Davis Behavioral Health which is shown as a discretely presented component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Davis Behavioral Health, is based solely on the reports of such other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2011 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 20 through 27 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 management's discussion and analysis 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 that information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, budgetary comparison information, combining and individual nonmajor fund financial statements , other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The budgetary comparison information, combining and individual nonmajor fund financial statements, and other schedules on pages 73 through 113 and the schedule of expenditures of federal awards on pages 150 through 152 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. That information has been subjected to the auditing procedures applied in the audit of the 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 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.

Crane, Christensen & Ambrose P.C.

May 27, 2011

INTRODUCTION

The following is a discussion and analysis of Davis County's financial performance and activities for the year ended December 31, 2010. 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

- The County's total net assets increased by approximately $3 million or about 2.5 percent over the prior year. The increase is primarily attributable to the general effect of government-wide revenues exceeding expenses.

Fund Level

- Fund balances in the County's governmental funds increased by $8.8 million, or 12.9 percent from the prior year to a total of $76.7 million. This increase in fund balance was primarily due to the issuance of $19.6 million of Municipal Building Authority (MBA) Lease Revenue Recovery Zone bonds to be used to construct a new Administration Building, a new Children's Justice Center, and a new Headquarters Library. The bond proceeds were offset by Flood Projects totaling almost $8.2 million and construction costs of the new Health and Senior Services buildings totaling around $7.3 million. The remaining difference of $4.7 million was mainly attributable to a $3.5 million increase in the General Fund.

- Property tax revenues were approximately $1.1 million (2.5 percent) higher in 2010 than the prior year, primarily due to growth of the property tax base throughout the County.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Statements – Reporting the County as a Whole

The Statement of Net Assets and the Statement of Activities beginning on page 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 and liabilities, including capital assets and long-term debt, are reported at the entity level.

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

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

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

The government-wide statements also include information about two *component units*, Davis Behavioral Health (DBH) and Wasatch Integrated Waste Management Inc. (WIWMD). A legally separate entity meets the criteria of a component unit if the County's governing body appoints a voting majority of the organization's governing body and either has the ability to impose the County's will on that organization or that organization may provide specific financial benefits or burden to the County. An organization may also be considered a component unit of the County if the organization is fiscally dependent upon the county or if its relationship is of a nature that it would be misleading to exclude it. The basic criterion to include Davis Behavioral Health's information into the financial statements is that the financial statements may be misleading if it were not included. The basic criterion to include WIWMD as a component unit is that WIWMD is fiscally dependent on the County because an action by the County Commissioners is required in order for WIWMD to levy a tax, issue bonds payable from taxes, or to call or hold an election for the authorization of such tax or bonds.

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

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

Reconciliation between Government-wide and Fund Statements

The financial statements include schedules on pages 37 and 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 result in capital assets on the government-wide statements but are expenditures on the governmental fund statements.
- Bond proceeds result in liabilities on the government-wide statements but are other financing sources on the governmental fund statements.
- Certain tax revenues that are earned but not yet available are reported as revenue on the government-wide statements but are deferred revenue on the governmental fund statements.

Notes to the Financial Statements

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Assets

The largest component of the County's net assets, $88.6 million or 71.7 percent, reflects investments in capital assets (land, buildings, equipment, construction-in-progress, roads, and other infrastructure) less all outstanding debt that was issued to buy or build those assets. As capital assets, these resources are not available for future spending, nor can they all be readily liquidated to pay off the related liabilities. Resources needed to repay capital-related debt must be provided from other sources. Although capital assets increased by nearly $12.3 million, the increase in net assets invested in capital assets, net of related debt, was only about $6.8 million. The difference was primarily the result of the amount relating to Flood Control Projects was mostly offset by related debt.

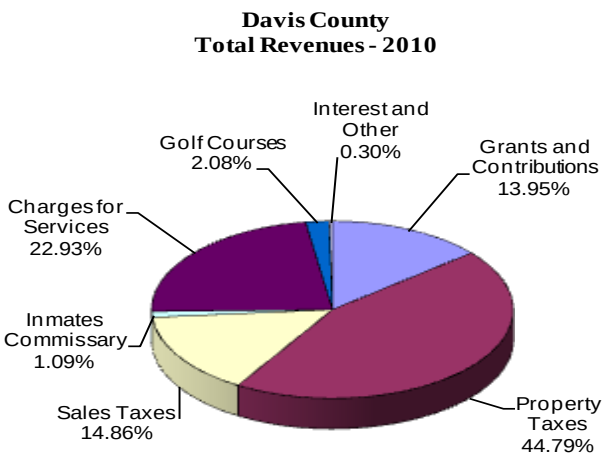
Restricted net assets comprised $27.4 million or 22.1 percent of total net assets and are subject to external restrictions on how they may be used. Capital projects accounted for almost $22.2 million of the total restrictions with $18.9 million of that being restricted specifically for the construction of new buildings on the main County campus. B-Roads accounted for $801 thousand of the restriction, while Debt Service restrictions accounted for another $4.4 million. Unrestricted net assets was approximately $9.2 million for governmental activities at December 31, 2010. Unrestricted net assets for business-type activities decreased by approximately $348 thousand during 2010.

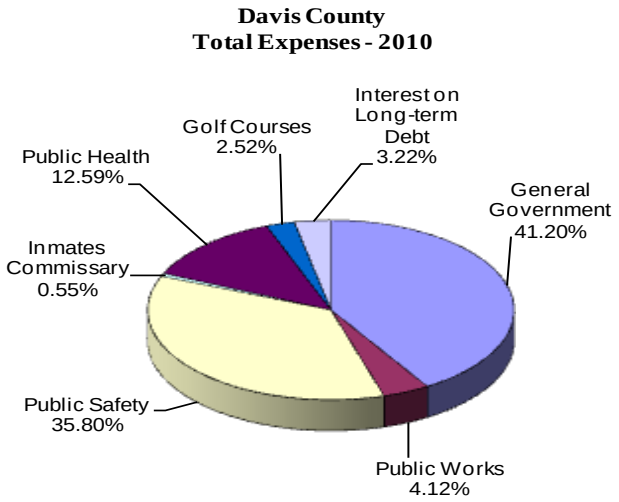
Davis County
Net Assets
December 31,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Current and Other Assets	$ 89,019,358	$ 77,585,297	$ (1,215,718)	$ (924,960)	$ 87,803,640	$ 76,660,337
Capital Assets	130,777,619	118,374,269	5,397,435	5,523,989	136,175,054	123,898,258
Total Assets	**219,796,977**	**195,959,566**	**4,181,717**	**4,599,029**	**223,978,694**	**200,558,595**
Current and Other Liabilities	5,864,640	3,625,890	129,875	117,258	5,994,515	3,743,148
Long-term Liabilities	94,081,680	75,992,195	234,200	189,151	94,315,880	76,181,346
Total Liabilities	**99,946,320**	**79,618,085**	**364,075**	**306,409**	**100,310,395**	**79,924,494**
Net Assets:						
Invested in Capital Assets						
Net of related Debt	83,234,732	76,345,031	5,397,435	5,523,989	88,632,167	81,869,020
Restricted	27,391,189	13,811,533	-	-	27,391,189	13,811,533
Unrestricted	9,224,736	26,184,917	(1,579,793)	(1,231,369)	7,644,943	24,953,548
Total Net Assets	**$ 119,850,657**	**$ 116,341,481**	**$ 3,817,642**	**$ 4,292,620**	**$ 123,668,299**	**$ 120,634,101**

Changes in Net Assets

The County's combined net assets increased by approximately $3 million or 2.5 percent from the prior year. The increase is due to the increase in Net Assets of governmental activities. Net assets of business-type activities actually decreased $475 thousand which represents an 11.1 percent decrease from its prior ending balances. Before transfers out, the County's business-type activities (the Golf Course and Jail Commissary) had an increase in net assets of $196 thousand. Transfers to the General Fund of $671 thousand were comprised of $655 thousand from the Commissary Fund and $16 thousand from the Golf Fund for administration charges. The following charts and schedules summarize the County's revenues and expenses.





Governmental Activities

Total tax showed slight increases during 2010. General sales taxes increased approximately $305 thousand (about 2.1 percent) while property taxes increased by just under $1.2 million (2.7 percent). The increase in sales tax revenues is an indication that the economy is recovering from the downturn felt over the last couple of years while the increase in property tax was due to continued development of residential and commercial real estate throughout the County. The table below shows the comparison of revenue and expenses of governmental activities and business type activities from 2010 compared to 2009.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Revenues						
General Revenues:						
Taxes	$ 58,857,146	$ 57,369,917	$ -	$ -	$ 58,857,146	$ 57,369,917
Gain on Sale of Capital Assets	-	85,582	-	-	-	85,582
Interest Revenue	292,159	348,457	5,729	6,865	297,888	355,322
Program Revenues:						
Charges for Services	22,630,315	23,099,313	3,128,919	2,964,735	25,759,234	26,064,048
Operating Grants	12,597,575	12,110,452	-	-	12,597,575	12,110,452
Capital Grants	1,164,996	1,496,789	-	-	1,164,996	1,496,789
Total Revenues	**95,542,191**	**94,510,510**	**3,134,648**	**2,971,600**	**98,676,839**	**97,482,110**
Expenses						
General Government	39,406,125	38,282,727	-	-	39,406,125	38,282,727
Public Safety	34,241,872	33,054,829	-	-	34,241,872	33,054,829
Public Health	12,037,386	12,232,929	-	-	12,037,386	12,232,929
Public Works	3,938,669	2,791,754	-	-	3,938,669	2,791,754
Interest on Long-term Debt	3,079,963	2,024,496	-	-	3,079,963	2,024,496
Golf Courses	-	-	2,409,586	2,358,484	2,409,586	2,358,484
Commissary	-	-	529,040	321,386	529,040	321,386
Total Expenses	**92,704,015**	**88,386,735**	**2,938,626**	**2,679,870**	**95,642,641**	**91,066,605**
Changes in Net Assets before Transfer	2,838,176	6,123,775	196,022	291,730	3,034,198	6,415,505
Transfer In (Out)	671,000	266,000	(671,000)	(266,000)	-	-
Changes in Net Assets	3,509,176	6,389,775	(474,978)	25,730	3,034,198	6,415,505
Net Assets - Beginning, as restated	116,341,481	109,951,706	4,292,620	4,266,890	120,634,101	114,218,596
Net Assets - Ending	**$ 119,850,657**	**$116,341,481**	**$3,817,642**	**$4,292,620**	**$ 123,668,299**	**$ 120,634,101**

The table below shows to what extent the County's governmental activities relied on taxes and other general revenues to cover all of their costs. For 2010, these programs generated $36.4 million or 39.3 percent of their total expenses through charges for services and grants. Program revenues decreased only slightly by $314 thousand or 0.9 percent under 2009 as revenue sources remained stable. Taxes and other general revenues covered the remaining 60.7 percent of expenses.

Governmental activities expense increased $4.3 million as compared to 2009, or 4.9 percent. Approximately $2.6 million of this increase is due to increases in numbers of employees and corresponding employee compensation costs. The adjustment in compensation was made in order for the County to be more comparable to other entities within the geographical area. Interest on long-term debt was almost $1.1 million higher in 2010 as compared to 2009; this increase was a result of new debt issuances.

Davis County
Net Cost of Governmental Activities
For the Year Ended December 31,

	Total Program Expenses	Less Program Revenues	Net Program Costs		Program Revenue as a Percentage of Total Expenses	
	2010	2010	2010	2009	2010	2009
Activities						
General Government	$ 39,406,125	$ (11,219,824)	$ 28,186,301	$ 27,164,460	28.5%	29.0%
Public Safety	34,241,872	(13,035,439)	21,206,433	19,990,245	38.1%	39.5%
Public Health	12,037,386	(10,650,771)	1,386,615	781,418	88.5%	93.6%
Public Works	3,938,669	(1,486,852)	2,451,817	1,719,562	37.8%	38.4%
Interest on Long-term Debt	3,079,963	-	3,079,963	2,024,496	0.0%	0.0%
Total Governmental Activities	**$ 92,704,015**	**$ (36,392,886)**	**$ 56,311,129**	**$ 51,680,181**	39.3%	41.5%

Business-type Activities
In 2010, Davis County's Golf Courses generated an operating loss of approximately $355 thousand. In addition, there was a $16 thousand transfer out to the General Fund for administrative expenses related to the golf courses. Revenues remained fairly stable as they were only down by almost $8 thousand. Expenses were slightly higher than the prior year by about $51 thousand; this increase was the result of a combination of additional depreciation, non-capital equipment purchases, and miscellaneous operational costs.

The Jail Commissary continues to generate sufficient revenues to cover its operating costs. Net income for 2010 was approximately $551 thousand, a decrease of only 6.3 percent below the previous year's net income of $588 thousand. Additionally, $655 thousand was transferred to the General Fund to help cover Jail operations. Commissary revenue increased by $172 thousand while expenses increased by $208 thousand.

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

Capital Assets
Davis County added approximately $18 million in new capital assets during 2010, of which approximately $7.8 million was related to the new Davis County Health Department Building and Senior Center. An additional $6.9 million was attributable to flood control projects. Other general capital purchases for buildings, equipment, and improvements comprised the remaining $3.3 million. Additional information can be found in Note 5 of the Notes to the Financial Statement beginning on page 58.

Long-term Debt
Total bonded debt outstanding at December 31, 2010 was $84.4 million, as compared to $67.6 million at the end of the prior year. This $16.8 million (24.9 percent) increase from 2009 is attributable to the net effect of issuing approximately $21 million (net of premiums and deferred amounts on refunding) in MBA lease revenue recovery zone and refunding bonds and the reduction in principal balances from the defeasance of $1.47 million in sales tax revenue bonds and from making required debt service payments of $2.7 million. The balance on the County's lease/purchase agreement was also reduced by $513,251 in principal payments. 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 59.

Davis County
Long-term Liabilities
December 31,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
General Obligation Bonds	$20,835,000	$21,835,000	$ -	$ -	$20,835,000	$21,835,000
Sales Tax Revenue Bonds, net of premiums and refundings	41,830,086	43,460,342	-	-	41,830,086	43,460,342
Lease Revenue Bonds, net of premiums and refundings	21,685,028	2,261,000	-	-	21,685,028	2,261,000
Lease/Purchase Agreement	981,550	1,494,801	-	-	981,550	1,494,801
Compensated Absences	3,047,315	2,981,926	121,643	115,637	3,168,958	3,097,563
OPEB	5,702,701	3,959,126	112,557	73,514	5,815,258	4,032,640
Total	$94,081,680	$75,992,195	$ 234,200	$ 189,151	$94,315,880	$76,181,346

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Fund Balances
At December 31, 2010, Davis County's governmental funds reported combined fund balances of approximately $76.7 million. Of this amount, approximately $0.8 million is reserved for B-Roads. The following chart presents the County's 2010 ending fund balances.

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

	2010			2009	% Change
	Reserved	Unreserved	Total	Total	from prior year
General Fund	$ -	$ 19,820,821	$ 19,820,821	$ 16,298,104	21.6%
Health Fund	-	1,052,435	1,052,435	1,051,102	0.1%
Library Fund	-	3,347,212	3,347,212	2,712,354	23.4%
Flood Control Fund	-	20,294,718	20,294,718	28,374,222	-28.5%
Campus Constr. Capital Project	-	18,935,660	18,935,660	407,015	4,552.3%
NonMajor Funds	800,804	12,438,245	13,239,049	19,058,162	-30.5%
Total	$ 800,804	$ 75,889,091	$ 76,689,895	$ 67,900,959	12.9%

General Fund
During 2010, the fund balance in the General Fund increased $3.5 million or 21.6 percent. Overall, the total General Fund revenues remained relatively stable during 2010, showing a slight increase of $395 thousand or 0.6 percent over the prior year. Property tax revenues for the General Fund increased by $982 thousand or 2.8 percent. General Fund sales taxes increased by only $33 thousand or 0.3 percent. Total General Fund expenditures increased by approximately $1.5 million or 3 percent from 2009. This increase is due to an increase in numbers of employees and corresponding compensation costs.

For the year ended December 31, 2010, transfers in were $671 thousand. Excellent management of the Jail Commissary and the profit sharing arrangement with Canteen Food Services accounted for $655 thousand and a transfer from the Golf Fund for administrative expenses accounted for the remaining $16 thousand balance of transfers in.

The Commission authorized a total of approximately $7.1 million in transfers out of the General Fund in 2010. This is approximately $7.4 million less than the previous year. $1 million was transferred to the Capital Projects Fund for construction

projects. The remaining $6.1 million went to support County operations in Health Services, Aging Services, Flood Control, and Paramedics. A complete list of transfer activity can be found in Note 4 of the Notes to the Financial Statements.

General Fund Budgetary Highlights

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

- The General Fund's property tax revenue budget was increased overall by approximately $1.8 million to better match the revenues projected through the certified tax rate process.

- Various minor budget changes, from normal day to day activities to meet the needs of the departments, made up the change of approximately $520 thousand from original to final budgets on the expenditure side.

- Budgeted transfers out of the General Fund were decreased by $500 thousand as the amount needed in the Capital Projects fund was reevaluated.

Actual General Fund revenues were $62.4 million, which was $1.2 million or approximately 2 percent above the final budgeted revenues. The difference between budgeted and actual revenues occurred because Jail Fees came in $2.1 above what was budgeted while various other revenue source were slightly below what was expected. As the result of fiscally responsible management, General Fund expenditures were approximately $52.6 million, which was $3.5 million (6.2 percent) below the final budgeted expenditures. Transfers in were $1.4 million and transfers out were $2.4 million below what was budgeted. Both of these differences were mostly because transfers from and additional transfers out to the Paramedic Fund were not necessary.

Other Major Governmental Funds

During 2010, the County's contribution to the Health department increased only slightly by $67.5 thousand (3 percent). Fund balance at year end remained relatively unchanged at approximately $1.1 million. Health Fund total revenues increased by only $39 thousand (0.4 percent) while expenditures were reduced by $132 thousand (1.1 percent) from the previous year. A transfer out of $750 thousand was made to help finance the construction of the new health building.

The fund balance in the Library Fund increased approximately $635 thousand (23.4 percent) to $3.3 million. This was due to a combination of planned tax surplus revenue for future library capital projects and fiscally responsible management.

The fund balance in the Flood Control Fund was reduced by $8.1 million (28.5 percent) to $20.3 million as the result of various storm drainage and flood control projects and related improvements.

The fund balance in the Campus Construction Capital Projects Fund increased $18.5 million (4,552.3 percent). This increase in fund balance was primarily due to the issuance of $19.6 million of MBA Lease Revenue Recovery Zone bonds to be used to finance the construction of a new Administration Building, a new Children's Justice Center, and a new Headquarters Library.

Proprietary Funds

The County's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Golf Courses Fund at the end of the year amounted to a negative $2.1 million, and those for the Commissary amounted to $515 thousand. The total change in net assets for both funds was a $374 thousand decrease for Golf and a $105 thousand decrease 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

Changes that may impact Davis County's future financial position include the following:

- The Veteran Abatement's ceiling was increased to $228,931 of taxable value for personal and primary residence in 2010. This amount will continue to be adjusted in the future by the consumer price index (CPI) of the preceding year. For 2011, the Veteran Abatement's ceiling will be $232,312.

- Legislation was implemented during 2010 which incorporated redemptions of property tax into certified rate calculations. Because of this change, the certified tax rate calculation formula needed to be modified to use the previous year's budgeted revenues less the five year average of an entity's redemptions. The legislative change in effect lowers an entity's certified tax rate and revenues without going through truth-in-taxation hearings. However, for 2010 only, entities were allowed to recapture redemption amounts in their budgeted revenues without going through truth-in-taxation hearings. This legislation took effect on January 1, 2010.

- On October 15, 2010, a lawsuit was filed against Utah County alleging that the state statutes creating the restaurant tax are unconstitutional because the definition of "restaurant" in the code unfairly discriminates against certain establishments in violation of the equal protection rights of the Utah and United States Constitutions. The State Attorney General has intervened on behalf of the State of Utah and the State Tax Commission because the statutes in question are a matter of state law. Davis County has joined several other counties, through the Utah Association of Counties, as a co-defendant in the lawsuit because the County receives approximately $2.9 million per year in restaurant tax revenues, which is a significant source of funding for the County. A loss of restaurant tax revenues would have a considerable impact on the County's ability to continue those activities that are funded by these taxes.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of Davis County's finances and to demonstrate the County's accountability for the money it receives. It is available on the County's Clerk/Auditor's website at www.daviscountyutah.gov. 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

ARCHITECTURAL DRAWING OF THE NEW COUNTY ADMINISTRATION BUILDING

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DAVIS COUNTY

EXHIBIT A

STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	Primary Government			Component Units (as of June 30, 2010)	
	Governmental Activities	Business-Type Activities	Total	Davis Behavioral Health	Wasatch Integrated Waste
ASSETS					
CURRENT:					
Cash and cash equivalents	$ 76,925,776	$ 601,866	$ 77,527,642	$ 2,904,460	$ 828,862
Investments	508,342	-	508,342	124,035	24,008,369
Accounts receivable	5,583,657	72,094	5,655,751	2,141,130	1,197,597
Taxes receivable	1,976,109	-	1,976,109	-	-
Internal balances	1,893,697	(1,893,697)	-	-	-
Inventory	307,241	-	307,241	18,654	1,620,842
Other assets	1,824,536	4,019	1,828,555	254,069	130,340
Total current assets	89,019,358	(1,215,718)	87,803,640	5,442,348	27,786,010
NONCURRENT:					
Capital assets:					
Land and related non-depreciable assets	37,293,721	3,522,893	40,816,614	2,113,203	21,900,910
Construction-in-progress	2,793,404	9,986	2,803,390	-	301,470
Depreciable infrastructure	25,021,347	-	25,021,347	-	-
Buildings, equipment, and other depreciable assets	116,867,161	4,918,140	121,785,301	10,183,503	66,210,210
Less accumulated depreciation	(51,198,014)	(3,053,584)	(54,251,598)	(3,340,237)	(54,084,974)
Total capital assets, net of depreciation	130,777,619	5,397,435	136,175,054	8,956,469	34,327,616
TOTAL ASSETS	219,796,977	4,181,717	223,978,694	14,398,817	62,113,626
LIABILITIES					
CURRENT:					
Accounts payable	3,464,266	98,027	3,562,293	540,800	297,933
Accrued liabilities	2,382,048	26,700	2,408,748	490,872	4,865,742
Unearned revenue	18,326	5,148	23,474	-	-
Bonds and lease/purchase agreement payable	3,191,971	-	3,191,971	143,309	-
Compensated absences	304,731	12,164	316,895	216,295	-
Total current liabilities	9,361,342	142,039	9,503,381	1,391,276	5,163,675
LONG-TERM:					
Bonds and lease/purchase agreement payable	82,139,693	-	82,139,693	3,658,343	-
Net OPEB obligation	5,702,701	112,557	5,815,258	-	-
Compensated absences	2,742,584	109,479	2,852,063	504,689	-
Total long-term liabilities	90,584,978	222,036	90,807,014	4,163,032	-
TOTAL LIABILITIES	99,946,320	364,075	100,310,395	5,554,308	5,163,675
NET ASSETS					
Invested in capital assets, net of related debt	83,234,732	5,397,435	88,632,167	5,154,817	34,327,616
Restricted for:					
Capital improvements	22,194,664	-	22,194,664	-	-
Class B-Roads	800,804	-	800,804	-	-
Debt Service	4,395,721	-	4,395,721	-	-
Closure and post-closure costs	-	-	-	-	4,657,527
Unrestricted	9,224,736	(1,579,793)	7,644,943	3,689,692	17,964,808
TOTAL NET ASSETS	$ 119,850,657	$ 3,817,642	$ 123,668,299	$ 8,844,509	$ 56,949,951

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

DAVIS COUNTY **EXHIBIT B**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
					Primary Government			Component Units	
Functions/Programs	**Direct Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**	**Davis Behavioral Health**	**Wasatch Integrated Waste**
Primary Government:									
Governmental activities:									
General government	$39,406,125	$ 6,196,860	$ 4,830,275	$ 192,689	$ (28,186,301)	$ -	$ (28,186,301)	$ -	$ -
Public safety	34,241,872	12,561,950	416,333	57,156	(21,206,433)	-	(21,206,433)	-	-
Public health	12,037,386	3,742,446	6,367,425	540,900	(1,386,615)	-	(1,386,615)	-	-
Public works	3,938,669	129,059	983,542	374,251	(2,451,817)	-	(2,451,817)	-	-
Interest on long-term debt	3,079,963	-	-	-	(3,079,963)	-	(3,079,963)	-	-
Total governmental activities	92,704,015	22,630,315	12,597,575	1,164,996	(56,311,129)	-	(56,311,129)	-	-
Business-type activities:									
Golf	2,409,586	2,055,001	-	-	-	(354,585)	(354,585)	-	-
Inmates Commissary	529,040	1,073,918	-	-	-	544,878	544,878	-	-
Total business-type activities	2,938,626	3,128,919	-	-	-	190,293	190,293	-	-
TOTAL PRIMARY GOVERNMENT	$95,642,641	$25,759,234	$12,597,575	$ 1,164,996	(56,311,129)	190,293	(56,120,836)	-	-
Component Units:									
Davis behavioral health	$17,891,516	$ 2,349,461	$16,013,533	$ -	-	-	-	471,478	-
Wasatch integrated waste	14,652,223	14,803,513	-	-	-	-	-	-	151,290
TOTAL COMPONENT UNITS	$32,543,739	$17,152,974	$16,013,533	$ -	-	-	-	471,478	151,290
General revenues:									
Taxes:									
Property taxes					44,199,765	-	44,199,765	-	-
Sales taxes					14,657,381	-	14,657,381	-	-
Total taxes					58,857,146	-	58,857,146	-	-
Unrestricted investment earnings					292,159	5,729	297,888	36,647	698,918
Gain on sale of capital assets					-	-	-	-	1,950
Transfers					671,000	(671,000)	-	-	-
Total general revenues and transfers					59,820,305	(665,271)	59,155,034	36,647	700,868
Change in net assets					3,509,176	(474,978)	3,034,198	508,125	852,158
Net assets:									
Beginning					116,341,481	4,292,620	120,634,101	8,336,384	56,097,793
Ending					$ 119,850,657	$ 3,817,642	$ 123,668,299	$ 8,844,509	$56,949,951

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

www.daviscountyutah.gov

Governmental Fund Financial Statements

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

Health Special Revenue Fund
This special revenue fund accounts for taxes levied, grants, and other revenues and expenditures by the County to provide health 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.

Flood Control Special Revenue Fund
This special revenue fund accounts for all activities of the Public Works Department that relate to the flood channels managed by the County.

Campus Construction Capital Projects Fund
This fund accounts for the revenues and expenditures related to the construction of the new Main Campus buildings.

Nonmajor Governmental Funds
Nonmajor governmental funds are presented individually beginning on page 83.

DAVIS COUNTY

EXHIBIT C

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	General Fund	Major Special Revenue Funds: Health Fund	Library Fund	Flood Control	Campus Const. Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 15,264,487	$ 715,358	$ 3,498,449	$ 21,763,573	$ 19,009,179	$ 12,234,587	$ 72,485,633
Investments	508,342	-	-	-	-	-	508,342
Accounts receivable	3,403,397	297,508	14,396	-	-	1,851,597	5,566,898
Taxes receivable	1,577,820	-	275,357	-	-	122,932	1,976,109
Due from other funds	1,917,594	-	-	-	-	-	1,917,594
Inventory	52,335	254,906	-	-	-	-	307,241
Other	156,692	-	8,730	-	-	305,708	471,130
TOTAL ASSETS	$ 22,880,667	$ 1,267,772	$ 3,796,932	$ 21,763,573	$ 19,009,179	$ 14,514,824	$ 83,232,947
LIABILITIES AND FUND BALANCES							
LIABILITIES :							
Accounts payable	$ 565,899	$ 74,737	$ 88,963	$ 1,426,555	$ 73,519	$ 1,021,244	$ 3,250,917
Accrued liabilities	913,100	140,600	85,400	42,300	-	116,300	1,297,700
Deferred revenue	1,580,847	-	275,357	-	-	138,231	1,994,435
Total liabilities	3,059,846	215,337	449,720	1,468,855	73,519	1,275,775	6,543,052
FUND BALANCES:							
Reserved for "B" Roads	-	-	-	-	-	800,804	800,804
Unreserved	19,820,821	1,052,435	3,347,212	20,294,718	18,935,660	-	63,450,846
Unreserved, reported in nonmajor:							
Special revenue funds	-	-	-	-	-	4,783,520	4,783,520
Capital projects funds	-	-	-	-	-	3,259,004	3,259,004
Debt service funds	-	-	-	-	-	4,395,721	4,395,721
Total fund balances	19,820,821	1,052,435	3,347,212	20,294,718	18,935,660	13,239,049	76,689,895
TOTAL LIABILITIES AND FUND BALANCES	$ 22,880,667	$ 1,267,772	$ 3,796,932	$ 21,763,573	$ 19,009,179	$ 14,514,824	$ 83,232,947

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 ASSETS
DECEMBER 31, 2010

Total fund balances--governmental funds		$ 76,689,895
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. These assets consist of:		
Land and related non-depreciable assets	$ 37,293,721	
Construction-in-progress	2,793,404	
Depreciable infrastructure	25,021,347	
Buildings, equipment, and other depreciable assets	115,723,653	
Accumulated depreciation	(50,522,596)	
Total capital assets		130,309,529
Deferred charges - MBA payments		736,000
Some of the county's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.		1,976,109
An internal charge between the governmental and business-type activities is not recorded at the fund level.		(23,897)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of those internal service funds that primarily benefit governmental entities are included with governmental activities in the statement of net assets.		4,578,514
Bond issuance costs are reported as current expenditures at the fund level, but are deferred and amortized over the life of the bonds in the statement of net assets.		514,317
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds and lease/purchase agreement	(85,331,664)	
Net OPEB obligation	(5,548,066)	
Compensated absences	(3,001,832)	
Accrued interest on bonds	(1,048,248)	
Total long-term liabilities		(94,929,810)
Total net assets--governmental activities		$ 119,850,657

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

DAVIS COUNTY **EXHIBIT E**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

		Major Special Revenue Funds					
	General Fund	Health Fund	Library Fund	Flood Control	Campus Const. Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:							
Taxes:							
General property taxes-current	$ 33,173,803	$ -	$ 5,796,460	$ -	$ -	$ 2,518,909	$ 41,489,172
General property taxes-delinquent	1,543,300	-	274,862	-	-	105,079	1,923,241
Penalties and interest on delinquent taxes	850,871	-	36,226	-	-	32,910	920,007
Sales taxes	9,901,761	-	-	-	-	4,755,620	14,657,381
Total taxes	45,469,735	-	6,107,548	-	-	7,412,518	58,989,801
Licenses and permits	252,732	-	-	-	-	-	252,732
Fines and forfeitures	1,740,670	-	183,201	-	-	-	1,923,871
Intergovernmental and grant revenue	1,153,607	6,367,425	58,121	4,643	-	5,536,131	13,119,927
Charges for services	12,731,978	3,731,547	-	-	-	2,398,214	18,861,739
Interest	28,398	4,574	4,478	146,535	10,882	73,767	268,634
Other	987,671	10,899	29,552	99,171	-	453,994	1,581,287
Total revenues	62,364,791	10,114,445	6,382,900	250,349	10,882	15,874,624	94,997,991
EXPENDITURES:							
Current:							
General government	22,192,958	-	5,748,042	-	-	9,232,921	37,173,921
Public safety	28,901,591	-	-	-	-	2,905,473	31,807,064
Public health	6,400	11,563,418	-	-	-	-	11,569,818
Public works	356,195	-	-	1,251,039	-	836,612	2,443,846
Capital outlay	551,984	124,694	-	6,934,490	848,627	8,715,451	17,175,246
Debt service:							
Principal retirement	513,251	-	-	-	-	2,821,150	3,334,401
Interest and fiscal charges	36,749	-	-	-	-	2,930,534	2,967,283
Bond issuance costs	-	-	-	-	233,610	17,047	250,657
Total expenditures	52,559,128	11,688,112	5,748,042	8,185,529	1,082,237	27,459,188	106,722,236
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,805,663	(1,573,667)	634,858	(7,935,180)	(1,071,355)	(11,584,564)	(11,724,245)
OTHER FINANCING SOURCES (USES)							
Lease Revenue Recovery Zone Bonds issued	-	-	-	-	19,600,000	-	19,600,000
Refunding bonds issued	-	-	-	-	-	1,335,000	1,335,000
Premium on bonds issued	-	-	-	-	-	52,977	52,977
Sale of capital assets	126,506	-	-	18,400	-	80,229	225,135
Transfers in	671,000	2,325,000	-	2,000,004	-	12,550,648	17,546,652
Transfers out	(7,080,452)	(750,000)	-	(2,162,728)	-	(6,882,472)	(16,875,652)
Refunded bonds redeemed	-	-	-	-	-	(1,370,931)	(1,370,931)
Total other financing sources (uses), net	(6,282,946)	1,575,000	-	(144,324)	19,600,000	5,765,451	20,513,181
NET CHANGE IN FUND BALANCES	3,522,717	1,333	634,858	(8,079,504)	18,528,645	(5,819,113)	8,788,936
FUND BALANCES:							
Beginning of year	16,298,104	1,051,102	2,712,354	28,374,222	407,015	19,058,162	67,900,959
End of year	$ 19,820,821	$ 1,052,435	$ 3,347,212	$ 20,294,718	$ 18,935,660	$ 13,239,049	$ 76,689,895

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, 2010

Net change in fund balances--total governmental funds	$	8,788,936
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. Also, donated capital assets are recorded as revenue in the statement of activities. This is the amount by which capital purchases ($17,175,246) and donated capital assets ($540,900) exceeded depreciation ($4,796,718) during the current period.		12,919,428
In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus, the change in net assets differs from the change in fund balance by the basis of the assets sold.		(429,053)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements.		(132,655)
Expenditures are recognized in the governmental funds when paid or due for interest on long term debt and bond issuance costs, 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 change in deferred bond issuance costs ($196,883) and the net amortization on bond premiums and refundings ($2,124) exceeded the increase in accrued interest on bonds payable ($114,804) during the year.		84,203
The liabilities for OPEB and compensated absences are not recorded in the governmental funds, but are reported in the statement of net assets. This is the current year change in OPEB ($1,694,143) and compensated absences ($62,437), reported as adjustments to expense in the statement of activities.		(1,756,580)
Bond proceeds provide current financial resources to governmental funds by issuing debt which increases long-term liabilities in the statement of net assets. Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which bonds issued ($20,935,000) plus premiums ($52,977) exceeded debt service retirements ($3,334,401) and refunding payments ($1,370,931).		(16,282,645)
Portion of deferred charges applicable to the current period-MBA payments		(55,000)
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.		(4,707)
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.		377,249
Change in net assets of governmental activities	$	3,509,176

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 Buildings and Grounds.

DAVIS COUNTY

EXHIBIT G

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2010

	Major Enterprise Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Internal Service Funds
	Golf Courses	Commissary		
ASSETS				
CURRENT:				
Cash and cash equivalents	$ 1,100	$ 600,766	$ 601,866	$ 4,440,143
Accounts receivable	70,637	1,457	72,094	16,759
Other	-	4,019	4,019	103,089
Total current assets	71,737	606,242	677,979	4,559,991
NONCURRENT:				
Capital assets:				
Land	754,259	-	754,259	-
Construction-in-progress	9,986	-	9,986	-
Buildings	2,071,217	-	2,071,217	-
Improvements other than buildings	2,768,634	-	2,768,634	-
Furniture, fixtures, and equipment	2,846,923	-	2,846,923	1,143,508
Less accumulated depreciation	(3,053,584)	-	(3,053,584)	(675,418)
Total noncurrent assets	5,397,435	-	5,397,435	468,090
TOTAL ASSETS	5,469,172	606,242	6,075,414	5,028,081
LIABILITIES				
CURRENT:				
Accounts payable	23,868	74,159	98,027	213,349
Accrued liabilities	22,700	4,000	26,700	36,100
Due to other funds	1,917,594	-	1,917,594	-
Unearned revenue	5,148	-	5,148	-
Obligations for compensated absences	12,164	-	12,164	4,548
Total current liabilities	1,981,474	78,159	2,059,633	253,997
LONG-TERM:				
Net OPEB obligation	99,663	12,894	112,557	154,635
Obligations for compensated absences	109,479	-	109,479	40,935
Total long-term liabilities	209,142	12,894	222,036	195,570
TOTAL LIABILITIES	2,190,616	91,053	2,281,669	449,567
NET ASSETS				
Invested in capital assets, net of related debt	5,397,435	-	5,397,435	468,090
Unrestricted	(2,118,879)	515,189	(1,603,690)	4,110,424
TOTAL NET ASSETS	$ 3,278,556	$ 515,189	$ 3,793,745	$ 4,578,514
Total net assets--enterprise funds			$ 3,793,745	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			23,897	
Total net assets--business-type activities			$ 3,817,642	

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 ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Major Enterprise Fund	Nonmajor Enterprise Fund		
	Golf Courses	Commissary	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:				
Golf course fees	$ 1,958,151	$ -	$ 1,958,151	$ -
Commissary sales	-	1,073,918	1,073,918	-
Rent	21,400	-	21,400	-
Charges to other funds	-	-	-	4,437,363
Other revenue	75,450	-	75,450	112,430
Total operating revenue	2,055,001	1,073,918	3,128,919	4,549,793
OPERATING EXPENSES:				
Salaries, wages, and employee benefits	1,507,206	180,886	1,688,092	1,644,902
Other operating expenses	620,369	349,025	969,394	2,392,721
Depreciation	281,267	-	281,267	158,446
Total operating expenses	2,408,842	529,911	2,938,753	4,196,069
OPERATING INCOME (LOSS)	(353,841)	544,007	190,166	353,724
NON-OPERATING REVENUES (EXPENSES):				
Interest income	-	5,729	5,729	23,525
Loss on sale of capital assets	(4,580)	-	(4,580)	-
Total non-operating revenues (expenses), net	(4,580)	5,729	1,149	23,525
INCOME (LOSS) BEFORE TRANSFERS	(358,421)	549,736	191,315	377,249
Transfers out	(16,000)	(655,000)	(671,000)	-
CHANGE IN NET ASSETS	(374,421)	(105,264)	(479,685)	377,249
NET ASSETS:				
Beginning of year	3,652,977	620,453		4,201,265
End of year	$ 3,278,556	$ 515,189		$ 4,578,514
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			4,707	
Change in net assets of business-type activities			$ (474,978)	

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, 2010

	Major Enterprise Fund Golf Courses	Nonmajor Enterprise Fund Commissary	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 2,052,838	$ 1,072,661	$ 3,125,499	$ 124,119
Receipts for interfund services provided	-	-	-	4,437,363
Payments to suppliers	(610,237)	(341,488)	(951,725)	(1,764,793)
Payments to employees	(1,457,786)	(171,752)	(1,629,538)	(1,596,818)
Net cash provided by (used in) operating activities	(15,185)	559,421	544,236	1,199,871
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash received from other funds	190,478	-	190,478	-
Transfers out	(16,000)	(655,000)	(671,000)	-
Net cash provided by (used in) noncapital financing activities	174,478	(655,000)	(480,522)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(169,793)	-	(169,793)	(71,421)
Proceeds from sale of capital assets	10,500	-	10,500	-
Net cash provided by (used in) capital and related financing activities	(159,293)	-	(159,293)	(71,421)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	-	5,729	5,729	23,525
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	(89,850)	(89,850)	1,151,975
CASH AND CASH EQUIVALENTS:				
Beginning of year	1,100	690,616	691,716	3,288,168
End of year	$ 1,100	$ 600,766	$ 601,866	$ 4,440,143
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	$ (353,841)	$ 544,007	$ 190,166	$ 353,724
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	281,267	-	281,267	158,446
Change in assets and liabilities:				
Accounts receivable	4,842	(1,257)	3,585	11,689
Other assets	15,571	(4,019)	11,552	569,883
Accounts payable	(5,439)	11,556	6,117	58,045
Accrued liabilities	3,600	2,900	6,500	(4,300)
Obligation for OPEB	32,809	6,234	39,043	49,432
Obligation for compensated absences	6,006	-	6,006	2,952
Net cash provided by (used in) operating activities	$ (15,185)	$ 559,421	$ 544,236	$ 1,199,871

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

Fiduciary Fund Financial Statements

Agency Funds

These funds accounts for assets held by the County as an agent for other governments or organizations. These funds are custodial in nature and do not involve measuring the results of operations. Individual agency funds are presented in Supplemental Schedule 18 beginning on page 106.

DAVIS COUNTY

EXHIBIT J

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2010

ASSETS	
Cash and cash equivalents	$ 60,592,216
Accounts receivable	375,102
TOTAL ASSETS	$ 60,967,318
LIABILITIES	
Due to individuals, organizations, and other governments	$ 60,967,318

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 assets. Davis County only has agency funds in the Statement of Fiduciary Net Assets. Thus, no Statement of Changes in Fiduciary Net Assets is required.

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Davis County (the County) conform in all material respects to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements.

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

A. Reporting Entity

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

The Comprehensive Annual Financial Report (CAFR) of the County includes the financial statements for all activities of the County (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 decision to include a potential component unit in the reporting entity was made by applying criteria set forth in GASB Statements 14 and 39. The primary criteria for including a board or agency in the CAFR is financial accountability, meaning the County appoints a majority of an organization's governing body *and* either 1) the County can impose its will on the organization, or 2) the organization has the potential to provide specific financial benefits to, or impose specific financial burdens on the County. Other criteria include whether a board or agency is fiscally dependent on the County or whether the relationship with the organization is such that it would be misleading to exclude it from the County's financial statements.

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

Blended Component Units

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

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

Discretely Presented Component Units

Davis Behavioral Health (DBH) - Although the County is named as the legal behavioral health authority by State law, the County has contracted with DBH to deliver these services. DBH provides complete evaluation and treatment for behavioral health and substance abuse. The County provides significant support to these behavioral health services. Payments during 2010 were $1,193,919 and pass through grants were $6,043,310. Related party items at December 31, 2010 consisted of $565,428 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, 234 South Main Street, Layton, Utah 84041.

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

WIWMD has been determined to be a discretely presented component unit of the County. The County has a minority position in the management of WIWMD. Only three of the nineteen trustee positions are held by the County Commission. The basic criterion for including WIWMD as a component unit is that WIWMD is fiscally dependent on the County. This fiscal dependency is created because an action by the County Commissioners is required in order for WIWMD to levy a tax, issue bonds payable from taxes, or to call or hold an election for the authorization of such tax or bonds. The County Commission created WIWMD and has the authority to dissolve the entity. Separate financial statements for WIWMD may be obtained from Wasatch Integrated Waste Management District, 650 East Highway 193, Layton, Utah 84041.

The presentations for both Davis Behavioral Health and Wasatch Integrated Waste Management District are as of their fiscal year-ends, June 30, 2010.

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

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

Fund Financial Statements

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

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.

- **Library Fund** – This special revenue fund accounts for the operations of the County's main library and six branches.

- **Flood Control Fund** – This special revenue fund accounts for all activities of the Public Works Department that relate to the flood channels managed by the County.

- **Campus Construction Capital Projects Fund** – This fund accounts for funds accumulated and spent for the construction of the new Main Campus buildings.

The County's nonmajor governmental funds account for specific revenue sources that are legally restricted to expenditures for specific purposes. Funds included are Tourism, Aging Services, Special Services Area, Emergency 911 Dispatch, Paramedic, Municipal Building Authority (MBA) Operations, General Government Debt Service, MBA Debt Service, Sales Tax Revenue Bonds Debt Service, Capital Projects, and Special Capital Projects funds. The nonmajor funds are grouped together in a single column in the basic financial statements, and they are displayed individually in the combining statements.

The County reports the following proprietary funds:

- **Golf Courses Fund** – This major enterprise fund accounts for the operations of the County owned golf courses.

- **Commissary Fund** – This nonmajor 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 systems, and buildings and grounds operations. Internal service funds are reported in a single column on the proprietary fund statements and are combined with governmental activities on the government-wide statements. They are also displayed individually in the combining statements.

The County reports the following fiduciary funds:

- **County Agency Fund** – This fund accounts for the receipt and disbursement of monies passed through the County to other entities.

- **Treasurer's Tax Collection Agency Fund** – This fund accounts for the collection and disbursement of property taxes for all taxing entities in Davis County.

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

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of 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 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.

For government-wide and enterprise fund financial statements, the County follows all Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 unless those standards conflict with or contradict a GASB pronouncement. The County has elected not to follow private-sector guidance subsequent to that date.

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, and Fund Balances/ Net Assets

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

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

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

Taxes Receivable
Taxes receivable include accrued amounts for sales taxes and delinquent property taxes. Property taxes attach as an enforceable lien on property on January 1st of each year. Taxes are levied on property owners in July 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 deferred revenue for delinquent taxes, but no allowance for doubtful accounts is made as uncollected taxes are deemed to be substantially collectible or recoverable through foreclosure.

Inventories and other assets
Inventories are valued at cost using the first-in, first out (FIFO) method and are accounted for under the consumption method.

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

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

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:

Asset Class	Years
Infrastructure	20 - 30
Buildings	40
Equipment	5 - 10

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

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

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

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

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

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

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

Long-term Obligations
In the government-wide statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, defeasance costs (the difference between the carrying amount of defeased debt and its reacquisition price in bond refunding), and issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred defeasance amounts.

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

Net Assets/Fund Balances
The difference between assets and liabilities is *net assets* on the government-wide and proprietary fund financial statements and *fund balance* on the governmental fund statements. Net assets are divided into invested in capital assets (net of related debt), restricted, and unrestricted. Net assets are reported as restricted when constraints are placed upon them by external parties or are imposed by constitutional provisions or enabling legislation.

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

E. Revenues and Expenditures/Expenses

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

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 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. When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the County generally uses restricted resources first, then unrestricted resources.

F. Interfund Activity and Balances

Government-wide Statements
In general, eliminations have been made to minimize the double counting of internal activity, including internal service fund type activity. However, interfund services provided and used between different functional categories have not been eliminated in order to avoid distorting the direct costs and program revenues of the applicable functions. 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 Assets, 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 it 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 operating budget is reviewed and tentatively adopted by the County Commission on or before November 1st.

Prior to December 31, the County Commission sets a date for a public hearing at which time the taxpayers' comments are heard. Copies of the proposed budget are made available for public inspection ten days prior to the budget hearing. After the

budget hearing, the tentative budget, with any amendments is legally enacted through passage of a resolution. A copy of the budget is certified by the Clerk/Auditor and filed with the State Auditor within thirty days of adoption. A copy of the budget is available to the public after adoption.

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

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

Modifying the Adopted Budget

Transfers of unexpended appropriations from one expenditure account to another in the same department can be made by consent of the department heads. Transfers of unexpended appropriations from one department to another department, as well as budget reductions for any department, may be made with consent of the Commission. Expenditure appropriations of the General Fund may be increased by resolution only after a public hearing. Any other fund appropriation may be increased after giving public notice that the County Commission will consider such a matter. Notice must be published seven days in advance of the meeting to consider the action. During 2010, the County modified various budgets using the above procedure.

NOTE 2. 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) or National Credit Union Association (NCUA) are uninsured and are not collateralized, nor are they required to be collateralized by state statutes. The County's deposits on December 31, 2010 were $58,715,417, of which $58,465,417 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.

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, 2010 are shown below:

Investment Type	Fair Value	Weighted Average Maturity (Days)	Quality/Rating
Utah Public Treasurer's Investment Fund	$ 80,171,198	68*	not rated
Corporate bonds	1,509,965	45	A (S&P)

*As reported by the PTIF

C. Interest Rate Risk

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

D. Concentration of Credit Risk

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

NOTE 3. INTERFUND BALANCES AND LOANS

Interfund balances arise as the pooled-cash balance of a specific fund becomes negative, thus technically drawing on the pooled-cash of other funds. Interfund balances and loans at December 31, 2010 consisted of the amount below.

Due to the General Fund from Enterprise Funds:	
Golf Fund	$ 1,917,594

This amount is also included as part of the internal balance reported on the government-wide Statement of Net Assets.

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, 2010 are shown below.

	Transfer In		Transfer Out	
Major Funds:				
General Fund	$ 671,000	a, c	$ 7,080,452	b
Health Fund	2,325,000	b	750,000	e
Flood Control Fund	2,000,004	b	2,162,728	d, g
Golf Course Fund	-		16,000	c
Nonmajor Funds:				
Tourism Fund	-		1,310,646	g
Aging Services Fund	1,590,000	b	250,000	e
Special Service Area Fund	277,174	d	-	
Paramedic Fund	165,448	b	-	
MBA Operating Fund	-		271,826	f
MBA Debt Service Fund	271,826	f	-	
Sales Tax Revenue Bonds Debt Service Fund	3,196,200	g	-	
Special Capital Projects Fund	6,050,000	e	-	
Capital Projects Fund	1,000,000	b	5,050,000	e
Commissary Fund	-		655,000	a
Total Transfers In and Transfers Out	$ 17,546,652		$ 17,546,652	

a) The General Fund received $655,000 from the Commissary fund to support general jail operations.

b) The General Fund transferred general tax monies of the County totaling $6,080,452 to support health programs, flood control, senior service programs, and paramedics. The General Fund also transferred $1,000,000 to the Capital Projects Fund for construction projects.

c) The Golf Courses Fund transferred $16,000 to the General Fund to pay for administrative expenses.

d) The Flood Control Fund transferred $277,174 to the Special Service Area Fund to rent heavy equipment used in flood control projects.

e) The Special Capital Projects Fund received amounts from the Health, Aging Services, and Capital Projects funds totaling $6,050,000 for the construction of the Health and Aging Services buildings.

f) The MBA Operating Fund transferred $271,826 to the MBA Debt Service Fund to make debt service payments.

g) The Tourism Fund transferred $1,310,646 and the Flood Control Fund transferred $1,885,554 to the Sales Tax Revenue Bonds Debt Service Fund for debt service payments.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land and land improvements	$ 11,684,850	$ 365,351	$ -	$ 12,050,201
Land under infrastructure	22,335,587	3,317,620	(409,687)	25,243,520
Construction in progress	1,565,948	2,617,173	(1,389,717)	2,793,404
Total capital assets not being depreciated	35,586,385	6,300,144	(1,799,404)	40,087,125
Capital assets being depreciated:				
Buildings and improvements	92,785,293	7,184,821	-	99,970,114
Furniture, fixtures, and equipment	16,378,868	1,800,293	(1,282,114)	16,897,047
Infrastructure	21,334,165	3,892,026	(204,844)	25,021,347
Total capital assets being depreciated	130,498,326	12,877,140	(1,486,958)	141,888,508
Less accumulated depreciation for:				
Buildings and improvements	(23,766,584)	(2,480,616)	-	(26,247,200)
Furniture, fixtures, and equipment	(12,647,733)	(1,518,730)	1,262,748	(12,903,715)
Infrastructure	(11,296,125)	(955,818)	204,844	(12,047,099)
Total accumulated depreciation	(47,710,442)	(4,955,164)	1,467,592	(51,198,014)
Total capital assets being depreciated, net	82,787,884	7,921,976	(19,366)	90,690,494
Governmental activity capital assets, net	$ 118,374,269	$ 14,222,120	$ (1,818,770)	$ 130,777,619
Business-type activities:				
Capital assets not being depreciated:				
Land and land improvements	$ 3,487,026	$ 35,867	$ -	$ 3,522,893
Construction in progress	-	9,986	-	9,986
Total capital assets not being depreciated	3,487,026	45,853	-	3,532,879
Capital assets being depreciated:				
Buildings and improvements	2,071,217	-	-	2,071,217
Furniture, fixtures, and equipment	2,760,683	123,940	(37,700)	2,846,923
Total capital assets being depreciated	4,831,900	123,940	(37,700)	4,918,140
Less accumulated depreciation for:				
Buildings and improvements	(859,672)	(53,314)	-	(912,986)
Furniture, fixtures, and equipment	(1,935,265)	(227,953)	22,620	(2,140,598)
Total accumulated depreciation	(2,794,937)	(281,267)	22,620	(3,053,584)
Total capital assets being depreciated, net	2,036,963	(157,327)	(15,080)	1,864,556
Business-type activity capital assets, net	$ 5,523,989	$ (111,474)	$ (15,080)	$ 5,397,435

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

Governmental activities:	
General government	$ 1,324,277
Public safety	1,786,732
Public Health	294,081
Public works	1,391,628
Depreciation on capital assets of the County's internal service funds is charged to the various functions based on their usage of the assets	158,446
Total depreciation expense—governmental activities	$ 4,955,164
Business-type activities:	
Golf	$ 281,267

NOTE 6. LONG-TERM LIABILITIES

A. Changes in Long-term Liabilities

Changes in long-term liabilities for the year ended December 31, 2010 were as follows:

	Balance January 1, 2010	Additions	Reductions	Balance December 31, 2010	Due Within One Year
Governmental activities:					
General obligation bonds:					
Davis County general obligation bonds, series 2005	$ 21,835,000	$ -	$ (1,000,000)	$ 20,835,000	$ 1,030,000
Sales tax revenue bonds:					
Davis County sales tax revenue bonds, series 2003	2,450,000	-	(375,000)	2,075,000	385,000
Davis County sales tax revenue bonds, series 2006	9,335,000	-	(225,000)	9,110,000	235,000
Davis County sales tax revenue bonds, series 2009A	7,550,000	-	(1,000,000)	6,550,000	1,025,000
Davis County taxable build America bonds, series 2009B	19,450,000	-	-	19,450,000	-
Davis County sales tax refunding revenue bonds, series 2009C	4,925,000	-	(30,000)	4,895,000	35,000
Unamortized premiums	427,766	-	(98,355)	329,411	-
Deferred amounts on refundings	(677,424)	-	98,099	(579,325)	-
Total sales tax revenue bonds	43,460,342	-	(1,630,256)	41,830,086	1,680,000
Lease revenue bonds:					
Municipal Building Authority lease revenue bonds, series 2001	791,000	-	(55,000)	736,000	59,000
Municipal Building Authority lease revenue bonds, series 2006	1,470,000	-	(1,470,000)	-	-
Municipal Building Authority lease revenue refunding bonds, series 2010A	-	1,335,000	-	1,335,000	95,000
Municipal Building Authority taxable recovery zone lease revenue bonds, series 2010B	-	19,600,000	-	19,600,000	-
Unamortized premiums	-	52,977	(6,227)	46,750	-
Deferred amounts on refundings	-	(37,081)	4,359	(32,722)	-
Total lease revenue bonds	2,261,000	20,950,896	(1,526,868)	21,685,028	154,000
Lease/purchase agreement	1,494,801	-	(513,251)	981,550	327,971
Compensated absences	2,981,926	2,125,119	(2,059,730)	3,047,315	304,731
OPEB obligation	3,959,126	2,232,734	(489,159)	5,702,701	-
Total governmental activity long-term debt	$ 75,992,195	$ 25,308,749	$ (7,219,264)	$ 94,081,680	$ 3,496,702
Business-type activities:					
Compensated absences	$ 115,637	$ 88,227	$ (82,221)	$ 121,643	$ 12,164
OPEB obligation	73,514	49,996	(10,953)	112,557	-
Total business-type long-term debt	$ 189,151	$ 138,223	$ (93,174)	$ 234,200	$ 12,164

The compensated absence liabilities 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.

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, 2010 was $501,174,768, providing a debt margin of $480,339,768. General Obligation Bonds Payable at December 31, 2010 consisted of the following:

General Obligation Bonds Payable

	Issue Date	Maturity Date	Interest Rate	Original Amount	December 31, 2010
2005 Jail Expansion Bonds	1/11/2005	2/1/2025	3.00%-4.75%	$ 24,800,000	$ 20,835,000

General Obligation Bonds-Debt Service Requirement to Maturity

	Series 2005	
Year	Principal	Interest
2011	$ 1,030,000	$ 867,312
2012	1,070,000	829,175
2013	1,115,000	784,081
2014	1,160,000	737,187
2015	1,205,000	689,888
2016-2020	6,810,000	2,669,016
2021-2025	8,445,000	1,036,047
Total	$ 20,835,000	$ 7,612,706

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. Sales Tax Revenue Bonds Payable at December 31, 2010 consisted of the following:

	Sales Tax Revenue Bonds Payable				
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance December 31, 2010
2003 Conference Center B	10/23/2003	10/1/2015	2.00%-4.100%	$ 8,250,000	$ 2,075,000
2006 Conference Center Expansion	9/12/2006	10/1/2027	4.00%-4.375%	9,955,000	9,110,000
2009A Flood Projects Bonds	9/23/2009	4/1/2016	2.00%-4.000%	7,550,000	6,550,000
2009B Taxable Build America Bonds	9/23/2009	4/1/2029	4.20%-6.000%	19,450,000	19,450,000
2009C Refunding Bonds	9/23/2009	4/1/2023	2.00%-4.000%	4,925,000	4,895,000
	Total Sales Tax Revenue Bonds Outstanding				42,080,000
	Add Unamortized Premium				329,411
	Less Deferred Amount on Refunding				(579,325)
	Total Sales Tax Revenue Bonds Payable				$ 41,830,086

Sales Tax Revenue Bonds-Debt Service Requirement to Maturity

	Series 2003B		Series 2006		Series 2009A	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2011	$ 385,000	$ 79,897	$ 235,000	$ 390,172	$ 1,025,000	$ 172,250
2012	400,000	66,422	245,000	380,185	1,050,000	151,500
2013	415,000	51,423	255,000	369,772	1,075,000	130,250
2014	430,000	35,445	265,000	358,935	1,100,000	105,750
2015	445,000	18,245	280,000	347,673	1,125,000	69,500
2016-2020	-	-	1,575,000	1,550,513	1,175,000	23,500
2021-2025	-	-	3,575,000	1,152,712	-	-
2026-2027	-	-	2,680,000	176,205	-	-
Total	$ 2,075,000	$ 251,432	$ 9,110,000	$ 4,726,167	$ 6,550,000	$ 652,750

	Build America Bonds Series 2009B				Refunding Series 2009C	
Year	Principal	Interest	BAB Subsidy	Interest Net of BAB Subsidy	Principal	Interest
2011	$ -	$ 1,036,138	$ (362,648)	$ 673,490	$ 35,000	$ 183,575
2012	-	1,036,137	(362,648)	673,489	35,000	182,875
2013	-	1,036,138	(362,648)	673,490	35,000	182,175
2014	-	1,036,137	(362,648)	673,489	35,000	181,387
2015	-	1,036,138	(362,648)	673,490	35,000	180,250
2016-2020	5,100,000	4,736,206	(1,657,672)	3,078,534	2,780,000	637,513
2021-2025	7,375,000	3,079,350	(1,077,773)	2,001,577	1,940,000	104,988
2026-2029	6,975,000	846,925	(296,424)	550,501	-	-
Total	$ 19,450,000	$ 13,843,169	$ (4,845,109)	$ 8,998,060	$ 4,895,000	$ 1,652,763

(Continued)

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

	Total			
	Principal	**Interest**	**BAB Subsidy**	**Interest Net of BAB Subsidy**
2011	$ 1,680,000	$ 1,862,032	$ (362,648)	$ 1,499,384
2012	1,730,000	1,817,119	(362,648)	1,454,471
2013	1,780,000	1,769,758	(362,648)	1,407,110
2014	1,830,000	1,717,654	(362,648)	1,355,006
2015	1,885,000	1,651,806	(362,648)	1,289,158
2016-2020	10,630,000	6,947,732	(1,657,672)	5,290,060
2021-2025	12,890,000	4,337,050	(1,077,773)	3,259,277
2026-2029	9,655,000	1,023,130	(296,424)	726,706
Total	$ 42,080,000	$ 21,126,281	$ (4,845,109)	$ 16,281,172

(Concluded)

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.

On October 21, 2010, the Municipal Building Authority of Davis County issued $1,335,000 of Series 2010A lease revenue refunding bonds, with a premium of $52,977, to currently refund the remaining balance of $1,470,000 of outstanding Series 2006 lease revenue (DMV) bonds. The net proceeds of the new bonds of $1,370,931, together with $136,150 transferred from the debt service fund for the 2006 bonds, were used to redeem these bonds. The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $37,081. This difference, reported in the Statement of Net Assets as a deduction from bonds payable, is being charged to operations through the year 2014 using the effective interest method. The refunding reduced the payments by $820,257 over the next 16 years and resulted in an economic gain (difference between the present values of the old and new debt service payments) of $349,317.

Also on October 21, 2010, the County issued $19,600,000 of Series 2010B taxable Lease Revenue Recovery Zone Bonds with an average interest of 5.53%. The bond proceeds are being used to finance the costs of acquisition, construction, equipping, and furnishing three new buildings and related parking and demolition of existing structures on the main County Campus. 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. Lease Revenue Bonds Payable at December 31, 2010 consisted of the following:

	Lease Revenue Bonds Payable				
	Issue Date	**Maturity Date**	**Interest Rate**	**Original Amount**	**Balance December 31, 2010**
2001 Wasatch Front Regional Council	9/4/2001	9/4/2019	2.00%-5.25%	$ 1,153,000	$ 736,000
2010A DMV Refunding Bonds	10/21/2010	11/1/2014	2.00%-2.50%	1,335,000	1,335,000
2010B Taxable Recovery Zone Bonds	10/21/2010	11/1/2040	1.85%-6.00%	19,600,000	19,600,000
	Total Lease Revenue Bonds Outstanding				21,671,000
	Add Unamortized Premium				46,750
	Less Deferred Amount on Refunding				(32,722)
	Total Sales Tax Revenue Bonds Payable				21,685,028

Lease Revenue Bonds-Debt Service Requirement to Maturity

	Series 2001 WFRC		Series 2010A DMV Refunding	
Year	Principal	Interest	Principal	Interest
2011	$ 59,000	$ 35,578	$ 95,000	$ 33,326
2012	61,000	32,570	95,000	30,525
2013	65,000	29,520	585,000	28,625
2014	67,000	26,298	560,000	14,000
2015	71,000	22,952	-	-
2016-2020	413,000	54,784	-	-
Total	$ 736,000	$ 201,702	$ 1,335,000	$ 106,476

	Taxable Recovery Zone Economic Development Bonds Series 2010B			
Year	Principal	Interest	Subsidy	Interest Net of Subsidy
2011	$ -	$ 1,030,766	$ (463,845)	$ 566,921
2012	-	1,002,907	(451,308)	551,599
2013	-	1,002,907	(451,308)	551,599
2014	40,000	1,002,907	(451,308)	551,599
2015	620,000	1,002,168	(450,975)	551,193
2016-2020	3,230,000	4,750,458	(2,137,706)	2,612,752
2021-2025	3,590,000	4,086,648	(1,838,992)	2,247,656
2026-2030	3,425,000	3,180,338	(1,431,152)	1,749,186
2031-2035	4,000,000	2,131,250	(959,063)	1,172,187
2036-2040	4,695,000	863,400	(388,530)	474,870
Total	$ 19,600,000	$ 20,053,749	$ (9,024,187)	$ 11,029,562

	Total			
	Principal	Interest	Subsidy	Interest Net of Subsidy
2011	$ 154,000	$ 1,099,670	$ (463,845)	$ 635,825
2012	156,000	1,066,002	(451,308)	614,694
2013	650,000	1,061,052	(451,308)	609,744
2014	667,000	1,043,205	(451,308)	591,897
2015	691,000	1,025,120	(450,975)	574,145
2016-2020	3,643,000	4,805,242	(2,137,706)	2,667,536
2021-2025	3,590,000	4,086,648	(1,838,992)	2,247,656
2026-2030	3,425,000	3,180,338	(1,431,152)	1,749,186
2031-2035	4,000,000	2,131,250	(959,063)	1,172,187
2036-2040	4,695,000	863,400	(388,530)	474,870
Total	$ 21,671,000	$ 20,361,927	$ (9,024,187)	$ 11,337,740

E. Lease/Purchase Agreement

On January 22, 2002 Davis County entered into a financing agreement with Zions First National Bank to provide a maximum of $5,400,000 to pay for preliminary site improvements on a jail expansion and other small projects. The agreement requires annual appropriations by the County Commission and is secured by the improvements. The interest rate is variable at 70 percent of the Prime Lending Rate of the Bank. Payments are made annually in January. The balance of the lease/purchase agreement at December 31, 2010 was $981,550.

F. Defeased Bonds

In a prior year, the County defeased certain 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, 2010, $4,475,000 of sales tax revenue bonds outstanding are considered defeased.

NOTE 7. SHORT-TERM DEBT

On July 28, 2010, Davis County issued $6.5 million of tax anticipation notes at 2 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 $54,889 and total principal and interest on the notes was paid in full on December 30, 2010.

NOTE 8. NET ASSETS/FUND BALANCES

A. Restricted Net Assets

The government-wide statement of net assets reports $27,391,189 of restricted net assets, none of which is restricted by enabling legislation.

B. Reserved Fund Balance

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

NOTE 9. RETIREMENT PLANS

A. Pension Plans

Davis County contributes to the Local Government Noncontributory Retirement System and the Public Safety Retirement System, (collectively, the Systems), both of which are cost-sharing multiple-employer defined benefit pension plans. The Systems are administered by Utah Retirement Systems (URS) under the direction of the URS Board, which consists of the State Treasurer and six members appointed by the governor. URS is established under and governed by Title 49 of *Utah Code Annotated, 1953*, as amended (UCA). URS publishes an annual financial report that includes financial statements and required supplementary information for all retirement systems and deferred compensation plans administered by it. Copies of the report may be obtained by writing to Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102; by calling 1-800-753-7361; or by visiting www.urs.org.

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

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

	General Government Noncontributory System	Public Safety Noncontributory System
Highest Average Salary	Highest 3 Years	
Years of Service and Age of Eligibility	30 years any age 25 years any age (a) 20 years age 60 (a) 10 years age 62 (a) 4 years age 65	20 years any age 10 years age 60 4 years age 65
Benefit Percent per Year of Service	2.00% per year	2.50% per year up to 20 2.00% per year over 20 Benefit cannot exceed 70% of final average
Annual Cost of Living Adjustment	up to 4.00%	up to 2.5%
2010 Rates as Percent of Covered Payroll:		
January-June 2010		
Employer	11.66%	23.34%
Member	N/A	N/A
July-December 2010		
Employer	13.37%	26.13%
Member	N/A	N/A
Actual County Contributions Made, by year:		
2010	$ 2,983,751	$ 2,579,795
2009	$ 2,751,650	$ 2,277,387
2008	$ 2,543,596	$ 2,023,960

(a) Requires full actuarial reductions.

B. Deferred Compensation Plans

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

Account balances of the Plans are fully vested to the participants at the time of deposit. All assets and income of the Plans are held by URS for the exclusive benefit of the participants or their beneficiaries. For the year ended December 31, 2010, Davis County contributed $1,789,728 to employees' 401(k) Plans.

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, 2010, the County's annual OPEB cost (expense) was $2,282,730. 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	$ 2,358,866
Interest on net OPEB obligation	161,306
Adjustment to annual required contribution	(237,442)
Annual OPEB cost (expense)	2,282,730
Contributions made	(500,112)
Increase in net OPEB obligation	1,782,618
Net OPEB obligation-beginning of year	4,032,640
Net OPEB obligation-end of year	$ 5,815,258

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, 2008, 2009, and 2010 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2008	$ 2,639,565	$ 607,388	23.01%	$ 2,032,177
December 31, 2009	2,607,851	607,388	23.29%	4,032,640
December 31, 2010	2,282,730	500,112	21.91%	5,815,258

D. Funded Status and Funding Progress

The funded status of the plan as of December 31, 2010 was as follows:

Actuarial accrued liability (AAL)	$	16,202,812
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)		16,202,812
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active plan members)		34,271,134
UAAL as a percentage of covered payroll		47%

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 actuarial valuation, the liabilities were computed with the projected unit credit method using full accrual at full eligibility age. The actuarial assumptions utilized a 4 percent discount rate. 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 6.5 percent medical trend rate for 2010. 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 purchases commercial insurance through the Utah Counties Insurance Pool to mitigate the costs of these risks. The County's responsibility extends only to payment of premiums and deductibles. Deductibles are $500 for general liability claims and $1,000 for auto physical damage. The amount of settlements has not exceeded insurance coverage since the inception of commercial insurance coverage in 1998. The County also purchases a $10,000,000 excessive policy from States Insurance.

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

NOTE 12. LITIGATION AND CONTINGENCIES

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

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

NOTE 13. JOINT VENTURES – South Davis Metro Fire Agency

The South Davis Metro Fire Agency was created through an inter-local governmental agreement among various municipalities in southern Davis County. The District exists to provide fire protection and ambulance services to those entities involved in

the agreement. The Agency is governed by a 7-member board consisting of representatives from each of the five cities and also two from the County. The Board is responsible for directing all activities of the Agency including approving an annual budget and appointing the Chief. Separate financial information can be obtained from South Davis Metro Fire Agency, 255 South 100 West, Bountiful, Utah 84010.

The South Davis Metro Fire Agency receives its funding from an annual assessment paid by each participant. The assessment is allocated based on taxable value of each participating entity. In 2010, the County participated as a representative of the citizens of the unincorporated area of the County. The payment is recorded as part of the Special Service Area Fund. The County payment for 2010 was $209,072. It represents only 4.53 percent of the net expenditures funded by the six member entities.

NOTE 14. COMMITMENTS

A. South Davis Recreation District / Inter-local agreement

In 2005 Davis County entered into an inter-local financing agreement with the South Davis Recreation District and Bountiful City for Bountiful City to provide $2,000,000 to pay for the construction of an ice arena for the development of tourism within the District. The agreement advanced $2 million dollars to the South Davis Recreation District from Bountiful City. The County committed to use monies from its Tourism fund over a ten-year period to help the District repay this advance to Bountiful City. The agreement requires annual appropriations by the County Commission. The commitment is not considered a long-term debt of the County since the County received no proceeds nor did the County receive any assets, but rather, the County entered the agreement to support the South Davis Recreation District since it benefits the Citizens of the County, as well as, promotes tourism in the County. Should the Commissioners elect annually to fund the payment, (as shown on the table below) semiannual principal and interest payments are due before July 1 and December 31 of each year to the District. The interest rate is 3.5%. The balance of the inter-local agreement at December 31, 2010 was $1,086,526.

SDRD Inter-Local Agreement - Debt Service Requirement to Maturity

	2005 SDRD ILA	
Maturity Date	**Principal**	**Interest**
2011	$ 202,493	$ 36,272
2012	209,642	29,123
2013	217,044	21,721
2014	224,707	14,058
2015	232,640	6,124
Total	$ 1,086,526	$ 107,298

B. Davis Cultural Arts Center / Inter-local agreement

In 2009 the County entered into an inter-local financing agreement with the Redevelopment Agency of Centerville City (the "Agency") to provide a total of $2,000,000 towards the building and promoting of a Cultural Arts Center. Under the terms of the agreement, the County made an initial lump sum payment of $800,000 to the Agency in 2009, and made a payment of $171,429 on March 1, 2010. The County will subsequently, for a period of six years, provide the Agency with yearly payments of $171,429 on March 1 of each of the six years. All payments are subject to budget appropriation and approval by the County Commission.

NOTE 15. CONDUIT DEBT

The County has issued Facility 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. During 2010, there were two series of Facility Revenue Bonds issued for an aggregate principal balance of $11,900,000 at December 31, 2010.

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REQUIRED SUPPLEMENTARY INFORMATION

ARCHITECTURAL DRAWING OF THE NEW FARMINGTON LIBRARY

www.daviscountyutah.gov

Budgeting and Budgetary Control

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

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

DAVIS COUNTY

EXHIBIT L
(Page 1 of 3)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES:				
Taxes:				
General property taxes - current	$ 28,900,000	$ 30,674,778	$ 29,977,106	$ (697,672)
General property taxes - delinquent	1,035,000	1,035,000	1,543,300	508,300
Penalties and interest on delinquent taxes	515,000	515,000	850,871	335,871
Fee-in-lieu	3,335,000	3,335,000	3,196,697	(138,303)
Sales tax	10,250,000	10,250,000	9,901,761	(348,239)
Total taxes	44,035,000	45,809,778	45,469,735	(340,043)
Licenses and permits:				
Marriage licenses	21,000	21,000	20,902	(98)
Animal licenses	240,000	240,000	231,830	(8,170)
Total licenses and permits	261,000	261,000	252,732	(8,268)
Fines and forfeitures				
Justice court	2,100,000	2,100,000	1,736,069	(363,931)
Other court	7,500	7,500	4,601	(2,899)
Total fines and forfeitures	2,107,500	2,107,500	1,740,670	(366,830)
Intergovernmental and grant revenue:				
Federal - emergency services	45,000	45,000	108,774	63,774
Federal payment in lieu of taxes	75,000	75,000	75,484	484
INS grant	-	-	86,877	86,877
RSAT grant	-	-	34,641	34,641
State grants:				
State forest service	7,500	7,500	8,501	1,001
Victim services	96,895	96,895	94,955	(1,940)
EMS paramedic	-	-	8,068	8,068
Children's justice centers	202,360	202,360	185,169	(17,191)
Drug court grant	227,701	233,377	255,098	21,721
DUI grant	197,728	197,728	170,088	(27,640)
Other	60,969	429,935	125,952	(303,983)
Total intergovernmental and grant revenue	913,153	1,287,795	1,153,607	(134,188)
Charges for services:				
Clerk fees	170,000	170,000	192,383	22,383
Recorder fees	1,650,000	1,650,000	1,466,221	(183,779)
A.L.S. fees	110,000	110,000	121,355	11,355
Sheriff fees	1,082,224	1,092,224	1,230,700	138,476
Jail fees	6,486,250	6,486,250	8,572,756	2,086,506
Drug court participation fees	29,000	29,000	20,159	(8,841)
Microfilming fees	70,000	70,000	34,425	(35,575)
Surveyor filing fees	3,500	3,500	3,980	480
Wellness program fees	1,350	1,350	22,766	21,416
Animal shelter fees	909,730	909,730	875,829	(33,901)
Causeway user fees	110,000	110,000	131,463	21,463
Miscellaneous fees	59,175	59,175	59,941	766
Total charges for services	10,681,229	10,691,229	12,731,978	2,040,749
Interest	100,000	100,000	28,398	(71,602)

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Other:				
Rent	185,000	185,000	195,061	10,061
Sundry:				
Public defender	-	163,000	162,092	(908)
Information systems	252,700	252,700	245,221	(7,479)
Clerk/Auditor	18,500	18,500	31,965	13,465
Attorney	15,000	15,000	21,571	6,571
Personnel	86,191	86,191	41,142	(45,049)
Children's Justice Center	39,451	39,451	25,053	(14,398)
Treasurer	2,500	2,500	15,028	12,528
Surveyor	1,000	1,000	5,452	4,452
S.S. revenues	10,000	10,000	19,800	9,800
Miscellaneous	289,272	136,552	225,286	88,734
Total other revenues	899,614	909,894	987,671	77,777
TOTAL REVENUES	58,997,496	61,167,196	62,364,791	1,197,595
EXPENDITURES				
General government:				
Commissioners	746,877	739,291	738,999	292
Tax Administration	514,347	516,566	362,090	154,476
Drug court	299,176	304,852	302,047	2,805
Justice court	782,454	791,672	757,791	33,881
Legal defender	1,326,326	1,356,326	1,304,586	51,740
Personnel	884,002	886,807	821,032	65,775
Information systems	4,638,484	4,346,895	3,904,223	442,672
Clerk/Auditor	2,735,501	2,835,116	2,338,019	497,097
Treasurer	541,913	544,522	525,206	19,316
Recorder	1,309,249	1,309,249	1,250,901	58,348
Attorney	3,135,404	3,164,918	3,091,679	73,239
Assessor	2,428,744	2,440,363	2,401,557	38,806
Surveyor	608,987	608,987	608,810	177
Victim services	307,239	307,239	301,200	6,039
Children's Justice Center	294,638	300,865	300,832	33
Community and Economic Development	332,625	337,842	299,741	38,101
Planning	379,769	381,769	373,282	8,487
USU AG Extension	194,632	194,632	194,200	432
Non-departmental	3,203,126	3,038,026	2,316,763	721,263
Total general government	24,663,493	24,405,937	22,192,958	2,212,979
Public safety:				
Sheriff	11,113,479	11,365,141	11,310,177	54,964
State forest fire protection	60,000	60,000	39,613	20,387
Jail	16,487,225	16,507,572	15,678,347	829,225
Animal services	1,913,687	1,925,570	1,873,454	52,116
Total public safety	29,574,391	29,858,283	28,901,591	956,692
Public health - poor and indigent	4,800	6,400	6,400	-
Public works - vehicle maintenance	357,759	357,759	356,195	1,564

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Debt service				
Principal retirement	400,000	400,000	513,251	(113,251)
Interest and other	150,000	150,000	36,749	113,251
Total debt service	550,000	550,000	550,000	-
Capital outlay	373,528	865,488	551,984	313,504
TOTAL EXPENDITURES	55,523,971	56,043,867	52,559,128	3,484,739
EXCESS OF REVENUES OVER EXPENDITURES	3,473,525	5,123,329	9,805,663	4,682,334
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	10,000	10,000	126,506	116,506
Transfers in	2,031,000	2,031,000	671,000	(1,360,000)
Transfers out	(9,945,000)	(9,445,000)	(7,080,452)	2,364,548
Total other financing sources (uses), net	(7,904,000)	(7,404,000)	(6,282,946)	1,121,054
NET CHANGE IN FUND BALANCE	(4,430,475)	(2,280,671)	3,522,717	5,803,388
FUND BALANCE - Beginning of year	15,149,983	16,298,104	16,298,104	-
FUND BALANCE - End of year	$ 10,719,508	$ 14,017,433	$ 19,820,821	$ 5,803,388

(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, 2010

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES:				
Intergovernmental and grant revenue	$ 4,811,871	$ 5,740,136	$ 6,367,425	$ 627,289
Charges for services	4,175,832	4,166,895	3,731,547	(435,348)
Interest	-	-	4,574	4,574
Other	150	150	10,899	10,749
Total revenues	8,987,853	9,907,181	10,114,445	207,264
EXPENDITURES				
Public health:				
Salaries and benefits	6,034,418	6,285,571	6,101,024	184,547
Operating expenditures	2,046,581	2,606,665	2,172,486	434,179
Food vouchers	2,751,000	2,751,000	3,289,908	(538,908)
Capital outlay	-	125,650	124,694	956
Total expenditures	10,831,999	11,768,886	11,688,112	80,774
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,844,146)	(1,861,705)	(1,573,667)	288,038
OTHER FINANCING SOURCES (USES):				
Transfers in	2,325,000	2,325,000	2,325,000	-
Transfers out	-	(750,000)	(750,000)	-
Total other financing sources (uses), net	2,325,000	1,575,000	1,575,000	-
NET CHANGE IN FUND BALANCE	480,854	(286,705)	1,333	288,038
FUND BALANCE - Beginning of year	628,976	1,051,102	1,051,102	-
FUND BALANCE - End of year	$ 1,109,830	$ 764,397	$ 1,052,435	$ 288,038

DAVIS COUNTY

EXHIBIT N

LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES:				
General property taxes:				
Current	$ 6,183,667	$ 6,116,766	$ 5,796,460	$ (320,306)
Delinquent	218,971	218,971	274,862	55,891
Penalties and interest on delinquent taxes	30,544	30,544	36,226	5,682
Total taxes	6,433,182	6,366,281	6,107,548	(258,733)
Fines and forfeitures	190,000	190,000	183,201	(6,799)
Intergovernmental and grant revenue	11,500	11,500	58,121	46,621
Charges for services	-	-	-	-
Interest	-	-	4,478	4,478
Other	8,500	8,500	29,552	21,052
Total revenues	6,643,182	6,576,281	6,382,900	(193,381)
EXPENDITURES:				
General government:				
Salaries and benefits	4,186,983	4,186,983	4,011,639	175,344
Operating expenditures	1,897,290	1,892,095	1,736,403	155,692
Capital outlay	-	5,195	-	5,195
Total expenditures	6,084,273	6,084,273	5,748,042	336,231
EXCESS OF REVENUES OVER EXPENDITURES	558,909	492,008	634,858	142,850
OTHER FINANCING USES - Transfers out	(1,500,000)	-	-	-
NET CHANGE IN FUND BALANCE	(941,091)	492,008	634,858	142,850
FUND BALANCE - Beginning of year	2,852,182	2,712,354	2,712,354	-
FUND BALANCE - End of year	$ 1,911,091	$ 3,204,362	$ 3,347,212	$ 142,850

DAVIS COUNTY

EXHIBIT O

FLOOD CONTROL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES:				
Intergovernmental and grant revenue	$ -	$ -	$ 4,643	$ 4,643
Interest	100,000	100,000	146,535	46,535
Other	378,707	-	99,171	99,171
Total revenues	478,707	100,000	250,349	150,349
EXPENDITURES:				
Public works				
Salaries and benefits	1,305,726	1,305,726	708,788	596,938
Operating expenditures	1,836,337	1,836,337	542,251	1,294,086
Capital outlay	18,417,404	18,417,404	6,934,490	11,482,914
Total expenditures	21,559,467	21,559,467	8,185,529	13,373,938
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(21,080,760)	(21,459,467)	(7,935,180)	13,524,287
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	-	18,400	18,400
Transfers in	2,000,000	2,000,000	2,000,004	4
Transfers out	(2,359,165)	(2,359,165)	(2,162,728)	196,437
Total other financing sources (uses), net	(359,165)	(359,165)	(144,324)	214,841
NET CHANGE IN FUND BALANCE	(21,439,925)	(21,818,632)	(8,079,504)	13,739,128
FUND BALANCE - Beginning of year	28,454,086	28,374,222	28,374,222	-
FUND BALANCE - End of year	$ 7,014,161	$ 6,555,590	$ 20,294,718	$ 13,739,128

DAVIS COUNTY

EXHIBIT P

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)
January 1, 2008	$ -	$ 20,429,503	$ 20,429,503	0%	$ 30,841,425	66%
January 1, 2009	-	20,429,503	20,429,503	0%	33,552,062	61%
January 1, 2010	-	16,202,812	16,202,812	0%	34,271,134	47%

SUPPLEMENTARY INFORMATION

ARCHITECTURAL DRAWING OF THE NEW CHILDREN'S JUSTICE CENTER

www.daviscountyutah.gov

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.

Aging Services Special Revenue Fund

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

Special Services Area Special Revenue Fund

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

Emergency 911 Dispatch Special Revenue Fund

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

Paramedic Special Revenue Fund

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

Municipal Building Authority Special Revenue Fund

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

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.

Capital Projects Fund

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

Special Capital Projects Fund

This fund accounts for the revenue and expenses related to the construction of the new Davis County Health Department Building and Senior Center in Clearfield.

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	Special Revenue Funds					
	Tourism Fund	Aging Services	Special Services Area	Emergency 911	Paramedic	Municipal Building Authority
ASSETS						
Cash and cash equivalents	$ 1,451,255	$ 183,934	$ 2,204,617	$ 77,568	$ -	$ 280,247
Accounts receivable	621,746	615,198	274,585	174,331	-	-
Taxes receivable	-	-	25,829	-	-	-
Other	136,118	1,000	167,815	775	-	-
TOTAL ASSETS	$ 2,209,119	$ 800,132	$ 2,672,846	$ 252,674	$ -	$ 280,247
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	$ 81,688	$ 131,207	$ 246,980	$ 13,391	$ -	$ -
Accrued liabilities	21,600	65,000	-	29,700	-	-
Deferred revenue	15,299	-	25,829	-	-	-
Total liabilities	118,587	196,207	272,809	43,091	-	-
FUND BALANCES:						
Reserved for "B" Roads	-	-	800,804	-	-	-
Unreserved:	2,090,532	603,925	1,599,233	209,583	-	280,247
Total fund balances	2,090,532	603,925	2,400,037	209,583	-	280,247
TOTAL LIABILITIES AND FUND BALANCES	$ 2,209,119	$ 800,132	$ 2,672,846	$ 252,674	$ -	$ 280,247

(Continued)

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	Debt Service Funds			Capital Projects Funds		Total
	General Government	Municipal Building Authority	Sales Tax Revenue Bonds	Capital Projects Fund	Special Capital Projects	Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	$ 3,279,391	$ -	$ 1,116,330	$ 2,171,925	$ 1,469,320	$ 12,234,587
Accounts receivable	-	-	-	151,846	13,891	1,851,597
Taxes receivable	97,103	-	-	-	-	122,932
Other	-	-	-	-	-	305,708
TOTAL ASSETS	$ 3,376,494	$ -	$ 1,116,330	$ 2,323,771	$ 1,483,211	$ 14,514,824
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	$ -	$ -	$ -	$ 124,637	$ 423,341	$ 1,021,244
Accrued liabilities	-	-	-	-	-	116,300
Deferred revenue	97,103	-	-	-	-	138,231
Total liabilities	97,103	-	-	124,637	423,341	1,275,775
FUND BALANCES:						
Reserved for "B" Roads	-	-	-	-	-	800,804
Unreserved:	3,279,391	-	1,116,330	2,199,134	1,059,870	12,438,245
Total fund balances	3,279,391	-	1,116,330	2,199,134	1,059,870	13,239,049
TOTAL LIABILITIES AND FUND BALANCES	$ 3,376,494	$ -	$ 1,116,330	$ 2,323,771	$ 1,483,211	$ 14,514,824

(Concluded)

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Special Revenue Funds					
	Tourism Fund	Aging Services	Special Services Area	Emergency 911 Dispatch	Paramedic	Municipal Building Authority
REVENUES:						
Taxes:						
General property taxes - current	$ -	$ -	$ 463,441	$ -	$ -	$ -
General property taxes - delinquent	-	-	5,487	-	-	-
Penalties and interest on delinquent taxes	-	-	19,861	-	-	-
Sales taxes	4,246,037	-	509,583	-	-	-
Total taxes	4,246,037	-	998,372	-	-	-
Intergovernmental and grant revenue	100,008	3,845,028	982,444	49,091	-	-
Charges for services	648,552	260,666	29,579	1,459,417	-	-
Interest	3,456	7,033	11,735	1,491	-	1,295
Other	74,075	93,560	309	34,329	-	251,721
Total revenues	5,072,128	4,206,287	2,022,439	1,544,328	-	253,016
EXPENDITURES:						
Current:						
General government	3,317,121	5,576,373	339,417	-	-	10
Public safety	-	-	-	1,667,773	1,237,700	-
Public works	-	-	836,612	-	-	-
Capital outlay	248,716	20,435	850,254	79,250	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Total expenditures	3,565,837	5,596,808	2,026,283	1,747,023	1,237,700	10
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,506,291	(1,390,521)	(3,844)	(202,695)	(1,237,700)	253,006
OTHER FINANCING SOURCES (USES):						
Refunding bonds issued	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-
Sale of capital assets	1,592	-	78,637	-	-	-
Transfers in	-	1,590,000	277,174	-	165,448	-
Transfers out	(1,310,646)	(250,000)	-	-	-	(271,826)
Refunded bonds redeemed	-	-	-	-	-	-
Total other financing sources (uses), net	(1,309,054)	1,340,000	355,811	-	165,448	(271,826)
NET CHANGE IN FUND BALANCES	197,237	(50,521)	351,967	(202,695)	(1,072,252)	(18,820)
FUND BALANCE:						
Beginning of year	1,893,295	654,446	2,048,070	412,278	1,072,252	299,067
End of year	$ 2,090,532	$ 603,925	$ 2,400,037	$ 209,583	$ -	$ 280,247

(Continued)

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Debt Service Funds			Capital Project Funds		Total
	General Government	Municipal Building Authority	Sales Tax Revenue Bonds	Capital Projects Fund	Special Capital Projects	Nonmajor Governmental Funds
REVENUES:						
Taxes:						
General property taxes - current	$ 2,055,468	$ -	$ -	$ -	$ -	$ 2,518,909
General property taxes - delinquent	99,592	-	-	-	-	105,079
Penalties and interest on delinquent taxes	13,049	-	-	-	-	32,910
Sales taxes	-	-	-	-	-	4,755,620
Total taxes	2,168,109	-	-	-	-	7,412,518
Intergovernmental and grant revenue	-	-	370,707	188,853	-	5,536,131
Charges for services	-	-	-	-	-	2,398,214
Interest	9,159	-	2,911	35,255	1,432	73,767
Other	-	-	-	-	-	453,994
Total revenues	2,177,268	-	373,618	224,108	1,432	15,874,624
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	9,232,921
Public safety	-	-	-	-	-	2,905,473
Public works	-	-	-	-	-	836,612
Capital outlay	-	-	-	208,009	7,308,787	8,715,451
Debt service:						
Principal retirement	1,000,000	191,150	1,630,000	-	-	2,821,150
Interest and fiscal charges	901,050	80,675	1,948,809	-	-	2,930,534
Bond issuance costs	-	17,047	-	-	-	17,047
Total expenditures	1,901,050	288,872	3,578,809	208,009	7,308,787	27,459,188
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	276,218	(288,872)	(3,205,191)	16,099	(7,307,355)	(11,584,564)
OTHER FINANCING SOURCES (USES):						
Refunding bonds issued	-	1,335,000	-	-	-	1,335,000
Premium on bonds issued	-	52,977	-	-	-	52,977
Sale of capital assets	-	-	-	-	-	80,229
Transfers in	-	271,826	3,196,200	1,000,000	6,050,000	12,550,648
Transfers out	-	-	-	(5,050,000)	-	(6,882,472)
Refunded bonds redeemed	-	(1,370,931)	-	-	-	(1,370,931)
Total other financing sources (uses), net	-	288,872	3,196,200	(4,050,000)	6,050,000	5,765,451
NET CHANGE IN FUND BALANCES	276,218	-	(8,991)	(4,033,901)	(1,257,355)	(5,819,113)
FUND BALANCE:						
Beginning of year	3,003,173	-	1,125,321	6,233,035	2,317,225	19,058,162
End of year	$ 3,279,391	$ -	$ 1,116,330	$ 2,199,134	$ 1,059,870	$ 13,239,049

(Concluded)

CAMPUS CONSTRUCTION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Final Budget	Actual	Variance With Final Budget
REVENUES:			
Intergovernmental and grant revenue	$ 450,000	$ -	$ (450,000)
Interest	25,000	10,882	(14,118)
Total revenues	475,000	10,882	(464,118)
EXPENDITURES:			
Debt service-bond issuance costs	246,150	233,610	12,540
Capital outlay			
Children's Justice Center	700,000	68,127	631,873
Administration Building	5,800,000	585,788	5,214,212
Library	200,000	194,712	5,288
Total expenditures	6,946,150	1,082,237	5,863,913
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(6,471,150)	(1,071,355)	5,399,795
OTHER FINANCING SOURCES:			
Lease Revenue Recovery Zone Bonds issued	9,000,000	19,600,000	10,600,000
NET CHANGE IN FUND BALANCE	2,528,850	18,528,645	15,999,795
FUND BALANCE - Beginning of year	407,015	407,015	-
FUND BALANCE - End of year	$ 2,935,865	$ 18,935,660	$ 15,999,795

TOURISM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Final Budget	Actual	Variance With Final Budget
REVENUES:			
Sales tax	$ 3,905,000	$ 4,246,037	$ 341,037
Intergovernmental and grant revenue	125,000	100,008	(24,992)
Charges for services	663,109	648,552	(14,557)
Interest	10,000	3,456	(6,544)
Other	45,000	74,075	29,075
Total revenues	4,748,109	5,072,128	324,019
EXPENDITURES:			
General government:			
Salaries and benefits	842,051	776,727	65,324
Operating expenditures	2,651,292	2,540,394	110,898
Capital outlay	278,600	248,716	29,884
Total expenditures	3,771,943	3,565,837	206,106
EXCESS OF REVENUES OVER EXPENDITURES	976,166	1,506,291	530,125
OTHER FINANCING SOURCES (USES):			
Sale of capital assets	-	1,592	1,592
Transfers out	(1,353,430)	(1,310,646)	42,784
Total other financing sources (uses), net	(1,353,430)	(1,309,054)	44,376
NET CHANGE IN FUND BALANCE	(377,264)	197,237	574,501
FUND BALANCE - Beginning of year	1,893,295	1,893,295	-
FUND BALANCE - End of year	$ 1,516,031	$ 2,090,532	$ 574,501

AGING SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Final Budget	Actual	Variance With Final Budget
REVENUES:			
Intergovernmental and grant revenue	$ 5,328,268	$ 3,845,028	$ (1,483,240)
Charges for services	235,000	260,666	25,666
Interest	-	7,033	7,033
Other	42,850	93,560	50,710
Total revenues	5,606,118	4,206,287	(1,399,831)
EXPENDITURES:			
General government:			
Salaries and benefits	3,036,619	2,792,517	244,102
Operating expenditures	4,065,185	2,783,856	1,281,329
Capital outlay	198,000	20,435	177,565
Total expenditures	7,299,804	5,596,808	1,702,996
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,693,686)	(1,390,521)	303,165
OTHER FINANCING SOURCES (USES):			
Transfers in	1,590,000	1,590,000	-
Transfers out	(250,000)	(250,000)	-
Total other financing sources (uses)	1,340,000	1,340,000	-
NET CHANGE IN FUND BALANCE	(353,686)	(50,521)	303,165
FUND BALANCE - Beginning of year	654,446	654,446	-
FUND BALANCE - End of year	$ 300,760	$ 603,925	$ 303,165

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, 2010

	Final Budget	Actual	Variance With Final Budget
REVENUES:			
General property taxes:			
Current	$ 423,119	$ 463,441	$ 40,322
Delinquent	5,000	5,487	487
Penalties and interest on delinquent taxes	3,000	19,861	16,861
Sales taxes	227,700	509,583	281,883
Total taxes	658,819	998,372	339,553
Intergovernmental and grant revenue	925,000	982,444	57,444
Charges for services	52,500	29,579	(22,921)
Interest	5,000	11,735	6,735
Other	-	309	309
Total revenues	1,641,319	2,022,439	381,120
EXPENDITURES:			
General government-operating expenditures	403,984	339,417	64,567
Public works			
Salaries and benefits	550,000	527,521	22,479
Operating expenditures	616,656	309,091	307,565
	1,166,656	836,612	330,044
Capital outlay	785,157	850,254	(65,097)
Total expenditures	2,355,797	2,026,283	329,514
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(714,478)	(3,844)	710,634
OTHER FINANCING SOURCES			
Sale of capital assets	-	78,637	78,637
Transfers in	100,000	277,174	177,174
Total other financing sources	100,000	355,811	255,811
NET CHANGE IN FUND BALANCE	(614,478)	351,967	966,445
FUND BALANCE - Beginning of year	2,048,070	2,048,070	-
FUND BALANCE - End of year	$ 1,433,592	$ 2,400,037	$ 966,445

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, 2010

	Final Budget	Actual	Variance With Final Budget
REVENUES:			
Intergovernmental and grant revenue	$ 49,091	$ 49,091	$ -
Charges for services	1,416,270	1,459,417	43,147
Interest	32,656	1,491	(31,165)
Other	-	34,329	34,329
Total revenues	1,498,017	1,544,328	46,311
EXPENDITURES - Public safety:			
Salaries and benefits	1,351,495	1,346,287	5,208
Operating expenditures	353,445	321,486	31,959
Capital outlay	84,998	79,250	5,748
Total expenditures - public safety	1,789,938	1,747,023	42,915
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(291,921)	(202,695)	89,226
FUND BALANCE - Beginning of year	412,278	412,278	-
FUND BALANCE - End of year	$ 120,357	$ 209,583	$ 89,226

PARAMEDIC SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Final Budget	Actual	Variance With Final Budget
REVENUES - Interest	$ 10,000	$ -	$ (10,000)
EXPENDITURES - Public safety	1,265,000	1,237,700	27,300
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,255,000)	(1,237,700)	17,300
OTHER FINANCING SOURCES (USES):			
Transfers in	2,530,000	165,448	(2,364,552)
Transfers out	(1,265,000)	-	1,265,000
Total other financing sources (uses), net	1,265,000	165,448	(1,099,552)
NET CHANGE IN FUND BALANCE	10,000	(1,072,252)	(1,082,252)
FUND BALANCE - Beginning of year	1,072,252	1,072,252	-
FUND BALANCE - End of year	$ 1,082,252	$ -	$ (1,082,252)

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, 2010

	Final Budget	Actual	Variance With Final Budget
REVENUES:			
Interest	$ -	$ 1,295	$ 1,295
Other	252,084	251,721	(363)
Total revenues	252,084	253,016	932
EXPENDITURES - General government	100	10	90
EXCESS OF REVENUES OVER EXPENDITURES	251,984	253,006	1,022
OTHER FINANCING USES - Transfers out	(370,675)	(271,826)	98,849
NET CHANGE IN FUND BALANCE	(118,691)	(18,820)	99,871
FUND BALANCE - Beginning of year	299,067	299,067	-
FUND BALANCE - End of year	$ 180,376	$ 280,247	$ 99,871

GENERAL OBLIGATION DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Final Budget	Actual	Variance With Final Budget
REVENUES:			
Taxes - general property taxes - current	$ 2,134,050	$ 2,055,468	$ (78,582)
Taxes - general property taxes - delinquent	100,000	99,592	(408)
Penalties and interest on delinquent taxes	10,000	13,049	3,049
Interest earnings	10,000	9,159	(841)
Total revenues	2,254,050	2,177,268	(76,782)
EXPENDITURES			
Principal retirement	1,000,000	1,000,000	-
Interest expense and fiscal charges	903,000	901,050	1,950
Total expenditures	1,903,000	1,901,050	1,950
EXCESS OF REVENUES OVER EXPENDITURES	351,050	276,218	(74,832)
FUND BALANCE - Beginning of year	3,003,173	3,003,173	-
FUND BALANCE - End of year	$ 3,354,223	$ 3,279,391	$ (74,832)

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, 2010

	Final Budget	Actual	Variance With Final Budget
REVENUES:	$ -	$ -	$ -
EXPENDITURES:			
Wasatch Front Debt			
Principal retirement	55,000	55,000	-
Interest expense and fiscal charges	41,000	38,413	2,587
Total Wasatch Front Debt	96,000	93,413	2,587
DMV Debt			
Principal retirement	193,150	136,150	57,000
Interest expense and fiscal charges	81,525	42,262	39,263
Total DMV Debt	274,675	178,412	96,263
DMV Refunding Bonds issuance costs	17,050	17,047	3
Total expenditures	387,725	288,872	98,853
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(387,725)	(288,872)	98,853
OTHER FINANCING SOURCES (USES):			
Refunding bonds issued	1,335,000	1,335,000	-
Premium on bonds issued	52,977	52,977	-
Transfers in	370,675	271,826	(98,849)
Refunded bonds redeemed	(1,370,927)	(1,370,931)	(4)
Total other financing sources (uses), net	387,725	288,872	(98,853)
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - Beginning of year	-	-	-
FUND BALANCE - End of year	$ -	$ -	$ -

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, 2010

	Final Budget	Actual	Variance With Final Budget
REVENUES:			
Intergovernmental revenue - Bond interest subsidy	$ 378,707	$ 370,707	$ (8,000)
Interest earnings	-	2,911	2,911
Total revenues	378,707	373,618	(5,089)
EXPENDITURES:			
Conference Center			
Principal retirement	375,000	375,000	-
Interest expense and fiscal charges	100,650	95,085	5,565
Total Conference Center	475,650	470,085	5,565
Conference Center Expansion			
Principal retirement	225,000	225,000	-
Interest expense and fiscal charges	404,000	402,235	1,765
Total Conference Center Expansion	629,000	627,235	1,765
Conference Center Refunding			
Principal retirement	30,000	30,000	-
Interest expense and fiscal charges	192,500	190,326	2,174
Total Conference Refunding	222,500	220,326	2,174
Flood Projects			
Principal retirement	1,000,000	1,000,000	-
Interest expense and fiscal charges	204,000	199,000	5,000
Total Flood Projects	1,204,000	1,199,000	5,000
Flood Projects-Build America Bonds			
Principal retirement	-	-	-
Interest expense and fiscal charges	1,064,000	1,062,163	1,837
Total Flood Projects-Build America Bonds	1,064,000	1,062,163	1,837
Total expenditures	3,595,150	3,578,809	16,341
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(3,216,443)	(3,205,191)	11,252
OTHER FINANCING SOURCES - Transfers in	3,612,595	3,196,200	(416,395)
NET CHANGE IN FUND BALANCE	396,152	(8,991)	(405,143)
FUND BALANCE - Beginning of year	1,125,321	1,125,321	-
FUND BALANCE - End of year	$ 1,521,473	$ 1,116,330	$ (405,143)

CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Final Budget	Actual	Variance With Final Budget
REVENUES:			
Intergovernmental and grant revenue	$ 749,000	$ 188,853	$ (560,147)
Interest earnings	30,000	35,255	5,255
Total revenues	779,000	224,108	(554,892)
EXPENDITURES - Capital outlay	1,169,000	208,009	960,991
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(390,000)	16,099	406,099
OTHER FINANCING SOURCES (USES):			
Transfers in	1,000,000	1,000,000	-
Transfers out	(5,050,000)	(5,050,000)	-
Total other financing sources	(4,050,000)	(4,050,000)	-
NET CHANGE IN FUND BALANCE	(4,440,000)	(4,033,901)	406,099
FUND BALANCE - Beginning of year	6,233,035	6,233,035	-
FUND BALANCE - End of year	$ 1,793,035	$ 2,199,134	$ 406,099

SPECIAL CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Final Budget	Actual	Variance With Final Budget
REVENUES - Interest	$ 10,000	$ 1,432	$ (8,568)
EXPENDITURES:			
Capital outlay			
Health Building	5,897,921	5,526,651	371,270
Senior Center Building	2,456,543	1,782,136	674,407
Total expenditures	8,354,464	7,308,787	1,045,677
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(8,344,464)	(7,307,355)	1,037,109
OTHER FINANCING SOURCES - Transfers in	6,050,000	6,050,000	-
NET CHANGE IN FUND BALANCE	(2,294,464)	(1,257,355)	1,037,109
FUND BALANCE - Beginning of year	2,317,225	2,317,225	-
FUND BALANCE - End of year	$ 22,761	$ 1,059,870	$ 1,037,109

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

Building and Grounds Fund
This fund accounts for management of county-owned facilities under central management.

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2010

	Insurance	Telephone	Building and Grounds	Total Internal Service Funds
ASSETS				
CURRENT:				
Cash and cash equivalents	$ 1,847,461	$ 708,916	$ 1,883,766	$ 4,440,143
Accounts receivables	-	6,205	10,554	16,759
Other	103,089	-	-	103,089
Total current assets	1,950,550	715,121	1,894,320	4,559,991
NONCURRENT:				
Capital assets				
Furniture, fixtures, and equipment	574,028	307,415	262,065	1,143,508
Less accumulated depreciation	(246,012)	(248,760)	(180,646)	(675,418)
Total noncurrent assets	328,016	58,655	81,419	468,090
TOTAL ASSETS	2,278,566	773,776	1,975,739	5,028,081
LIABILITIES				
CURRENT:				
Accounts payable	103,871	5,315	104,163	213,349
Accrued liabilities	2,700	1,500	31,900	36,100
Obligations for compensated absences	-	-	4,548	4,548
Total current liabilities	106,571	6,815	140,611	253,997
LONG-TERM:				
Net OPEB obligation	9,998	7,142	137,495	154,635
Obligations for compensated absences	-	-	40,935	40,935
Total long-term liabilities	9,998	7,142	178,430	195,570
TOTAL LIABILITIES	116,569	13,957	319,041	449,567
NET ASSETS				
Invested in capital assets	328,016	58,655	81,419	468,090
Unrestricted	1,833,981	701,164	1,575,279	4,110,424
TOTAL NET ASSETS	$ 2,161,997	$ 759,819	$ 1,656,698	$ 4,578,514

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Insurance	Telephone	Building and Grounds	Total
OPERATING REVENUES:				
Charges to other funds	$ 968,877	$ 294,697	$ 3,173,789	$ 4,437,363
Other revenues	140	88,972	23,318	112,430
Total operating revenues	969,017	383,669	3,197,107	4,549,793
OPERATING EXPENSES:				
Salaries, wages, and benefits	145,202	65,026	1,434,674	1,644,902
Insurance premiums	672,822	-	-	672,822
Line charges	-	91,182	-	91,182
Other operating expenses	10,625	89,412	1,528,680	1,628,717
Depreciation	82,004	24,009	52,433	158,446
Total operating expenses	910,653	269,629	3,015,787	4,196,069
OPERATING INCOME (LOSS)	58,364	114,040	181,320	353,724
NONOPERATING REVENUES				
Interest income	8,904	4,069	10,552	23,525
CHANGE IN NET ASSETS	67,268	118,109	191,872	377,249
NET ASSETS - Beginning of year	2,094,729	641,710	1,464,826	4,201,265
NET ASSETS - End of year	$ 2,161,997	$ 759,819	$ 1,656,698	$ 4,578,514

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Insurance	Telephone	Building and Grounds	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	$ 140	$ 92,243	$ 31,736	$ 124,119
Receipts from interfund services provided	968,877	294,697	3,173,789	4,437,363
Payments to suppliers	(39,728)	(183,040)	(1,542,025)	(1,764,793)
Payments to employees	(141,840)	(74,039)	(1,380,939)	(1,596,818)
Net cash provided by (used in) operating activities	787,449	129,861	282,561	1,199,871
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	(57,744)	(13,677)	(71,421)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	8,904	4,069	10,552	23,525
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	796,353	76,186	279,436	1,151,975
CASH AND CASH EQUIVALENTS:				
Beginning of year	1,051,108	632,730	1,604,330	3,288,168
End of year	$ 1,847,461	$ 708,916	$ 1,883,766	$ 4,440,143
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	$ 58,364	$ 114,040	$ 181,320	$ 353,724
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation expense	82,004	24,009	52,433	158,446
Change in assets and liabilities:				
Accounts receivables	-	3,271	8,418	11,689
Other assets	569,733	-	150	569,883
Accounts payable	73,986	(2,446)	(13,495)	58,045
Accrued liabilities	300	(11,200)	6,600	(4,300)
Obligation for OPEB	3,062	2,187	44,183	49,432
Obligation for compensated absences	-	-	2,952	2,952
Net cash provided by (used in) operating activities	$ 787,449	$ 129,861	$ 282,561	$ 1,199,871

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.

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2010

	County Agency Fund	Treasurer's Tax Collection Agency Fund	Employee Benefits Agency Fund	Total
ASSETS				
Cash and cash equivalents	$ 32,875	$ 60,272,435	$ 286,906	$ 60,592,216
Accounts receivable	6,126	368,976	-	375,102
TOTAL ASSETS	$ 39,001	$ 60,641,411	$ 286,906	$ 60,967,318
LIABILITIES				
Due to individuals, organizations, and other governments	$ 39,001	$ 60,641,411	$ 286,906	$ 60,967,318

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Balance at January 1, 2010	Additions	Deletions	Balance at December 31, 2010
COUNTY AGENCY FUND				
ASSETS				
Cash and cash equivalents	$ 207,628	$ 12,010,061	$ 12,184,814	$ 32,875
Accounts receivable	273,232	6,566,906	6,834,012	6,126
TOTAL ASSETS	$ 480,860	$ 18,576,967	$ 19,018,826	$ 39,001
LIABILITIES				
Due to individuals, organizations, and other governments	$ 480,860	$ 18,576,967	$ 19,018,826	$ 39,001
TREASURER'S TAX COLLECTION AGENCY FUND				
ASSETS				
Cash and cash equivalents	$ 70,160,993	$ 192,787,580	$ 202,676,138	$ 60,272,435
Accounts receivable	374,943	368,976	374,943	368,976
TOTAL ASSETS	$ 70,535,936	$ 193,156,556	$ 203,051,081	$ 60,641,411
LIABILITIES				
Due to individuals, organizations, and other governments	$ 70,535,936	$ 193,156,556	$ 203,051,081	$ 60,641,411
EMPLOYEE BENEFITS AGENCY FUND				
ASSETS				
Cash and cash equivalents	$ 263,563	$ 58,772,952	$ 58,749,609	$ 286,906
LIABILITIES				
Due to individuals, organizations, and other governments	$ 263,563	$ 58,772,952	$ 58,749,609	$ 286,906

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Other Schedules

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

Statement of Tax Charged, Collected and Disbursed

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

TREASURER'S TAX COLLECTION FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - TREASRURER'S COLLECTION ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2010

	Treasurer's Balance 1/1/2010	Receipts	Apportionments Current Taxes	Apportionments Delinquent Taxes	Apportionments Other Collections	Totals	Disbursements	Treasurer's Balance 12/31/2010
Current 2010 taxes	$ -	$ 195,485,603	$ (195,485,603)	$ -	$ -	$ -	$ -	$ -
Prior year redemptions and rollbacks	-	11,003,168	-	(11,003,168)	-	-	-	-
Other taxes - "Class D"	1,052,179	3,889,307	-	-	(4,163,220)	778,266	-	778,266
Interest received	-	1,058,905	-	-	(1,058,905)	-	-	-
Fee in lieu	-	18,290,446	-	-	(18,290,446)	-	-	-
Miscellaneous collections	-	4,734,883	-		(4,734,883)	-	-	-
Taxes held for refund & prepayments	2,018,456	3,231,899	-	-	-	5,250,355	3,274,162	1,976,193
Total	3,070,635	237,694,211	(195,485,603)	(11,003,168)	(28,247,454)	6,028,621	3,274,162	2,754,459
Davis County:								
County funds	-	-	31,831,081	1,865,418	4,562,593	38,259,092	38,259,092	-
County library	-	-	5,194,396	305,986	638,416	6,138,798	6,138,798	-
Special service area	-	-	357,917	26,289	124,535	508,741	508,741	-
Total Davis County	-	-	37,383,394	2,197,693	5,325,544	44,906,631	44,906,631	-
Davis County School District	44,885,159	-	113,302,665	6,625,480	14,306,658	179,119,962	141,083,946	38,036,016
Cities and towns:								
Bountiful	891,448	-	2,099,865	104,152	241,357	3,336,822	2,603,383	733,439
Centerville	384,451	-	906,992	45,988	113,823	1,451,254	1,165,202	286,052
Clearfield	603,449	-	1,810,238	79,085	159,322	2,652,094	2,398,250	253,844
Clinton	555,509	-	1,235,238	53,242	157,317	2,001,306	1,610,624	390,682
Farmington	867,812	-	1,981,234	125,383	223,540	3,197,969	2,487,020	710,949
Fruit Heights	200,830	-	519,841	39,873	57,482	818,026	630,922	187,104
Kaysville	527,410	-	1,212,591	72,316	153,137	1,965,454	1,522,804	442,650
Layton	2,605,767	-	5,892,363	410,448	660,705	9,569,283	7,353,359	2,215,924
North Salt Lake	857,194	-	1,944,939	125,515	170,001	3,097,649	2,326,085	771,564
South Weber City	94,105	-	250,853	9,831	31,211	386,000	285,675	100,325
Sunset	106,491	-	309,630	14,164	36,465	466,750	341,801	124,949
Syracuse	666,009	-	1,524,309	69,977	197,889	2,458,184	2,026,278	431,906
West Bountiful	197,379	-	506,813	18,571	110,005	832,768	780,779	51,989
West Point	127,940	-	302,937	15,359	43,457	489,693	399,612	90,081
Woods Cross	158,795	-	439,282	42,940	53,717	694,734	531,579	163,155
Total cities and towns	8,844,589	-	20,937,125	1,226,844	2,409,428	33,417,986	26,463,373	6,954,613

(Continued Next Page)

TREASURER'S TAX COLLECTION FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - TREASRURER'S COLLECTION ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2010

	Treasurer's Balance 1/1/2010	Receipts	Apportionments Current Taxes	Apportionments Delinquent Taxes	Apportionments Other Collections	Totals	Disbursements	Treasurer's Balance 12/31/2010
Other taxing districts:								
Benchland Water Dist	173,127	-	397,859	22,689	48,702	642,377	502,248	140,129
Bountiful Irrigation Water District	540,461	-	203,049	9,222	2,054,465	2,807,197	2,368,156	439,041
Central Davis Sewer	224,966	-	522,873	33,481	62,614	843,934	655,156	188,778
Central Weber Sewer	96,809	-	253,389	9,900	31,200	391,298	288,232	103,066
Hooper Water Improv	16,150	-	33,036	3,926	5,449	58,561	48,474	10,087
Kays Creek	-	-	-	-	134	134	134	-
Mosquito Abatement	585,170	-	1,402,475	81,765	170,586	2,239,996	1,790,148	449,848
North Davis Fire Dist	643,422	-	1,700,565	77,487	169,020	2,590,494	2,343,730	246,764
North Davis Sewer	2,099,091	-	5,722,016	320,260	672,857	8,814,224	6,845,709	1,968,515
South Davis Recreation	794,402	-	2,002,193	114,816	263,951	3,175,362	2,548,330	627,032
South Davis Sewer	742,356	-	1,663,084	98,445	461,818	2,965,703	2,473,816	491,887
South Davis Water	43,910	-	87,995	6,672	14,864	153,441	118,679	34,762
South Weber Water	16,397	-	-	-	69,861	86,258	77,291	8,967
Weber Basin Water	1,620,937	-	3,013,700	174,488	2,180,303	6,989,428	5,631,241	1,358,187
Total other taxing districts	7,597,198	-	17,002,234	953,151	6,205,824	31,758,407	25,691,344	6,067,063
Redevelopment agencies:								
Bountiful	1,127,924	-	1,555,313	-	-	2,683,237	1,527,924	1,155,313
Centerville	1,091,541	-	1,126,782	-	-	2,218,323	1,091,541	1,126,782
Clearfield	1,128,134	-	1,404,793	-	-	2,532,927	1,128,134	1,404,793
Clearfield EDA	398,638	-	398,638	-	-	797,276	398,638	398,638
Clinton	61,572	-	85,282	-	-	146,854	61,572	85,282
Farmington	289,372	-	351,481	-	-	640,853	289,372	351,481
Layton	261,457	-	253,184	-	-	514,641	261,457	253,184
Syracuse	284,503	-	421,094	-	-	705,597	284,503	421,094
West Bountiful	-	-	523,094	-	-	523,094	-	523,094
Woods Cross	697,808	-	740,524	-	-	1,438,332	697,808	740,524
Woods Cross/West Bountiful	422,463	-	-	-	-	422,463	422,463	-
Total redevelopment agencies	5,763,412	-	6,860,185	-	-	12,623,597	6,163,412	6,460,185
GRAND TOTAL	$ 70,160,993	$ 237,694,211	$ -	$ -	$ -	$ 307,855,204	$ 247,582,868	$ 60,272,336

(Concluded)

TREASURER'S TAX COLLECTION FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - TREASURER'S COLLECTION ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2010

	YEAR-END REAL PROPERTY & CENTRALLY ASSESSED VALUES				YEAR-END PERSONAL PROPERTY VALUES			PROPERTY TAX CALCULATION					
ENTITY	Real Property	Centrally Assessed	Redevelopment Reductions	Total	Personal Property	RDA Reductions	Total	ENTITY TOTAL ADJUSTED VALUE	Current Year Tax Rate	Prior Year Tax Rate (Personal)	Real Property & Centrally Assessed Tax Charged	Personal Property Tax Charged	Total Taxes Charged
Davis School District	14,518,833,084	493,463,739	484,627,952	14,527,668,871	1,185,481,355	38,269,787	1,147,211,568	15,674,880,439	.006365	.005685	92,468,612	6,521,898	98,990,510
Statewide School	14,518,833,084	493,463,739	484,627,952	14,527,668,871	1,185,481,355	38,269,787	1,147,211,568	15,674,880,439	.001495	.001433	21,718,865	1,643,954	23,362,819
Davis County	14,518,833,084	493,463,739	484,627,952	14,527,668,871	1,185,481,355	38,269,787	1,147,211,568	15,674,880,439	.001945	.001865	28,256,316	2,139,550	30,395,866
Bountiful City	2,191,732,897	26,448,736	120,295,090	2,097,886,543	56,159,410	3,045,603	53,113,807	2,151,000,350	.001037	.000948	2,175,508	50,352	2,225,860
Centerville City	885,770,763	30,362,092	86,479,392	829,653,463	36,063,998	3,404,302	32,659,696	862,313,159	.001102	.000997	914,278	32,562	946,840
Clearfield City	1,153,653,557	64,443,794	107,141,696	1,110,955,655	215,697,587	18,972,380	196,725,207	1,307,680,862	.001548	.001548	1,719,759	304,531	2,024,290
Clinton City	731,446,180	18,426,197	6,233,977	743,638,400	18,206,218	151,355	18,054,863	761,693,263	.001752	.001729	1,302,854	31,217	1,334,071
Farmington City	969,700,580	33,536,473	25,584,282	977,652,771	19,356,699	493,629	18,863,070	996,515,841	.002109	.002051	2,061,870	38,688	2,100,558
Fruit Heights City	266,774,962	7,717,426	-	274,492,388	2,515,953	-	2,515,953	277,008,341	.002006	.001845	550,632	4,642	555,274
Kaysville City	1,240,131,710	23,478,439	-	1,263,610,149	29,073,355	-	29,073,355	1,292,683,504	.000987	.000907	1,247,183	26,370	1,273,553
Layton City	3,113,012,652	82,914,595	17,800,493	3,178,126,754	162,060,066	902,633	161,157,433	3,339,284,187	.001933	.001876	6,143,319	302,331	6,445,650
North Salt Lake City	1,150,403,168	50,018,227	-	1,200,421,395	196,666,149	-	196,666,149	1,397,087,544	.001520	.001396	1,824,641	274,546	2,099,187
Sunset City	147,240,010	5,845,416	-	153,085,426	2,724,884	-	2,724,884	155,810,310	.002138	.001483	327,297	4,041	331,338
South Weber City	274,331,660	48,943,139	-	323,274,799	4,143,349	-	4,143,349	327,418,148	.000827	.000840	267,348	3,480	270,828
Syracuse City	1,017,110,521	15,426,029	31,229,592	1,001,306,958	19,411,891	587,122	18,824,769	1,020,131,727	.001631	.001613	1,633,132	30,364	1,663,496
West Bountiful City	319,569,326	14,482,411	29,773,472	304,278,265	122,938,293	10,957,284	111,981,009	416,259,274	.001366	.001384	415,644	154,982	570,626
West Point City	339,290,808	6,268,551	-	345,559,359	2,008,369	-	2,008,369	347,567,728	.000936	.000876	323,444	1,759	325,203
Woods Cross City	561,263,673	14,438,605	55,491,096	520,211,182	45,174,887	4,354,341	40,820,546	561,031,728	.000840	.000690	436,977	28,166	465,143
County Library	14,518,833,084	493,463,739	484,627,952	14,527,668,871	1,185,481,355	38,269,787	1,147,211,568	15,674,880,439	.000363	.000348	5,273,544	399,230	5,672,774
Weber Basin Water	14,517,928,554	493,035,132	484,624,802	14,526,338,884	1,185,481,355	38,272,937	1,147,208,418	15,673,547,302	.000207	.000188	3,006,952	215,675	3,222,627
Mosquito Abatement	14,517,928,554	493,035,132	484,624,802	14,526,338,884	1,185,481,355	38,272,937	1,147,208,418	15,673,547,302	.000097	.000093	1,409,055	106,690	1,515,745
North Davis Sewer	6,706,396,542	218,483,146	172,447,980	6,752,431,708	424,503,419	10,571,268	413,932,151	7,166,363,859	.000864	.000763	5,834,101	315,830	6,149,931
Bountiful Water SubCon	1,844,010,470	23,790,031	160,283,076	1,707,517,425	72,362,178	6,209,674	66,152,504	1,773,669,929	.000122	.000113	208,317	7,475	215,792
South Davis Water	398,127,048	4,637,280	17,212,519	385,551,809	10,379,817	443,591	9,936,226	395,488,035	.000240	.000243	92,532	2,415	94,947
Special Serv Area	156,496,087	50,284,974	-	206,781,061	253,280,247	-	253,280,247	460,061,308	.000899	.000844	185,896	213,769	399,665
Central Davis Sewer	2,343,512,563	70,600,624	25,580,661	2,388,532,526	46,926,802	497,250	46,429,552	2,434,962,078	.000227	.000212	542,197	9,843	552,040
South Davis Sewer	5,150,864,247	145,926,704	276,716,455	5,020,074,496	709,848,862	37,084,125	672,764,737	5,692,839,233	.000315	.000290	1,581,323	195,102	1,776,425
Benchland Water Distr	914,349,507	21,084,978	22,795,826	912,638,659	18,646,012	454,389	18,191,623	930,830,282	.000451	.000427	411,600	7,768	419,368
Hooper Water Improv	89,423,399	1,679,564	-	91,102,963	116,268	-	116,268	91,219,231	.000404	.000396	36,806	46	36,852
Central Weber Sewer	275,120,302	47,412,373	-	322,532,675	4,143,349	-	4,143,349	326,676,024	.000833	.000811	268,670	3,360	272,030
South Davis Recr. Dist.	5,176,008,189	140,055,493	276,877,013	5,039,186,669	708,935,834	36,923,567	672,012,267	5,711,198,936	.000379	.000356	1,909,852	239,236	2,149,088
North Davis Fire Dist.	1,492,944,365	70,712,345	110,701,277	1,452,955,433	217,705,956	15,412,799	202,293,157	1,655,248,590	.001148	.001194	1,667,993	241,538	1,909,531
County Assess & Coll	14,518,833,084	493,463,739	-	15,012,296,823	1,185,481,355	-	1,185,481,355	16,197,778,178	.000106	.000101	1,591,303	119,734	1,711,037
State Assess & Coll	14,518,833,084	493,463,739	-	15,012,296,823	1,185,481,355	-	1,185,481,355	16,197,778,178	.000162	.000142	2,431,992	168,338	2,600,330
											190,239,812	13,839,482	204,079,294

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 21
(continued - page 2 of 2)

TREASURER'S TAX COLLECTION FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - TREASURER'S COLLECTION ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2010

ENTITY	TAXES CHARGED	TREASURER'S RELIEF				TAXES COLLECTED	PERCENTAGE COLLECTED	OTHER COLLECTIONS				Total, All Collections / Distributed
		Unpaid Taxes	Abatements	Other	Total			Fee-in-lieu Age-based	Redemptions	Miscellaneous Collection	Delinquent Interest/ Penalty	
Davis School District	98,990,510	4,708,750	1,643,632	731,735	7,084,117	91,906,393	92.8%	8,915,984	4,817,351	2,554,242	206,448	108,400,418
Statewide School	23,362,819	1,133,979	386,053	446,514	1,966,546	21,396,273	91.6%	2,094,171	1,131,491	487,323	48,490	25,157,748
Davis County	30,395,866	1,475,510	502,257	586,612	2,564,379	27,831,487	91.6%	2,724,523	1,472,074	651,934	698,429	33,378,447
Bountiful City	2,225,860	93,936	30,512	1,547	125,995	2,099,865	94.3%	219,146	103,760	12,881	5,104	2,440,756
Centerville City	946,840	28,384	11,056	408	39,848	906,992	95.8%	95,708	37,398	16,891	1,225	1,058,214
Clearfield City	2,024,290	137,692	39,661	36,699	214,052	1,810,238	89.4%	136,979	78,945	16,154	3,079	2,045,395
Clinton City	1,334,071	40,691	44,710	13,432	98,833	1,235,238	92.6%	143,629	49,289	11,719	1,968	1,441,843
Farmington City	2,100,558	88,374	17,422	13,528	119,324	1,981,234	94.3%	179,554	100,247	39,070	4,917	2,305,022
Fruit Heights City	555,274	28,852	6,252	329	35,433	519,841	93.6%	55,358	39,872	1,088	1,036	617,195
Kaysville City	1,273,553	45,953	13,105	1,903	60,961	1,212,592	95.2%	139,025	69,961	9,684	2,356	1,433,618
Layton City	6,445,650	347,271	151,068	54,949	553,288	5,892,362	91.4%	567,613	371,912	76,776	13,145	6,921,808
North Salt Lake City	2,099,187	133,801	9,704	10,743	154,248	1,944,939	92.7%	134,277	114,565	26,861	8,863	2,229,505
Sunset City	331,338	18,721	11,244	(8,258)	21,707	309,631	93.4%	33,398	14,163	2,546	520	360,258
South Weber City	270,828	10,730	6,100	3,146	19,976	250,852	92.6%	28,544	8,134	2,393	274	290,197
Syracuse City	1,663,496	80,639	42,594	15,954	139,187	1,524,309	91.6%	180,270	63,622	11,765	2,458	1,782,424
West Bountiful City	570,626	34,165	4,136	25,512	63,813	506,813	88.8%	39,532	18,333	69,679	794	635,151
West Point City	325,203	11,378	10,422	466	22,266	302,937	93.2%	39,737	13,251	3,038	682	359,645
Woods Cross City	465,143	29,177	3,065	(6,380)	25,862	439,281	94.4%	40,593	39,955	11,692	1,432	532,953
County Library	5,672,774	275,357	93,737	109,283	478,377	5,194,397	91.6%	508,484	274,737	118,158	11,774	6,107,550
Weber Basin Water	3,222,627	153,993	53,454	1,481	208,928	3,013,699	93.5%	289,962	156,668	79,465	6,714	3,546,508
Mosquito Abatement	1,515,745	73,581	25,048	14,640	113,269	1,402,476	92.5%	135,876	73,414	31,565	3,146	1,646,477
North Davis Sewer	6,149,931	307,998	150,495	(30,578)	427,915	5,722,016	93.0%	565,229	294,896	96,653	10,975	6,689,769
Bountiful Water SubCon	215,792	9,207	2,888	649	12,744	203,048	94.1%	19,998	9,176	1,550	438	234,210
South Davis Water	94,947	4,158	1,504	1,291	6,953	87,994	92.7%	9,073	6,672	338	267	104,344
Special Serv Area	399,665	25,829	1,691	14,228	41,748	357,917	89.6%	14,549	6,337	109,697	290	488,790
Central Davis Sewer	552,040	22,603	5,066	1,498	29,167	522,873	94.7%	54,958	30,221	6,492	1,165	615,709
South Davis Sewer	1,776,425	86,460	16,940	9,941	113,341	1,663,084	93.6%	147,298	85,746	74,610	4,484	1,975,222
Benchland Water Distr	419,368	16,307	3,538	1,664	21,509	397,859	94.9%	41,252	19,078	6,707	743	465,639
Hooper Water Improv	36,852	2,668	903	245	3,816	33,036	89.6%	4,246	3,018	1,000	203	41,503
Central Weber Sewer	272,030	10,781	6,144	1,716	18,641	253,389	93.1%	28,529	8,190	2,394	278	292,780
South Davis Recr. Dist.	2,149,088	105,295	20,382	21,218	146,895	2,002,193	93.2%	177,221	103,066	81,337	5,393	2,369,210
North Davis Fire Dist.	1,909,531	117,229	42,194	49,543	208,966	1,700,565	89.1%	150,321	74,798	15,579	3,120	1,944,383
County Assess &Coll	1,711,037	80,252	27,372	31,084	138,708	1,572,329	91.9%	148,482	80,226	35,303	3,438	1,839,778
State Assess &Coll	2,600,330	119,160	41,833	12,071	173,064	2,427,266	93.3%	226,927	122,610	68,302	5,254	2,850,359
	204,079,294	9,858,881	3,426,182	2,168,813	15,453,876	188,625,418		18,290,446	9,893,176	4,734,886	1,058,902	222,602,828

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III.

STATISTICAL SECTION

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Statistical Section

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

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

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Changes in Net Assets 120
Fund Balances – Governmental Funds 122
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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.

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Direct and Overlapping Property Tax Rates 128
Principal Property Taxpayers 130
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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 132
Ratios of General Bonded Debt Outstanding 133
Computation of Direct and Overlapping Debt 134
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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.

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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 139
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Sources: Unless otherwise noted, the information in the following schedules is derived from Davis County's Comprehensive Annual Financial Reports for the years indicated.

DAVIS COUNTY

STATISTICAL SCHEDULE 1
NET ASSETS BY COMPONENT - LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2010	2009	2008	2007
Governmental activities:				
Investment in capital assets, net of related debt	$ 83,234,732	$ 49,323,126	$ 70,794,633	$ 65,565,679
Restricted	27,391,189	40,833,438	9,979,541	14,663,159
Unrestricted	9,224,736	26,184,917	29,177,532	20,296,195
Total government activities net assets	$ 119,850,657	$ 116,341,481	$ 109,951,706	$ 100,525,033
Business-type activities:				
Investment in capital assets, net of related debt	$ 5,397,435	$ 5,523,989	$ 5,021,973	$ 4,696,201
Restricted	-	-	-	-
Unrestricted	(1,579,793)	(1,231,369)	(755,083)	(543,467)
Total business-type activities net assets	$ 3,817,642	$ 4,292,620	$ 4,266,890	$ 4,152,734
Primary government:				
Investment in capital assets, net of related debt	$ 88,632,167	$ 54,847,115	$ 75,816,606	$ 70,261,880
Restricted	27,391,189	40,833,438	9,979,541	14,663,159
Unrestricted	7,644,943	24,953,548	28,422,449	19,752,728
Total primary government net assets	$ 123,668,299	$ 120,634,101	$ 114,218,596	$ 104,677,767

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

2006	2005	2004	2003
$ 55,892,112	$ 53,753,012	$ 67,413,090	$ 64,521,074
26,698,852	30,827,499	13,233,017	18,960,187
6,988,754	2,082,042	3,148,450	(3,684,586)
$ 89,579,718	$ 86,662,553	$ 83,794,557	$ 79,796,675
$ 4,286,855	$ 4,516,622	$ 4,471,715	$ 3,875,287
-	-	-	311,698
(126,035)	(279,615)	(285,813)	-
$ 4,160,820	$ 4,237,007	$ 4,185,902	$ 4,186,985
$ 60,178,967	$ 58,269,634	$ 71,884,805	$ 68,396,361
26,698,852	30,827,499	13,233,017	19,271,885
6,862,719	1,802,427	2,862,637	(3,684,586)
$ 93,740,538	$ 90,899,560	$ 87,980,459	$ 83,983,660

DAVIS COUNTY

STATISTICAL SCHEDULE 2
CHANGES IN NET ASSETS - LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Year Ended December 31,			
Expenses	2010	2009	2008	2007
Government activities:				
General governmental	$ 39,406,125	$ 38,282,727	$ 35,180,227	$ 32,609,337
Public safety	34,241,872	33,054,829	30,904,112	28,996,517
Public health	12,037,386	12,232,929	11,785,783	11,503,649
Public works	3,938,669	2,791,754	4,506,001	3,107,421
Interest on long-term debt	3,079,963	2,024,496	1,925,416	2,211,960
Total governmental activities	92,704,015	88,386,735	84,301,539	78,428,884
Business-type activities:				
Golf Course	2,409,586	2,358,484	2,360,640	1,962,402
Inmates Commissary	529,040	321,386	201,464	224,855
Total business-type activities	2,938,626	2,679,870	2,562,104	2,187,257
Total primary government expenses	$ 95,642,641	$ 91,066,605	$ 86,863,643	$ 80,616,141
Program Revenues				
Government activities:				
Charges for services:				
General governmental	$ 6,196,860	$ 6,825,863	$ 7,782,162	$ 8,723,667
Public safety	12,561,950	12,308,071	11,124,802	8,720,283
Public health	3,742,446	3,889,556	3,685,802	3,317,563
Public works	129,059	75,823	42,990	32,024
Operating grants and contributions	12,597,575	12,110,452	10,479,540	10,450,647
Capital grants and contributions	1,164,996	1,496,789	611,539	358,648
Total governmental activities program revenues	36,392,886	36,706,554	33,726,835	31,602,832
Business-type activities:				
Charges for services:				
Golf Course	2,055,001	2,062,591	2,255,855	1,936,108
Inmates Commissary	1,073,918	902,144	671,473	560,210
Total business-type activities program revenues	3,128,919	2,964,735	2,927,328	2,496,318
Total primary government program revenues	$ 39,521,805	$ 39,671,289	$ 36,654,163	$ 34,099,150
Net (Expense)/Revenue				
Governmental activities	$ (56,311,129)	$ (51,680,181)	$ (50,574,704)	$ (46,826,052)
Business-type activities	190,293	284,865	365,224	309,061
Total primary government net expenses	$ (56,120,836)	$ (51,395,316)	$ (50,209,480)	$ (46,516,991)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	$ 44,199,765	$ 43,017,735	$ 42,848,970	$ 38,961,134
Sales taxes	14,657,381	14,352,182	15,949,104	16,052,114
Investment earnings	292,159	348,457	858,912	1,437,070
Miscellaneous	-	-	-	-
Sale of capital assets	-	85,582	78,391	-
Transfers	671,000	266,000	266,000	327,206
Total governmental activities	59,820,305	58,069,956	60,001,377	56,777,524
Business-type activities:				
Investment earnings	5,729	6,865	14,932	10,059
Transfers	(671,000)	(266,000)	(266,000)	(327,206)
Total business-type activities	(665,271)	(259,135)	(251,068)	(317,147)
Total primary government	$ 59,155,034	$ 57,810,821	$ 59,750,309	$ 56,460,377
Changes in Net Assets				
Governmental activities	3,509,176	6,389,775	9,426,673	9,951,472
Business-type activities	(474,978)	25,730	114,156	(8,086)
Total primary government	$ 3,034,198	$ 6,415,505	$ 9,540,829	$ 9,943,386

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

2006	2005	2004	2003
$ 29,778,524	$ 28,437,339	$ 28,338,607	$ 22,558,382
23,891,430	22,191,785	21,682,995	18,936,997
11,430,314	10,887,342	10,679,084	12,620,889
3,498,580	3,907,168	4,843,119	2,950,695
1,746,590	1,261,046	593,825	302,557
70,345,438	66,684,680	66,137,630	57,369,520
1,715,142	1,732,388	1,669,724	1,776,900
151,663	275,669	457,960	326,652
1,866,805	2,008,057	2,127,684	2,103,552
$ 72,212,243	$ 68,692,737	$ 68,265,314	$ 59,473,072
$ 6,096,759	$ 5,697,334	$ 5,343,411	$ 6,968,245
5,844,881	5,962,719	5,851,326	5,667,794
3,530,513	3,448,422	3,595,731	4,973,169
54,370	70,271	63,831	-
9,673,000	9,639,704	9,675,331	5,985,271
803,373	197,572	1,379,475	123,537
26,002,896	25,016,022	25,909,105	23,718,016
1,672,955	1,817,493	1,695,141	1,668,078
389,859	526,314	614,810	578,157
2,062,814	2,343,807	2,309,951	2,246,235
$ 28,065,710	$ 27,359,829	$ 28,219,056	$ 25,964,251
$ (44,342,542)	$ (41,668,658)	$ (40,228,525)	$ (33,651,504)
196,009	335,750	182,267	142,683
$ (44,146,533)	$ (41,332,908)	$ (40,046,258)	$ (33,508,821)
$ 29,234,230	$ 28,392,647	$ 27,041,508	$ 26,260,406
14,856,146	12,896,727	11,688,594	11,301,183
1,243,491	1,259,879	284,699	108,766
1,351,627	1,379,336	1,263,659	2,090,425
295,070	319,116	3,754,080	-
279,143	288,947	193,867	820,535
47,259,707	44,536,652	44,226,407	40,581,315
6,947	4,302	10,517	11,563
(279,143)	(288,947)	(193,867)	(820,535)
(272,196)	(284,645)	(183,350)	(808,972)
$ 46,987,511	$ 44,252,007	$ 44,043,057	$ 39,772,343
2,917,165	2,867,994	3,997,882	6,929,811
(76,187)	51,105	(1,083)	(666,289)
$ 2,840,978	$ 2,919,099	$ 3,996,799	$ 6,263,522

DAVIS COUNTY

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

Fiscal year	**2010**	**2009**	**2008**	**2007**	**2006**
General fund					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved	19,820,821	16,298,104	18,286,835	11,055,808	6,590,777
Total general fund	$ 19,820,821	$ 16,298,104	$ 18,286,835	$ 11,055,808	$ 6,590,777
All other governmental funds					
Reserved	$ 800,804	$ 725,764	$ 673,274	$ 1,410,031	$ 2,381,568
Unreserved, reported in:					
Special revenue funds	29,477,885	37,791,322	9,602,582	7,147,748	5,200,972
Capital project funds	22,194,664	8,957,275	5,622,782	10,870,068	16,873,682
Debt service funds	4,395,721	4,128,494	3,683,485	2,383,060	2,242,130
Total all other governmental funds	$ 56,869,074	$ 51,602,855	$ 19,582,123	$ 21,810,907	$ 26,698,352

Source: Davis County Balance Sheet(s) 2001-2010

2005	2004	2003	2002	2001
$ -	$ -	$ -	$ 42,900	$ 41,839
5,807,312	5,886,202	4,263,391	2,407,859	3,674,586
$ 5,807,312	$ 5,886,202	$ 4,263,391	$ 2,450,759	$ 3,716,425
$ 2,297,203	$ 1,558,978	$ 2,200,669	$ 4,524,004	$ 10,657,753
5,281,840	6,220,721	4,106,126	3,226,504	3,116,139
19,693,243	1,824,925	9,744,995	13,154	1,163
3,555,213	3,628,393	3,296,051	-	-
$ 30,827,499	$ 13,233,017	$ 19,347,841	$ 7,763,662	$ 13,775,055

DAVIS COUNTY

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

Fiscal Year	**2010**	**2009**	**2008**	**2007**	**2006**
Revenues					
Taxes	$ 58,989,801	$ 57,598,744	$ 58,135,168	$ 54,332,406	$ 44,090,376
Licenses, fees, and permits	252,732	245,852	260,010	243,822	224,429
Intergovernmental revenue	13,119,927	12,124,516	10,985,979	10,704,851	10,476,373
Charges for services	18,861,739	19,021,171	18,539,585	16,019,006	13,452,143
Fines and forfeitures	1,923,871	1,963,453	1,952,672	1,817,327	1,849,951
Interest	268,634	308,101	751,765	1,306,478	1,243,491
Other revenues	1,581,287	1,854,450	1,889,260	2,727,825	1,646,696
Total revenues	94,997,991	93,116,287	92,514,439	87,151,715	72,983,459
Expenditures					
General government	$ 37,173,921	$ 36,222,968	$ 33,207,764	$ 31,462,380	$ 28,725,911
Public Safety	31,807,064	30,255,383	28,412,212	27,580,416	22,717,685
Public health	11,569,818	11,819,066	11,374,251	11,417,388	11,306,187
Public works	2,443,846	3,002,249	2,660,187	2,571,468	2,586,915
Capital Outlay	17,175,246	5,396,113	8,086,052	11,101,771	18,411,177
Debt Service					
Principal retirement	3,334,401	2,190,359	2,133,508	2,076,281	1,746,590
Interest and fiscal charges	2,967,283	1,764,389	2,001,272	1,884,238	2,694,820
Bond issuance costs	250,657	-	-	-	-
Total expenditures	106,722,236	90,650,527	87,875,246	88,093,942	88,189,285
Excess of revenues over (under) expenditures	(11,724,245)	2,465,760	4,639,193	(942,227)	(15,205,826)
Other Financing Sources (Uses)					
Proceeds from sale of Capital Assets	225,135	98,768	97,050	192,607	-
General obligation bonds issued	-	-	-	-	-
Sales tax revenue and Build America bonds issued	-	27,000,000	-	-	9,955,000
Refunding bonds issued	1,335,000	4,925,000	-	-	-
Premium on bonds issued	52,977	454,620	-	-	-
MBA Lease Rev./Recovery Zone bonds issued	19,600,000	-	-	-	1,626,000
Lease/Purchase line of credit issued	-	-	-	-	-
Transfers in	17,546,652	22,397,614	13,360,616	16,111,204	10,894,556
Transfers out	(16,875,652)	(22,131,614)	(13,094,616)	(15,783,998)	(10,615,412)
Refunded bonds redeemed	(1,370,931)	-	-	-	-
Payment to refunded bond escrow agent	-	(5,178,147)	-	-	-
Total other financing sources (uses)	20,513,181	27,566,241	363,050	519,813	11,860,144
Net change in fund balances	$ 8,788,936	$ 30,032,001	$ 5,002,243	$ (422,414)	$ (3,345,682)
Debt service as a percentage of noncapital expenditures	7.3%	4.6%	5.2%	5.1%	6.4%

Sources: Davis County Statement of Revenues, Expenditures, and Changes in Fund Balances 2001-2010

2005	2004	2003	2002	2001
$ 41,289,374	$ 38,730,101	$ 37,561,589	$ 32,790,489	$ 31,353,860
231,330	208,119	210,321	216,750	201,759
9,837,276	11,054,806	9,788,853	8,801,497	8,326,282
13,073,059	12,720,646	12,029,343	10,324,941	10,394,732
1,874,357	1,925,534	1,689,499	1,682,917	1,634,230
1,259,879	284,699	108,766	155,467	570,381
1,698,453	5,017,741	2,090,425	3,541,468	2,078,537
69,263,728	69,941,646	63,478,796	57,513,529	54,559,781
$ 27,334,114	$ 27,049,891	$ 21,734,986	$ 20,418,937	$ 20,571,240
20,982,358	19,732,326	17,968,775	17,869,709	16,919,168
10,772,189	10,468,495	12,492,436	12,450,725	11,980,037
2,811,279	3,335,276	1,954,701	2,125,444	1,039,831
11,277,186	11,370,712	3,880,010	7,796,221	6,386,976
2,398,911	593,825	302,557	8,109,000	1,370,000
1,261,046	2,077,000	1,640,000	476,242	521,998
-	-	-	-	-
76,837,083	74,627,525	59,973,465	69,246,278	58,789,250
(7,573,355)	(4,685,879)	3,505,331	(11,732,749)	(4,229,469)
-	-	-	-	-
24,800,000	-	-	-	6,633,156
-	-	9,070,943	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	1,154,105
-	-	-	3,817,000	-
9,563,216	9,344,377	7,382,881	5,756,555	8,032,525
(9,274,269)	(9,150,511)	(6,562,345)	(5,235,447)	(6,501,827)
-	-	-	-	-
-	-	-	-	-
25,088,947	193,866	9,891,479	4,338,108	9,317,959
$ 17,515,592	$ (4,492,013)	$ 13,396,810	$ (7,394,641)	$ 5,088,490
5.6%	4.2%	3.5%	14.0%	3.6%

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
2010	$ 10,657,206,804	$ 3,717,208,859	$ 144,417,417	$ 1,185,481,355
2009	11,031,774,065	3,622,873,532	157,847,356	1,307,517,190
2008	11,483,109,031	3,649,547,749	195,089,731	1,206,790,087
2007	9,955,671,253	2,820,842,899	123,379,683	1,059,363,010
2006	8,026,810,761	2,690,159,809	129,163,796	860,077,858
2005	7,154,484,948	2,502,244,227	119,545,034	815,598,806
2004	6,718,404,694	2,362,239,405	108,938,108	773,550,267
2003	6,382,795,657	2,144,646,116	98,904,499	831,024,706
2002	5,761,427,573	2,007,318,397	499,450,603	815,387,900
2001	5,491,517,038	1,965,701,326	491,472,303	832,093,685

Source: Davis County Assessor's Office.

Centrally Assessed Property	Fee in lieu property	Total Taxable Assessed Value	Total Direct Tax Rate
$ 493,463,739	$ 1,219,363,049	$ 16,197,778,174	0.002576
412,551,226	1,361,982,489	16,532,563,369	0.002456
370,416,894	1,353,063,017	16,904,953,492	0.002329
321,003,481	1,347,035,643	14,280,260,326	0.002564
307,995,999	1,277,851,892	12,014,208,223	0.002142
298,195,675	1,237,153,267	10,890,068,690	0.002347
291,289,246	1,201,209,533	10,254,421,720	0.002549
329,341,180	1,384,801,667	9,786,712,158	0.002556
317,143,950	1,141,346,200	9,400,728,423	0.002081
335,766,292	1,044,893,200	9,116,550,644	0.002095

DAVIS COUNTY

STATISTICAL SCHEDULE 6

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

Fiscal year	2010	2009	2008	2007	2006
County direct rates					
County Basic Rate	0.001817	0.001739	0.001653	0.001863	0.001424
General Obligation Debt Service	0.000128	0.000126	0.000123	0.000142	0.000108
County Assess & Collect	0.000106	0.000101	0.000100	0.000063	0.000068
State Assess & Collect	0.000162	0.000142	0.000121	0.000121	0.000139
County Library	0.000363	0.000348	0.000332	0.000375	0.000403
Total direct rate	0.002576	0.002456	0.002329	0.002564	0.002142
County school districts' rates					
Davis County School District	0.006365	0.005685	0.005514	0.005865	0.005790
City Rates					
Bountiful	0.001037	0.000948	0.000903	0.000912	0.001119
Centerville	0.001102	0.000997	0.000923	0.001233	0.001349
Clearfield	0.001548	0.001548	0.001548	0.001580	0.001580
Clinton	0.001752	0.001729	0.001623	0.001906	0.001955
Farmington	0.002109	0.002051	0.001982	0.002000	0.002149
Fruit Heights	0.002006	0.001845	0.001925	0.001959	0.001980
Kaysville	0.000987	0.000907	0.000829	0.000925	0.001004
Layton	0.001933	0.001876	0.001771	0.002047	0.002092
North Salt Lake	0.001520	0.001396	0.001258	0.001459	0.001546
South Weber	0.000827	0.000840	0.000883	0.001057	0.001126
Special Service Area	0.000899	0.000844	0.000794	0.000869	0.000940
Sunset	0.002138	0.001483	0.001253	0.001209	0.001108
Syracuse	0.001631	0.001613	0.001500	0.001500	0.001043
West Bountiful	0.001366	0.001384	0.001204	0.001457	0.001500
West Point	0.000936	0.000876	0.000895	0.000834	0.000909
Woods Cross	0.000840	0.000690	0.000646	0.000833	0.000880
Overlapping Rates					
Weber Basin Water	0.000207	0.000188	0.000181	0.000200	0.000178
Mosquito Abatement	0.000097	0.000093	0.000088	0.000099	0.000086
North Davis Sewer	0.000864	0.000763	0.000763	0.000763	0.000763
Bountiful Irrigation	0.000122	0.000113	0.000110	0.000115	0.000139
South Davis Water	0.000240	0.000243	0.000228	0.000236	0.000298
Central Davis Sewer	0.000227	0.000212	0.000200	0.000220	0.000234
South Davis Sewer	0.000315	0.000290	0.000270	0.000305	0.000341
Benchland Water	0.000451	0.000427	0.000408	0.000421	0.000450
Hooper Water	0.000404	0.000396	0.000379	0.000404	0.000474
South Weber Water	0.000000	0.000000	0.000000	0.000000	0.000000
Central Weber Sewer	0.000833	0.000811	0.000800	0.000519	0.000573
South Davis Recreation	0.000379	0.000356	0.000340	0.000390	0.000441
North Davis Fire	0.001148	0.001194	0.001179	0.001400	0.001400

Source: Utah State Tax Commission

Note:

1. Benchland Water was known as Farmington Area Pressurized Irrigation District (FAPID) before 2006.
2. Kaysville City Library became part of County Library System in 2006.
3. Bountiful Water Subconservancy District was changed to Bountiful Irrigation District in 2009.

2005	2004	2003	2002	2001
0.001501	0.001695	0.001700	0.001401	0.001402
0.000175	0.000169	0.000168	0.000000	0.000000
0.000072	0.000073	0.000073	0.000072	0.000072
0.000173	0.000180	0.000181	0.000177	0.000190
0.000426	0.000432	0.000434	0.000431	0.000431
0.002347	0.002549	0.002556	0.002081	0.002095
0.005964	0.006021	0.005906	0.005803	0.005815
0.001194	0.001231	0.001223	0.001216	0.001195
0.001436	0.001459	0.001470	0.001466	0.001464
0.002980	0.002980	0.002916	0.002916	0.002876
0.002087	0.002163	0.002250	0.002250	0.002262
0.002336	0.002426	0.002443	0.002160	0.001709
0.001980	0.001989	0.001918	0.001903	0.001851
0.001519	0.001600	0.001626	0.001612	0.001620
0.002134	0.002092	0.002161	0.002155	0.002140
0.001645	0.001652	0.001627	0.001613	0.001637
0.001166	0.001201	0.001189	0.001195	0.001212
0.000940	0.000972	0.000843	0.000833	0.000851
0.001147	0.001174	0.001158	0.001139	0.001130
0.001043	0.001043	0.001047	0.001023	0.001021
0.001482	0.001475	0.001372	0.001301	0.001259
0.001539	0.001555	0.001548	0.001540	0.001540
0.000923	0.000949	0.000966	0.000945	0.000968
0.000193	0.000198	0.000196	0.000193	0.000193
0.000091	0.000093	0.000094	0.000061	0.000061
0.000763	0.000763	0.000763	0.000763	0.000763
0.000147	0.000153	0.000152	0.000150	0.000143
0.000316	0.000318	0.000318	0.000322	0.000317
0.000259	0.000271	0.000275	0.000276	0.000279
0.000357	0.000366	0.000364	0.000361	0.000358
0.000508	0.000518	0.000527	0.000524	0.000528
0.000455	0.000547	0.000469	0.000434	0.000400
0.000000	0.000000	0.000597	0.000672	0.000871
0.000567	0.000552	0.000574	0.000575	0.000578
0.000536	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a

DAVIS COUNTY

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

	2010			2001		
Taxpayers	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value $15,704,314,435	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value $8,780,784,352
Chevron U.S. Inc	$ 363,871,766	1	2.32%	$ 95,755,133	3	1.09%
Freeport Center	190,840,190	2	1.22%	113,133,980	2	1.29%
PacifiCorp	187,062,647	3	1.19%	63,455,629	4	0.72%
Woods Cross Refining Comp - LLC	182,638,793	4	1.16%	43,543,955	8	0.50%
LHM Utah LLC	104,529,885	5	0.67%	46,658,459	7	0.53%
Big West Oil	90,312,917	6	0.58%	28,867,215	12	0.33%
Wal-Mart	83,138,397	7	0.53%	n/a	n/a	n/a
Smith's Food King Properties	74,307,419	8	0.47%	62,325,796	5	0.71%
Qwest Communications	70,177,392	9	0.45%	130,713,393	1	1.49%
Davis Hospital & Medical Center	62,744,142	10	0.40%	n/a	n/a	n/a
Questar Gas	62,340,978	11	0.40%	35,051,200	10	0.40%
Albertson's	n/a	n/a	n/a	60,814,201	6	0.69%
Lifetime Products	n/a	n/a	n/a	39,581,393	9	0.45%
Totals	$ 1,471,964,526		9.39%	$ 719,900,354		8.20%

Source: Davis County Clerk/Auditor's Office.

DAVIS COUNTY

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

		Collected within the Fiscal Year of Levy			Total Collections to Date	
Year Ended December 31,	Taxes Levied for the Year	Amount	Percentage of Levy	Collections of Previous Years Taxes	Amount	Percentage of Levy
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	29,026,152	97.5%
2008	29,367,615	27,161,056	92.5%	987,992	28,149,048	95.9%
2007	27,391,552	25,259,259	92.2%	733,770	25,993,029	94.9%
2006	18,000,027	16,989,146	94.4%	744,028	17,733,174	98.5%
2005	17,724,956	16,735,033	94.4%	524,680	17,259,713	97.4%
2004	16,914,938	15,863,930	93.8%	697,142	16,561,072	97.9%
2003	15,936,413	15,072,659	94.6%	594,118	15,666,777	98.3%
2002	12,846,681	12,138,085	94.5%	581,958	12,720,043	99.0%
2001	12,423,604	11,619,830	93.5%	471,530	12,091,360	97.3%

Source: Davis County Treasurer's Office.

DAVIS COUNTY

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

	Governmental Activities						
December 31,	General Obligation Bonds	Revenue Bonds	Municipal Building Revenue Bonds	Lease/ Purchase line of credit	Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
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
2007	23,745,000	17,400,000	2,640,000	2,389,668	46,174,668	0.5%	156
2006	24,610,000	18,090,000	2,843,000	2,665,906	48,208,906	0.5%	168
2005	26,535,000	8,325,000	1,363,000	2,949,726	39,172,726	0.5%	139
2004	3,380,000	8,655,000	1,497,000	3,239,637	16,771,637	0.2%	62
2003	4,980,000	9,000,000	1,629,000	3,514,320	19,123,320	0.3%	75
2002	6,500,000	1,749,000	-	3,817,000	12,066,000	0.2%	49
2001	14,490,000	1,868,000	-	-	16,358,000	0.3%	67

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.

DAVIS COUNTY

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

December 31,	General Obligation Bonds	Adjusted Taxable Valuation	Percentage of Actual Taxable Value of Property	Population	Per Capita
2010	$ 20,835,000	$ 16,197,778,174	0.13%	306,479	$ 68
2009	21,835,000	16,532,563,369	0.13%	307,656	71
2008	22,805,000	16,904,953,492	0.13%	301,915	76
2007	23,745,000	13,959,256,845	0.17%	296,029	80
2006	24,610,000	12,014,208,223	0.20%	286,500	86
2005	26,535,000	10,890,068,690	0.24%	281,000	94
2004	3,380,000	10,254,421,720	0.03%	269,000	13
2003	4,980,000	9,516,641,348	0.05%	256,000	19
2002	6,500,000	9,169,083,257	0.07%	248,000	26
2001	14,490,000	8,844,013,853	0.16%	244,000	59

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, 2010

Taxing Entity	2010 Year-End Taxable Valuation 1	County's Portion of Taxable Valuation	County's Percentage	Entity's Outstanding G.O. Debt	Davis County Overlapping G.O. Debt
Overlapping:					
State of Utah	$ 197,298,123,847	$ 16,197,778,174	8.2%	$ 3,128,890,000	$ 256,875,561
Davis County School District	16,197,778,174	16,197,778,174	100.0%	398,175,000	398,175,000
Total Overlapping G.O. Debt					655,050,561
Underlying:					
Weber Basin Water Conservatory District 2,3	42,564,317,542	16,197,778,174	38.1%	29,577,164	11,255,539
Clearfield City 3	1,433,794,938	1,433,794,938	100.0%	8,605,000	-
Farmington City	1,022,593,752	1,022,593,752	100.0%	3,515,000	3,515,000
South Davis Recreation District 4	6,024,999,516	6,024,999,516	100.0%	14,910,000	14,910,000
West Bountiful City 3	456,990,029	456,990,029	100.0%	635,000	-
North Salt Lake City 3	1,397,087,544	1,397,087,544	100.0%	3,610,000	-
North Davis County Sewer District	8,780,036,532	7,349,383,102	83.7%	48,276,000	40,409,720
Total Underlying					70,090,259
Total Overlapping & Underlying G.O. Debt					$ 725,140,820
Total Overlapping G.O. Debt (Excluding the State) 5					$ 398,175,000
Total Direct General Obligation					20,835,000
Total Direct and Overlapping G.O. Debt (Excluding the State) 5					$ 419,010,000
Total Underlying General Obligation Debt					$ 70,090,259
Total Direct General Obligation Bonded Indebtness					20,835,000
Total Direct and Underlying G.O. Debt					$ 90,925,259
Total Overlapping & Underlying G.O. Debt (Excluding the State) 5					$ 468,265,259
Total Direct General Obligation Bonded Indebtness					20,835,000
Total Direct, Overlapping and Underlying G.O. Debt (Excl. the State) 5					$ 489,100,259

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 shown as overlapping but are self-supporting except for a maximum .000200 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

Fiscal Year	Estimated Actual Market Value	Debt Limit	Total net debt applicable to limit	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit
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%
2007	22,432,352,520	448,647,050	23,745,000	424,902,050	5.29%
2006	18,457,991,962	369,159,839	24,610,000	344,549,839	6.67%
2005	17,135,120,877	342,702,418	26,535,000	316,167,418	7.74%
2004	15,667,356,241	313,347,125	3,380,000	309,967,125	1.08%
2003	14,509,725,213	290,194,504	4,980,000	285,214,504	1.72%
2002	14,205,806,672	284,116,133	6,500,000	277,616,133	2.29%
2001	13,920,405,974	278,408,119	14,490,000	263,918,119	5.20%

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

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

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

DAVIS COUNTY

STATISTICAL SCHEDULE 14
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population	Births	Deaths	Personal Income	Per Capita Personal Income	Unemployment Rate	Total Public School Enrollment
2010	306,479	5,799	1,329	$ 10,145,680,816	$ 33,104	6.7%	66,019
2009	307,656	6,069	1,339	9,880,372,440	32,115	5.9%	65,452
2008	301,915	6,203	1,359	10,048,636,945	33,283	3.3%	65,014
2007	296,029	6,148	1,357	9,798,559,900	33,100	2.6%	64,553
2006	286,500	6,037	1,284	9,010,711,500	31,451	2.9%	62,832
2005	281,000	5,665	1,267	8,179,629,000	29,109	4.0%	62,349
2004	269,000	5,591	1,206	7,433,008,000	27,632	4.7%	60,614
2003	256,000	5,444	1,204	6,761,472,000	26,412	5.1%	60,025
2002	248,000	5,099	1,212	6,434,856,000	25,947	5.0%	58,900
2001	244,000	5,041	1,100	6,204,920,000	25,430	3.9%	58,754

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

DAVIS COUNTY

STATISTICAL SCHEDULE 15
PRINCIPAL EMPLOYERS
PRIOR YEAR AND NINE YEARS AGO

	2009			2001		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment (134,722)**	**Employees**	**Rank**	**Percentage of Total County Employment (116,578)**
Hill Air Force Base	10,000 - 14,999	1	11.1%	15,000 - 20,000	1	17.2%
Davis County School District	7,000 9,999	2	7.4%	5,000 - 7,000	2	6.0%
Davis County	1,000 1,999	3	1.5%	700 - 1,000	7	0.9%
Lagoon Inc	1,000 - 1,999	4	1.5%	700 - 1,000	4	0.9%
Lifetime Products	1,000 - 1,999	5	1.5%	1,000 - 2,000	3	1.7%
Smith's Marketplace Dist./Kroger	1,000 - 1,999	6	1.5%	700 - 1,000	5	0.9%
Walmart	1,000 - 1,999	7	1.5%	250 - 499	32	0.4%
Fresh Market / Albertson's	500 - 999	8	0.7%	500 - 700	8	0.6%
Davis Hospital and Medical Center	500 - 999	9	0.7%	500 - 700	13	0.6%
Lakeview Hospital	500 - 999	10	0.7%	500 - 700	14	0.6%
Utility Trailer & Manufacturing	500 999	11	0.7%	700 1,000	6	0.9%
Amusement Services	n/a n/a	n/a	0.0%	500 - 700	9	0.6%
Associates Commerce Solutions	n/a n/a	n/a	0.0%	500 700	10	0.6%
Totals	24,000 - 38,989		28.8%	26,550 - 36,999		31.9%

Source: Utah Department of Workforce Services

Note: 2010 data was not available at the time this report was issued. Number of employees is based upon an annual average.

DAVIS COUNTY

STATISTICAL SCHEDULE 16
FULL TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Full-Time Equivalent Employees as of December 31,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Function/Program										
General Government										
Commission	5	5	5	5	5	5	5	5	5	4
Justice Court	11	8	9	8	8	8	8	8	8	8
Personnel	7	7	8	6	8	8	8	8	7	8
Info Systems	30	29	29	29	27	24	24	24	23	24
Clerk/Auditor	24	23	24	21	22	22	21	17	24	22
Treasurer	4	4	4	5	4	4	5	5	13	21
Recorder	18	17	19	19	20	19	18	18	17	17
Attorney	40	39	41	40	37	38	41	39	42	40
Assessor	38	39	36	35	31	31	31	34	26	27
Surveyor	6	6	6	6	6	6	5	5	6	6
Tax Administration	5	5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sheriff										
Sheriff's Officers	133	130	130	129	125	124	124	119	129	123
Correction's Officers	188	186	183	183	128	108	108	106	109	106
Animal Control	26	26	24	24	23	23	23	23	21	22
911-Emergency	22	21	21	19	23	25	25	24	26	26
Senior Services	31	32	33	31	32	33	33	33	37	36
Weatherization	18	12	9	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Health/Nursing										
WIC Program	13	13	8	9	9	12	12	13	12	11
Epidimiology	7	6	6	3	3	3	3	2	n/a	n/a
Administration	9	8	8	7	7	7	7	7	12	11
I & M	29	29	29	29	29	28	28	28	29	29
Environmental	14	16	16	15	15	14	14	12	15	16
Nursing	11	12	29	35	42	42	42	43	48	46
Promotion	5	5	5	5	6	7	7	7	n/a	n/a
BT/MRC	5	4	4	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Redevelopment										
Community and Economic Development	4	4	4	8	8	7	7	7	9	10
Planning	4	4	4	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Parks and recreation										
Valley View Golf Course	25	25	24	16	18	20	20	20	21	19
Davis Park Golf Course	20	21	20	18	19	17	17	17	19	19
Fair Park	15	14	13	14	15	14	14	13	17	16
Library	95	94	89	88	88	73	73	73	65	65
Public Works	28	29	28	26	28	27	27	27	30	30
Facilities Management	30	29	26	27	28	13	13	14	14	17
Total	920	902	894	860	814	762	763	751	784	779

Source: Davis County Personnel Department

DAVIS COUNTY

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

Function/Program	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007	Fiscal Year 2006	Fiscal Year 2005	Fiscal Year 2004
General Government							
Clerk/Auditor							
Veteran Abatements	4,684	4,310	3,929	2,295	3,201	2,512	1,986
Circuit Breaker Abatements	960	985	957	949	949	923	931
Blind Abatements	157	149	153	163	169	158	160
Indigent Abatements	172	140	141	118	152	149	146
Treasurer							
Number of Tax Notices Sent	96,956	96,307	95,221	92,426	90,296	87,102	83,592
Recorder							
Number of Recordings	73,504	89,770	82,145	99,029	97,174	92,861	96,386
Sheriff							
Traffic Citations	6,010	6,896	5,779	5,507	7,000	6,510	n/a
DUIs	221	239	352	402	277	241	196
Arrests	1,346	1,588	1,580	1,748	n/a	n/a	n/a
E-911 phone calls	124,502	133,733	141,086	249,167	249,641	248,212	235,307
Average number of inmates	642	726	730	712	499	513	497
Senior Services							
Total Meals Delivered	157,974	154,250	152,042	150,987	141,978	145,293	144,691
Health/Nursing							
Client Count	11,495	17,645	17,130	24,268	26,576	22,949	19,922
Number of Immunizations	15,303	18,517	16,433	23,826	21,728	25,752	23,081
Weatherization							
Homes Serviced	230	153	108	108	138	180	93
Library							
Items Loaned	2,843,728	2,753,295	2,537,384	2,386,571	2,195,623	1,942,386	1,810,111
Materials Held	690,803	675,184	653,349	647,332	620,507	518,294	504,745
Registered Users	185,051	187,639	169,981	160,217	156,489	147,150	142,291
Golf Course							
Rounds	150,487	151,217	150,146	167,872	144,092	156,276	157,249

Source: Various Departments of Davis County

DAVIS COUNTY

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

Function/Program	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006
General					
Buildings	3	3	3	3	3
Total Square Footage	59,560	59,560	59,560	59,560	54,160
Vehicles	33	34	31	22	18
Golf Courses					
Acres	280	280	280	280	280
Number of Buildings	5	5	5	5	5
Total Square Footage	27,072	27,072	24,104	24,104	24,104
Vehicles	7	7	7	8	7
Events Centers					
Number of Buildings	11	11	11	11	4
Total Square Footage	142,982	142,982	142,982	142,982	118,400
Public Libraries					
Number of Library Buildings	6	6	6	6	6
Total Square Footage	96,203	96,203	96,203	96,203	96,203
Vehicles	2	2	2	2	2
Conference Center (Sq. Ft.)	41,000	41,000	41,000	41,000	41,000
Health/Nursing					
Number of Buildings	6	5	5	5	5
Total Square Footage	123,216	56,663	56,663	56,663	56,663
Vehicles	1	1	1	1	1
Sheriff/Corrections					
Number of Buildings	3	3	3	3	3
Total Square Footage	259,074	259,074	259,074	259,074	259,074
Sheriff Vehicles	124	121	122	106	102
Animal Control Square Footage	14,033	14,033	14,033	14,033	14,033
Animal Control Vehicles	20	20	20	19	16
Floods					
Number of Channels	24	24	24	24	24
Miles of Stream Channels	198	198	198	198	198
Miles of Stream Bank	400	400	400	400	400
Senior Services					
Number of Senior Centers	2	2	2	2	2
Total Square Footage	50,732	50,732	50,732	50,732	50,732
Vehicles	37	36	32	35	28
Public Works					
Number of Buildings	6	6	6	6	6
Total Square Footage	32,052	32,052	32,052	32,052	32,052
Vehicles	46	47	45	45	46

Source: Various Departments of Davis County

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Davis Conference Center

BEYOND MEETING EXPECTATIONS

IV. SINGLE AUDIT SECTION

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

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CRANE, CHRISTENSEN & AMBROSE
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of County Commissioners
Davis County, Utah

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Davis County as of and for the year ended December 31, 2010, which collectively comprise Davis County's basic financial statements and have issued our report thereon dated May 27, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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.

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

Compliance and Other Matters

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

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

Crane, Christensen & Ambrose P.C.

May 27, 2011

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

The Board of County Commissioners
Davis County, Utah

Compliance

We have audited the compliance of Davis County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2010. Davis County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Davis County's management. Our responsibility is to express an opinion on Davis County's compliance based on our audit.

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

In our opinion, Davis County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

Management of Davis County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Davis County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Davis County's internal control over compliance.

A *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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be

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deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Crane, Christensen & Ambrose P.C.

May 27, 2011

DAVIS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2010

I. SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report on the financial statements expressed an unqualified opinion. The financial statements of Davis Behavioral Health (a component unit of Davis County) were audited by other auditors, whose reports have been furnished to us, and our report, insofar as it relates to the amounts included for Davis Behavioral Health, is based solely on the reports of such other auditors.

2. No deficiencies in internal control over financial reporting were required to be reported.

3. No instances of noncompliance considered to be material to the financial statements were disclosed by the audit.

4. No conditions in internal control over compliance with requirements applicable to major federal awards programs were required to be reported.

5. The independent auditors' report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.

6. The audit disclosed no findings required to be reported by OMB Circular A-133.

7. The major federal programs of the County for the year ended December 31, 2010 are as follows:

Program	CFDA#	Expenditures
Weatherization Assistance for Low-Income Persons	81.042	$ 310,765
ARRA-Weatherization Assistance for Low-Income Persons	81.042	1,415,207
Block Grants for Community Mental Health Services	93.958	234,674
Block Grants for Prevention and Treatment of Substance Abuse	93.959	1,498,061

8. A threshold of $310,156 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.

9. The County qualified as a low risk auditee as that term is defined in OMB Circular A-133.

II. FINANCIAL STATEMENTS FINDINGS SECTION

None

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

None

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DAVIS COUNTY

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Federal Grantor Agency Pass Through Grantor Program Title	Federal CFDA Number	Grant Numbers	2010 Expenditures (Modified Accrual Basis)
U.S. Department of Agriculture			
Passed through Utah State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	10.557	Noncash	2,751,000
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	10.557	10-1623, 11-1302	1,029,324
Summer Food Service Program for Children	10-559	09-2224, 11-0363	1,400
Passed through Utah State Department of Social Services:			
Food Donation	10.550	10-0336, 11-0404	81,214
Total U.S. Department of Agriculture			$ 3,862,938
U.S. Department of Education			
Passed through National Science Foundation:			
Safe and Drug-Free Schools and Communities, State Grants	84.186B	09-2366	$ 18,938
U.S. Department of Health and Human Services			
Passed through Utah State Department of Health:			
Innovations in Applied Public Health Research	93.061	10-2312	22,000
Public Health Emergency Preparedness	93.069	10-1262, 10-1289	483,842
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	10-2262	4,584
Immunization Grants	93.268	10-2262	71,859
National Comprehensive Cancer Control Program	93.283	09-2439, 10-1129	
		11-0654, 11-1162	381,240
Medical Assistance Program	93.778	10-0336, 11-0404	
		10-0443, 11-0406	45,267
National Bioterrorism Hospital Preparedness Program	93.889	10-1129, 11-1149	13,936
HIV Prevention Activities, Health Department Based	93.940	10-2262	6,000
ARRA - Immunization	93.712	11-0648	7,239
Preventive Health Services, Sexually Transmitted Diseases Control Grants	93.977	10-2262	4,400
Preventive Health and Health Services Block Grant	93.991	09-2439, 11-0654	31,394
Maternal and Child Health Services Block Grant to the States (MCH Block Grants)	93.994	09-2439, 09-2540	
		11-0559, 11-0654	118,994
Passed through Utah State Department of Social Services:			
Programs for the Aging:			
Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	10-0336, 11-0404	137,562
Title III, Part C, Nutrition Services	93.045	10-0336, 11-0404	289,638
Title VII, Chap. 2, Long Term Care Ombudsman Services for Older Individuals	93.042	10-0336, 11-0404	2,452
Title III, Part D, Disease Prevention and Health Promotion Services	93.043	10-0336, 11-0404	13,055
Special Programs for the Aging_Title IV_and Title II_Discretionary Projects	93.048	10-0336, 11-0404	6,058
National Family Caregiver Support	93.052	10-0336, 11-0404	38,555
Social Services Block Grant	93.667	08-2537, 10-0336	
		11-0404, 11-1211	246,290
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	93.779	10-0336, 11-0404	25,458
Block Grants for Community Mental Health Services	93.958	09-2446	234,674
Block Grants for Prevention and Treatment of Substance Abuse	93.959	09-2366	1,498,061
Passed through Utah State Department of Community and Economic Development:			
Low-Income Home Energy Assistance	93.568	10-1786	272,629
Passed through Utah State Department Human Services			
Substance Abuse and Mental Health Services_Projects of Regional and National Signifi	93.243	09-2446	5,000
Total U.S. Department of Health and Human Services			$ 3,960,187

See notes to supplementary schedule of federal financial assistance.

DAVIS COUNTY

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Federal Grantor Agency Pass Through Grantor Program Title	Federal CFDA Number	Grant Numbers	2010 Expenditures (Modified Accrual Basis)
Department of Homeland Security			
Passed through Utah State Department of Public Safety:			
Repetitive Flood Claims	97.017		
Homeland Security Grant Program	97.067		91,816
Emergency Management Performance Grants	97.042	MPG-2010-HLS-006	50,000
Total Department of Homeland Security			$ 141,816
U.S. Department of Justice			
Passed through Utah State Dept. of Public Safety:			
Enforcing Underage Drinking Laws Program	16.727	OJJ7J10	25,000
Passed through Utah State Commission on Criminal and Juvenile Justice:			
Crime Victim Assistance	16.575	09VOCA13, 09VOCA14 10VOCA14, 10VOCA15	114,665
Residential Substance Abuse Treatment for State Prisoners	16.593	9R02	34,641
State Criminal Alien Assistance Program	16.606		86,877
Edward Byrne Memorial Justice Assistance Grant Program	16.738	7A68, 9A104	10,500
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.804		
Passed through Layton City:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0454	3,400
Total U.S. Department of Justice			$ 275,083
U.S. Department of Labor			
Passed through Utah State Department of Social Services:			
Senior Community Service Employment Program	17.235	10-0336, 11-0404	$ 50,085
U.S. Department of Energy			
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128		188,922
Passed through Utah State Department of Community and Culture:			
ARRA - Weatherization Assistance for Low Income Persons	81.042	10-0009	1,415,207
Weatherization Assistance for Low Income Persons	81.042	10-0502	310,765
Total U.S. Department of Energy			$ 1,914,894
Environmental Protection Agency			
Passed through Utah State Department of Environmental Quality:			
Capitalization Grants for Drinking Water State Revolving Fund	66.468	08-0786, 11-0362	6,634
Performance Partnership Grants	66.605	08-0786, 11-0362	60,788
Total Environmental Protection Agency			$ 67,422
U.S. Department of Transportation			
Passed through Utah State Department of Transportation:			
State and Community Highway Safety	20.600	CP 100201, CP 110201	37,297
Highway Planning and Construction	20.205	09-8385	
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	09-8306	
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	K8110306	6,662
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HLS2010-LEPC	3,200
Total U.S. Department of Transportation			$ 47,159
TOTAL FEDERAL FINANCIAL ASSISTANCE			$ 10,338,522

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, 2010

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, 2010. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 assets, 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 OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

   b. 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.