

DAVIS COUNTY UTAH

Comprehensive Annual Financial Report
For the Fiscal Year Ended
December 31, 2012



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF

DAVIS COUNTY, UTAH

For the Fiscal Year Ended December 31, 2012

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, 2012

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Davis County

COUNTY CLERK/AUDITOR
Steve S. Rawlings, CGFM



June 17, 2013

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, 2012. 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 assumes full responsibility 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.

State law requires that an annual financial audit of the County is completed each year by independent certified public accountants. The firm of Christensen, Palmer & Ambrose P.C., has issued an unqualified ("clean") opinion for the County's financial statements for the year ended December 31, 2012. 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 141.

PROFILE OF THE COUNTY

Davis County is Utah's smallest county in land area, but is the third largest county in population. Although it is a narrow strip of land containing only 223 square miles, it is home to an estimated 318,073 residents living 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 sought to promote the County, but by 1940 the population was barely 16,000. The small family farms and local businesses could support no greater increase. Consequently, many of the younger generation 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. The latest census, conducted in 2010, reported a population of 307,806. With a population growth rate of 28.8 percent between the 2000 and 2010 census reports, the County is one of the fastest growing of the four major urban communities along the Wasatch Front. Davis County is projected to build out with a population in excess of 400,000 around the year 2050.

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 in 78 buildings ranging in size from 4,000 to 400,000 square feet on 680 acres. It is occupied by more than 70 renowned companies employing some 6,500 employees.

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

their respective elected offices and their Deputies while performing the professional duties to which they were elected. Commissioners approve the adoption and amendment to the budget; they also serve as the legislative body, the property tax Board of Equalization, and regulate business licensing in the unincorporated areas of the County.

The seven other elected officials, as shown on the organization chart located on page 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 2012, Davis County's average seasonally adjusted unemployment rate was 5.3 percent, compared to the prior year's rate of 6.2 percent for 2011. This is lower than the State rate of 5.7 percent and favorable to the National rate of 8.1 percent. Comparing unemployment, the state dropped by one full percent while Davis County dropped 0.9 of one percent and the nation only dropped 0.8 of one percent. The County and the State continue to have one of the better labor and business climates in the western United States. States that are doing better are seeing a growth spike in renewable energy that is driving the labor numbers down. The work force in Davis County 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 25.5 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). Hill Air Force did lose jobs in 2012 due to government sequestration. Currently they are down by about 200 jobs but this number could go up as more programs are closed and budgets are cut. This is a concern for Davis County and it is being monitored very closely.

As of this report the Department of Workforce Services had not update the 2012 employment numbers. Based on business visits completed in 2012 Davis County will see a strong growth in employment numbers. The unemployment rate has not stabilized with a decrease of .09 percent from 2011 to 2012. The numbers have dropped even more for 2013. This trend is in line with the state and national drop in unemployment. Current unemployment rate is at mid 4 percent. Anything below 4 percent is considered full employment.

The majority of businesses are holding strong, they have cash in the bank and have started to hire back employees. There is still a stigma that we are in a recession and therefore businesses are being very cautious. Larger companies have moved past this stigma and are moving forward while smaller businesses are holding strong. Cities saw a dramatic increase in building permits for single and multi-family dwellings and the majority of the industrial parks saw some type of development for 2012.

Interest rates remain low as the economy continues to strengthen. Mortgage rates dropped to all time lows of 2.45 – 3.25 percent. Total permit-authorized construction increased by 18.6 percent from 2011 to 2012. Permit-authorized construction in Davis County grew by 413 permits over 2011, housing permits were up by 433 with multifamily increasing by over 600 apartments and the valuations were up by over \$135M. According to the Real Estate industry, by the year 2020 there will be a need for 60,000 multifamily units along the Wasatch Front. The estimates show that there will only be 40,000 units available. Ivory Homes, one of Utah's largest home builders shifted 70 percent of their business to building multifamily units. Davis County has seen a jump in multifamily units and will continue to see a jump year over year.

The average number of construction jobs increased 4.9 percent in 2012 and is down over 30 percent from 2007. Construction companies have leveled out and are starting to see more work. They are still in a very competitive bid process and the projects aren't yielding the margins from 2007 but the projects are growing. The other factor for construction companies is they are seeing higher dollar projects come through which last longer and have better margins. Architectural firms have stated they are seeing more requests for projects in 2012 over 2011 which is a leading indicator to the construction industry that work is growing.

Manufacturing jobs in the County grew slightly in 2012 creating 175 jobs. The value of overall residential permits authorized for construction in the County grew 22 percent in 2012 compared to 2011 figures. Values have gone up as well as the number of homes built in 2012. The housing market is currently being drive up by a strengthening consumer confidence, housing appreciating, and low interest rates. Davis County is expected to see more than 2,000 apartments on the market by 2014. The total value of Non Residential building permits declined by more than \$10M in 2012 as compared to 2011. The number of permits was down by 20 from 2012 compared to 2011.

Currently there are over 1,200 homes for sale in Davis County and the average price is up by \$1,500 from 2011. With fewer homes on the market most sellers are getting multiple offers and in most cases are getting asking price. Over 1,200 homes equates to 4 months of inventory which is viewed as a seller's market. Sales were healthy in the spring and fall months. The average listing time is 45 days but that is shrinking as it is turning into a seller's market.

Overall business and construction have seen profits increase but that has been due to cutting overhead costs and doing more with less, this statement holds true from 2011 to 2012. Once the businesses feel consumer confidence is up they will look to expand and hire new employees.

The major employers in Davis County are:

<u>BUSINESS</u>	<u>EMPLOYEES</u>
Hill Air Force Base	10,000-14,999
Davis County School District	7,000-9,999
Wal-Mart	1,000-1,999
Lifetime Products Inc	1,000-1,999
Lagoon Corporation Inc	1,000-1,999
Smith's Marketplace Dist.	500-999
ATK Space Systems / Alliant	500-999
Davis County	500-999
Utility Trailer Manufacturing Co.	500-999
Davis Hospital and Medical Center	500-999
Lofthouse Bakery Products	500-999
Lakeview Hospital	500-999
South Davis Community Hospital Inc	500-999

TRANSPORTATION AND ACCESSIBILITY

Davis County has superb highway accessibility. Interstate 15 runs north and south through the County, providing easy access to Interstate 80 and other major highways throughout the state. Legacy Highway has been a great asset to the County by reducing 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. Utah Department of Transportation is currently expanding Highway 193 from Interstate 15 going west through Clearfield and Syracuse cities. This expansion will eventually connect into the West Davis Corridor completing a five lane east west corridor for northern Davis County.

The Salt Lake International Airport is readily accessible to all of Davis County. The airport is the fourth largest and westernmost hub for Delta Airlines with about 74 percent of the traffic. It has a total of 7 airlines operating over 645 scheduled daily departures serving more than 89 cities with non-stop flights. They also now provide non-stop service to Paris. Almost 20 million passengers traveled through the airport in 2012 making it the 26th busiest airport in North America and 64th in the world. Amenities at the airport include light rail access, 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. Amtrak 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 2012, the County continued to repair and upgrade various flood channels and drainage systems within the County using the remainder of the \$27 million of Sales Tax Revenue Bonds issued in 2009. These improvements upgraded storm drainage infrastructure to carry heavy runoff and preclude flooding.

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 are 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 at the time of issuance qualify for a 45 percent IRS subsidy payment back to the Municipal Building Authority of the County.

The main campus project was built in three phases. First, the Children's Justice Center was completed in 2012 with 9,600 square feet which includes a basement for the civil attorney's division. Work began on the 77,000 square foot three story Administration Building in early 2012, and substantially completed in September 2012. The Headquarters Library which is connected to the new Administration building began construction in mid-2012, and was mostly complete in November 2012. The old Headquarters Library, constructed in 1964, was then demolished to make room for additional parking. The Municipal Building Authority leases the facilities to Davis County. Wadman Corporation served as the general contractor.

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 percent. 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:

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

The CAFR also reports consolidated information of Davis Behavioral Health and Wasatch Integrated Waste Management as related entities of Davis County. Davis Behavioral Health was created in 1983 by the County as a public non-profit organization to provide behavioral and also alcohol and drug services for the residents of Davis County. Wasatch Integrated Waste Management 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, 2011. This is the nineteenth year in a row that Davis County has received this award.

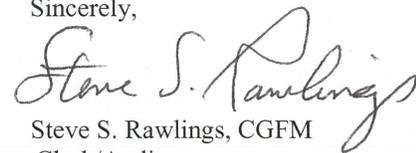
This prestigious award requires a government unit to publish an easily readable and efficiently organized comprehensive annual financial report that must conform to rigorous program standards. Qualifying reports must satisfy both GAAP and applicable legal requirements.

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, 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, 2011

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.



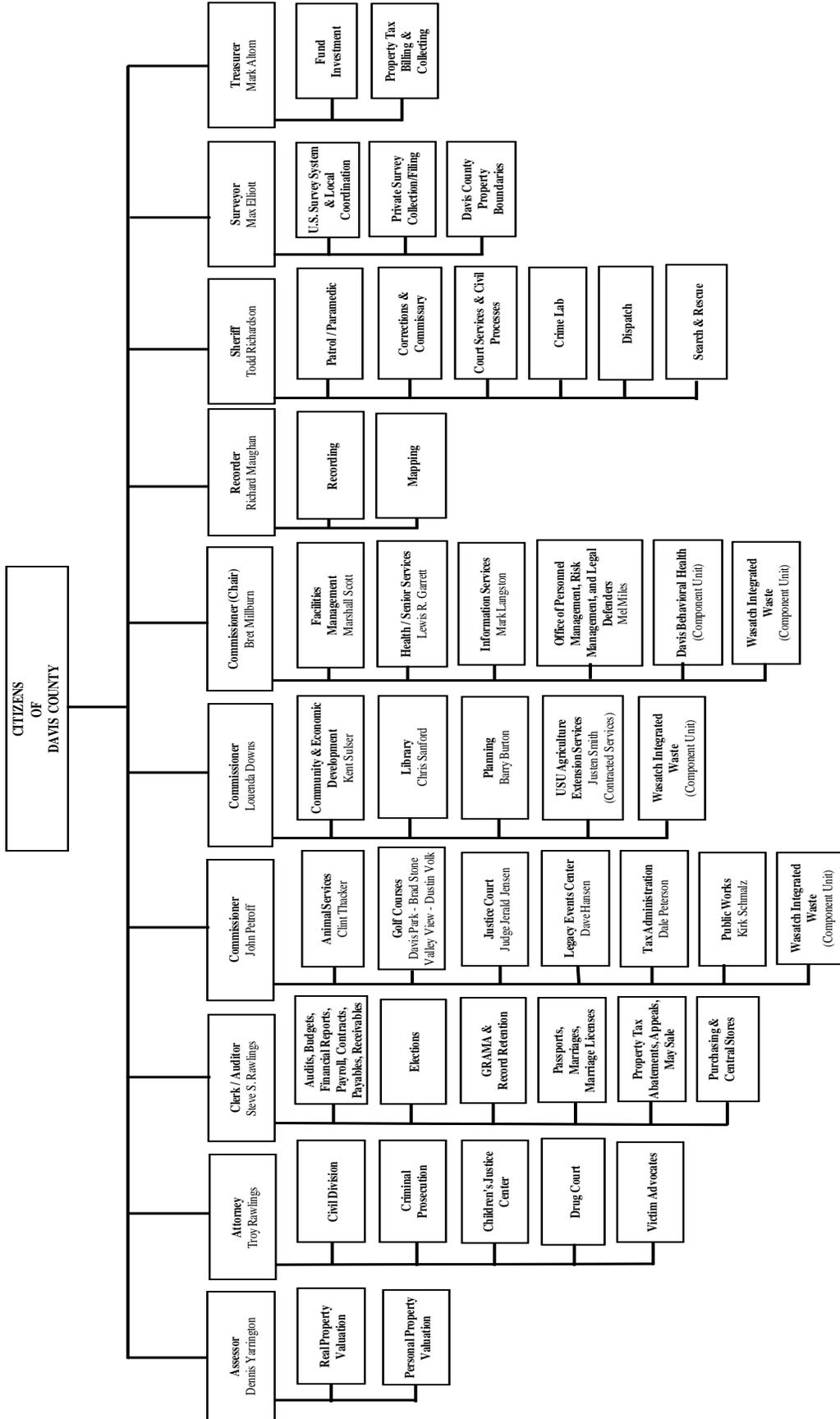
Christopher P. Moirice

President

Jeffrey R. Emer

Executive Director

DAVIS COUNTY ORGANIZATION CHART
For the Fiscal Year Ended December 31, 2012

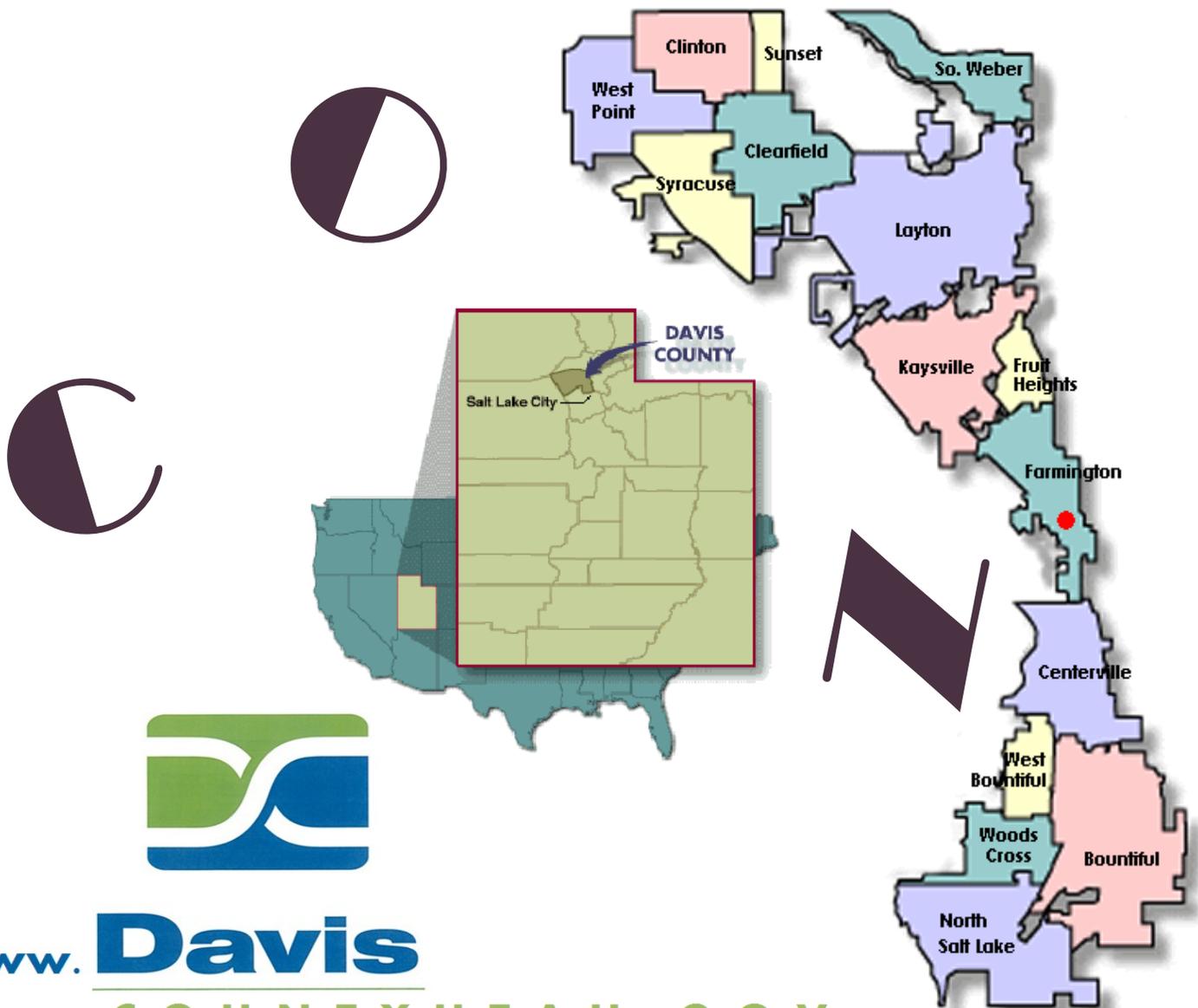




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II.

Financial Section



www. **Davis**

C O U N T Y U T A H . G O V



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INDEPENDENT AUDITORS' REPORT

The Board of County Commissioners
Davis County, Utah

Report on the Financial Statements

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, 2012, and the related notes to the financial statements, which collectively comprises the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In our opinion, 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, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 20-28 and 75-81 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Christensen, Palmer & Ambrose P.C.

May 30, 2013

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2012

INTRODUCTION

The following is a discussion and analysis of Davis County's financial performance and activities for the year ended December 31, 2012. When read in conjunction with the letter of transmittal and the notes to the financial statements, this section's financial highlights, overview and analysis should assist the reader to gain a more complete knowledge of the County's financial performance. Comparative analyses to the previous year's results are provided.

HIGHLIGHTS

Government-wide

- Total assets and deferred outflows of resources of the County exceeded liabilities by \$129.5 million (reported as net position). Of this amount, \$35.2 million (unrestricted net position) may be used to meet the County's ongoing obligations while \$94.3 million is restricted for specific uses or invested in capital assets.
- The County's total net position increased by approximately \$2.6 million or about 2.1 percent over the prior year. Net position of governmental activities increased \$2.8 million or 2.3 percent. Net position of business-type activities decreased by \$176 thousand or 4.8 percent.

Fund Level

- The governmental funds reported combined ending fund balances \$49.6 million, a decrease of \$11.5 million in comparison with the prior year. This decrease was the result of capital construction projects in the Campus Construction and Flood Control capital projects funds. Approximately 84.9 percent or 42.1 million of the ending fund balance is considered unrestricted (committed, assigned, or unassigned) and is available for spending either at the government's discretion or upon commission approval.
- Property tax revenues were \$121 thousand (0.3 percent) higher in 2012 than the prior year. This slight increase was due to growth of the property tax base throughout the County. General sales taxes increased approximately \$1 million (about 6.3 percent), indicating that the economy is continuing to recover from the downturn felt in prior years.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Statements – Reporting the County as a Whole

The Statement of Net Position and the Statement of Activities beginning on page 32 comprise the government-wide financial statements. These statements provide a broad overview with a long-term focus of the County's finances as a whole and are prepared using the *full-accrual* basis of accounting, similar to private-sector companies. This means all revenues and expenses are recognized regardless of when cash is received or spent, and all assets, liabilities, and deferred inflows/outflows of resources, including capital assets and long-term debt, are reported at the entity level.

The statement of net position presents financial information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the County's overall financial condition is getting better or worse. In evaluating the government's overall condition, however, additional non-financial factors should be considered such as the County's economic outlook, changes in its demographics, and the condition of its capital assets and infrastructure.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2012

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 provide the same type of information as the government-wide financial statements, only in more detail. Proprietary funds are presented using the *full-accrual* basis of accounting. Davis County uses two different types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County has two enterprise funds – the Golf 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 Security System, and Building and Grounds Funds. Because those services predominantly benefit governmental rather than business-type activities, they are included with *governmental activities* in the government-wide statements.

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

Reconciliation between Government-wide and Fund Statements

The financial statements include reconciliations on pages 37 and 39 that reconcile the amounts reported for governmental activities on the government-wide statements (full-accrual accounting, long-term focus) with amounts reported on the governmental fund statements (modified accrual accounting, short-term focus). Following are some of the major differences between the two statements:

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2012

- 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 inflows of resources on the governmental fund statements.

Notes to the Financial Statements

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Position

The largest component of the County's net position, \$87.9 million or 67.9 percent, reflects investments in capital assets (land, buildings, equipment, construction-in-progress, roads, and other infrastructure) less all outstanding debt that was issued to buy or build those assets and adjusted by related deferred outflows of resources. As capital assets, these resources are not available for future spending, nor can they all be readily liquidated to pay off the related liabilities. Resources needed to repay capital-related debt must be provided from other sources. Although capital assets increased by about \$12 million, the amount of net investment in capital assets actually only increased by about \$868 thousand. The difference was primarily the result of the amount offset by related debt increasing as bond proceeds were spent on capital projects.

Restricted net position comprised \$6.4 million or 5 percent of total net position and is subject to external restrictions on how they may be used. B-Roads accounted for \$1.3 million of the restriction, while Debt Service restrictions accounted for another \$5.1 million. Unrestricted net position was approximately \$36.6 million for governmental activities at December 31, 2012. Unrestricted net position for business-type activities remained relatively unchanged with a \$2 thousand increase during 2012.

Davis County
Net Position
December 31,

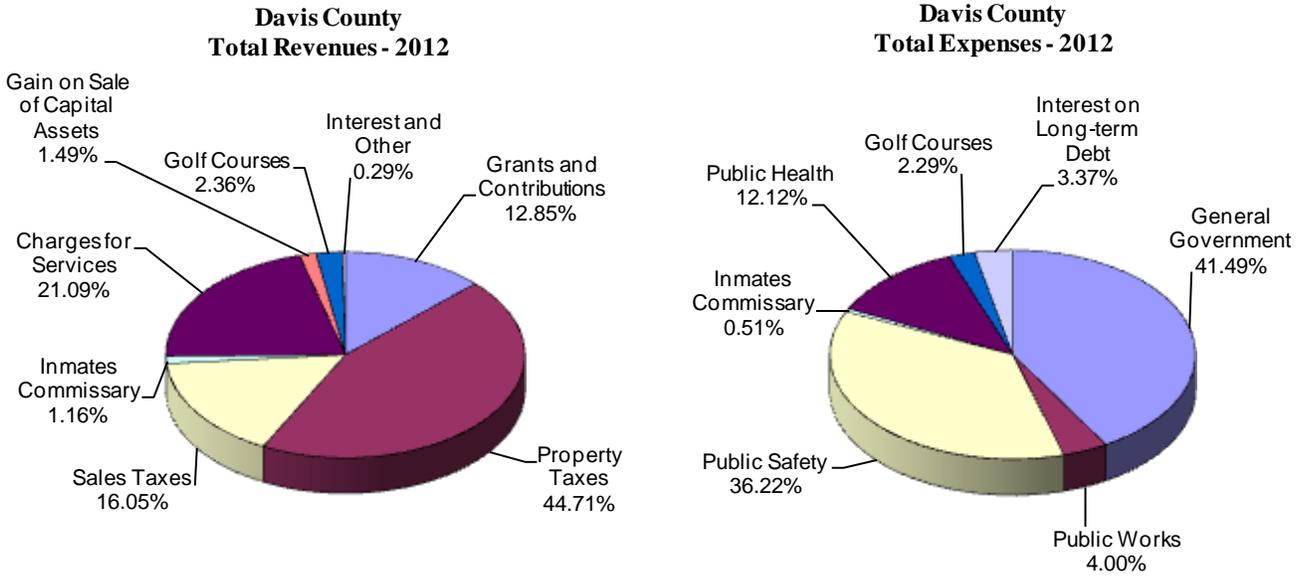
	Governmental		Business-type		Total Primary	
	Activities		Activities		Government	
	Restated*				Restated*	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 61,322,692	\$ 72,262,891	\$ (996,584)	\$ (1,026,658)	\$ 60,326,108	\$ 71,236,233
Capital Assets	161,676,764	149,454,182	4,920,283	5,098,487	166,597,047	154,552,669
Total Assets	222,999,456	221,717,073	3,923,699	4,071,829	226,923,155	225,788,902
Total deferred outflows of resources	2,090,472	506,907	-	-	2,090,472	506,907
Current and Other Liabilities	4,631,206	5,795,585	136,296	152,183	4,767,502	5,947,768
Long-term Liabilities	94,422,849	93,190,401	318,333	274,220	94,741,182	93,464,621
Total Liabilities	99,054,055	98,985,986	454,629	426,403	99,508,684	99,412,389
Net Position:						
Net investment in Capital Assets	82,993,856	81,947,428	4,920,283	5,098,487	87,914,139	87,045,915
Restricted	6,423,979	20,499,016	-	-	6,423,979	20,499,016
Unrestricted	36,618,038	20,791,550	(1,451,213)	(1,453,061)	35,166,825	19,338,489
Total Net Position	\$ 126,035,873	\$ 123,237,994	\$ 3,469,070	\$ 3,645,426	\$ 129,504,943	\$ 126,883,420

* 2011 was restated in order to be comparable with accounting and reporting changes made in 2012 to comply with GASB Statements 63 and 65.

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2012

Changes in Net Position

The County's combined net position increased by approximately \$2.6 million or 2.1 percent from the prior year. The increase is due to the increase in Net Position of governmental activities. Net position of business-type activities actually decreased \$176 thousand which represents a 4.8 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 position of \$840 thousand. Transfers to the General Fund were comprised of \$1 million 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 2012. General sales taxes increased approximately \$1 million (about 6.3 percent) while property taxes increased by \$1.2 million (2.7 percent). The increase in sales tax revenues is a good indication that the economy is continuing to recover from the downturn that occurred a few years ago, while the increase in property tax was due to continued development of residential and commercial real estate throughout the County. The following table shows the comparison of revenue and expenses of governmental activities and business type activities from 2012 compared to 2011.

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2012

Davis County Changes in Net Position For the Years Ended December 31,						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	Restated* 2011	2012	2011	2012	Restated* 2011
Revenues						
General Revenues:						
Taxes	\$ 63,500,096	\$ 61,269,693	\$ -	\$ -	\$ 63,500,096	\$ 61,269,693
Gain on Sale of Capital Assets	1,548,428	102,583	5,300	-	1,553,728	102,583
Interest Revenue	288,708	296,803	9,487	5,772	298,195	302,575
Program Revenues:						
Charges for Services	22,044,615	23,075,538	3,677,865	3,377,536	25,722,480	26,453,074
Operating Grants	12,542,601	12,642,377	-	-	12,542,601	12,642,377
Capital Grants	891,064	1,794,609	-	-	891,064	1,794,609
Total Revenues	100,815,512	99,181,603	3,692,652	3,383,308	104,508,164	102,564,911
Expenses						
General Government	42,270,996	40,130,429	-	-	42,270,996	40,130,429
Public Safety	36,905,270	35,577,640	-	-	36,905,270	35,577,640
Public Health	12,353,127	11,640,398	-	-	12,353,127	11,640,398
Public Works	4,072,629	3,908,616	-	-	4,072,629	3,908,616
Interest on Long-term Debt	3,431,611	3,836,966	-	-	3,431,611	3,836,966
Golf Courses	-	-	2,328,423	2,422,690	2,328,423	2,422,690
Commissary	-	-	524,585	582,734	524,585	582,734
Total Expenses	99,033,633	95,094,049	2,853,008	3,005,424	101,886,641	98,099,473
Changes in Net Position before Transfer	1,781,879	4,087,554	839,644	377,884	2,621,523	4,465,438
Transfer In (Out)	1,016,000	550,100	(1,016,000)	(550,100)	-	-
Changes in Net Position	2,797,879	4,637,654	(176,356)	(172,216)	2,621,523	4,465,438
Net Position - Beginning, as restated	123,237,994	118,600,340	3,645,426	3,817,642	126,883,420	122,417,982
Net Position - Ending	\$ 126,035,873	\$ 123,237,994	\$ 3,469,070	\$ 3,645,426	\$ 129,504,943	\$ 126,883,420

* 2011 was restated in order to be comparable with accounting and reporting changes made in 2012 to comply with GASB Statements 63 and 65.

The following table shows to what extent the County's governmental activities relied on taxes and other general revenues to cover all of their costs. For 2012, these programs generated \$35.5 million or 35.8 percent of their total expenses through charges for services and grants. Program revenues decreased by \$2 million or 5.4 percent less than 2011. Taxes and other general revenues covered the remaining 64.2 percent of expenses. The most significant decrease in program revenues was in General Government, where program revenues decreased by \$2.1 million or 16.1 percent. This decrease in program revenues was partially due to a \$1 million decrease in federal grants received. In particular, grant money received pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA) was down significantly as those grants came to an end. An additional \$765 thousand received in 2011, was a one-time payment from a utility company for a utility easement. The remainder was the result of minor decreases in various different program revenues rather than any one revenue source.

Total program expenses for governmental activities were \$99 million for 2012; this is an increase of \$3.9 million as compared to 2011, or about 4.1 percent. Approximately \$2.1 million of this increase is attributable to General Government. About \$556 thousand, or 26 percent, of the increase in general government expenses was attributable to the general and primary elections held in 2012. Because 2012 was a presidential election year, additional personnel, supplies, and equipment were needed to cover the anticipated increases in voter turnout. An additional \$254 thousand, or 11.9 percent, of this increase was due to an increased workload in the Attorney's office. This increase necessitated the hiring of additional attorneys to compensate for additional cases being prosecuted by the County. Besides the aforementioned increases in payroll costs, an approximate \$603 thousand increase (28.2 percent) in general government payroll costs can be attributed to other additional new hires and a modest merit increase based upon job performance. Finally, the latest actuarial study of Other Postemployment Benefits (OPEB) resulted in a \$304 thousand (14.2 percent) increase in general government expenses over the previous year.

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2012

A \$1.3 million increase in Public Safety activities was due to increases in miscellaneous jail operational costs and law enforcement costs that are necessary in order to continue providing quality public safety programs. The majority of this increase was attributable to compensation costs. All other increases in governmental expense cannot be specifically tied to any one area, but are a combination of several smaller increases.

Davis County						
Net Cost of Governmental Activities						
For the Year Ended December 31,						
	Total	Less	Net		Program	
	Program	Program	Program		Revenue as a	
	Expenses	Revenues	Costs	Restated*	Percentage of	Total Expenses
	2012	2012	2012	2011	2012	Restated*
						2011
Activities						
General Government	\$ 42,270,996	\$ (10,730,141)	\$ 31,540,855	\$ 27,345,076	25.4%	31.9%
Public Safety	36,905,270	(12,028,785)	24,876,485	22,355,568	32.6%	37.2%
Public Health	12,353,127	(10,754,453)	1,598,674	1,598,479	87.1%	86.3%
Public Works	4,072,629	(1,964,901)	2,107,728	2,445,436	48.2%	37.4%
Interest on Long-term Debt	3,431,611	-	3,431,611	3,836,966	0.0%	0.0%
Total Governmental Activities	\$ 99,033,633	\$ (35,478,280)	\$ 63,555,353	\$ 57,581,525	35.8%	39.4%

* 2011 was restated in order to be comparable with accounting and reporting changes made in 2012 to comply with GASB Statements 63 and 65.

Business-type Activities

In 2012, Davis County's Golf Courses generated an operating profit of approximately \$133 thousand. There was also a \$16 thousand transfer out to the General Fund for administrative expenses related to the golf courses. Revenues were up by approximately \$428 thousand as a result of more rounds of golf being played by golfers in 2012. This was primarily due to warm weather and favorable golfing conditions during much of 2012. Expenses were down by approximately \$94 thousand as the result of fiscally responsible management.

The Jail Commissary continues to generate sufficient revenues to cover its operating costs, with an operating profit of \$691 thousand. \$1 million was transferred to the General Fund to help cover Jail operations. Commissary revenue decreased by \$128 thousand, but expenses also decreased by \$58 thousand.

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

Capital Assets

Davis County added approximately \$20.1 million in new capital assets during 2012, of which approximately \$11.4 million was attributable to the new Administration Building, Library, and Children's Justice Center being constructed on the main County campus. An additional \$5 million was related to flood control projects. Other general capital purchases for buildings, equipment, and improvements comprised the remaining \$3.7 million. Additional information can be found in Note 6 of the Notes to the Financial Statement beginning on page 60.

Long-term Debt

Total bonded debt outstanding at December 31, 2012 was \$80.8 million, as compared to \$82 million at the end of the prior year. This \$1.2 million (1.5 percent) reduction of bonded debt is mostly attributable to making required debt service payments. The balance on the County's lease/purchase agreement was also paid during 2012. The County had the following long-term debt outstanding. Additional information can be found in Note 7 of the Notes to the Financial Statement beginning on page 61.

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2012

Davis County
Long-term Liabilities
December 31,

	<u>Governmental</u>		<u>Business-type</u>		<u>Total Primary</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Government</u>	
	<u>2012</u>	<u>Restated*</u> <u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>Restated*</u> <u>2011</u>
General Obligation Bonds	\$20,555,240	\$19,805,000	\$ -	\$ -	\$20,555,240	\$19,805,000
Sales Tax Revenue Bonds, net of premiums and refundings	38,846,199	40,645,555	-	-	38,846,199	40,645,555
Lease Revenue Bonds, net of premiums and refundings	21,371,941	21,542,732	-	-	21,371,941	21,542,732
Lease/Purchase Agreement	-	358,264	-	-	-	358,264
Compensated Absences	3,310,719	3,164,435	114,928	117,457	3,425,647	3,281,892
OPEB	10,338,750	7,674,415	203,405	156,763	10,542,155	7,831,178
Total	<u>\$94,422,849</u>	<u>\$93,190,401</u>	<u>\$ 318,333</u>	<u>\$ 274,220</u>	<u>\$94,741,182</u>	<u>\$93,464,621</u>

* 2011 was restated in order to be comparable with accounting and reporting changes made in 2012 to comply with GASB Statements 63 and 65.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Fund Balances

At December 31, 2012, Davis County's governmental funds reported combined fund balances of approximately \$49.6 million. Of this amount, \$1.1 million or 2.1 percent is nonspendable due to its form and \$6.4 million or 13 percent is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. An additional \$171 thousand or 0.3 percent of total fund balance has been committed to specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Commissioners. An additional \$27.1 million or 54.6 percent of total fund balance has been assigned to specific purposes, as expressed by management's intent. The remaining \$14.8 or 29.9 percent of fund balance is unassigned and available for appropriation. The following chart presents the County's 2012 ending fund balances.

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

	<u>2012</u>					<u>Total</u>	<u>2011</u>	<u>% Change from prior year</u>
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>		<u>Total</u>	
General Fund	\$ 202,818	\$ -	\$ -	\$ 3,114,988	\$14,844,659	\$18,162,465	\$19,859,401	-8.5%
Health Fund	616,746	7,868	-	3,084,095	-	3,708,709	2,342,978	58.3%
Library Fund	87,992	-	-	4,781,263	-	4,869,255	4,097,796	18.8%
Flood Control Fund	-	-	-	3,512,244	-	3,512,244	8,115,962	-56.7%
Campus Constr. Capital Project	-	-	-	2,071,375	-	2,071,375	8,750,053	-76.3%
NonMajor Funds	151,070	6,416,111	171,429	10,519,130	-	17,257,740	17,955,004	-3.9%
Total	<u>\$1,058,626</u>	<u>\$ 6,423,979</u>	<u>\$ 171,429</u>	<u>\$27,083,095</u>	<u>\$14,844,659</u>	<u>\$49,581,788</u>	<u>\$61,121,194</u>	<u>-18.9%</u>

General Fund

During 2012, the fund balance in the General Fund decreased by almost \$1.7 million or 8.5 percent. General Fund revenues decreased by \$598 thousand or 0.9 percent when compared to the prior year. Property tax revenues for the General Fund increased by \$422 thousand or 1.2 percent. General Fund sales taxes increased by \$609 thousand or 5.7 percent. Total General Fund expenditures increased by approximately \$2.9 million or 5.2 percent from 2011. As explained above, about \$556 thousand, or 19 percent, of the increase in general fund expenditures was attributable to the additional personnel, supplies, and

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2012

equipment were needed to cover the 2012 general and primary elections. An additional \$2 million, or 67.7 percent, of this increase was due to an increase in compensation costs relative to new hires and a modest merit increase based upon job performance. Most notably were increases in compensation costs for law enforcement and criminal justice, including \$528 thousand for the jail, \$489 thousand in the sheriff's department, and \$254 thousand in the attorney's office. Other increases in expenditures cannot be specifically tied to one area, but are a combination of several smaller increases.

For the year ended December 31, 2012, transfers in were just over \$1 million. Excess revenues of the Jail Commissary and the profit sharing arrangement with Canteen Food Services accounted for exactly \$1 million and a transfer from the Golf Fund for administrative expenses accounted for an additional \$16 thousand of transfers in.

The Commission authorized a total of approximately \$8.3 million in transfers out of the General Fund in 2012. This is approximately \$1.3 million less than the previous year. Totals of \$3.5 million and \$500 thousand were transferred to the Flood Control and Campus Construction Capital Projects Funds, respectively, for construction projects. The remaining \$4.3 million went to support County operations in Health Services, Aging Services, and Emergency 911 dispatch. A complete list of transfer activity can be found in Note 5 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 \$512 thousand to better match the revenues projected through the certified tax rate process.
- Various minor budget changes, from normal day to day activities to meet the needs of the departments, made up the change of approximately \$385 thousand from original to final budgets on the expenditure side.
- Budgeted transfers out of the General Fund were increased by \$500 thousand as the amount needed in the Campus Construction Capital Projects fund was reevaluated.

Actual General Fund revenues were \$64.5 million, which was \$1.1 million or approximately 1.8 percent above the final budgeted revenues. The most significant difference between budgeted and actual revenues occurred because current general property taxes were \$802 thousand above what was budgeted. Various other revenue sources were slightly above what was expected. As the result of fiscally responsible management, General Fund expenditures were approximately \$58.9 million, which was \$3.4 million (5.5 percent) below the final budgeted expenditures.

Other Major Governmental Funds

During 2012, an increase of \$702 thousand (6.3 percent) in Health Fund total expenditures was offset by an increase in revenues of \$722 thousand (7.2 percent). County transfers from the General Fund were increased by only \$55 thousand (2.3 percent). The combination of these factors, together with the fact that there were no transfers out in 2012, resulted in an increase in Health fund balance of \$1.4 million to approximately \$3.7 million at December 31, 2012.

The fund balance in the Library Fund increased approximately \$771 thousand (18.8 percent) to \$4.9 million. This increase in fund balance 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 Capital Projects Fund was reduced by \$4.6 million (56.7 percent) during 2012 to \$3.5 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 was reduced by \$6.7 million (76.3 percent) during 2012 to almost \$2.1 million as the construction of the new Administration Building, Children's Justice Center, and Headquarters Library neared completion.

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2012

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 position of the Golf Courses Fund at the end of the year amounted to a negative \$1.9 million, and those for the Commissary amounted to \$448 thousand. The total change in net position for both funds was a \$111 thousand increase for Golf and a \$301 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:

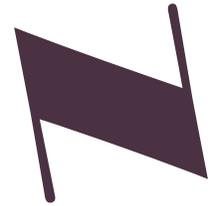
- The Veteran Abatement's ceiling was increased to \$237,949 of taxable value for personal and primary residence in 2012. This amount will continue to be adjusted in the future by the consumer price index (CPI) of the preceding year. For 2013, the Veteran Abatement's ceiling will be \$244,064.
- In 2012, the voters of the State of Utah passed a constitutional amendment that will provide a property tax exemption on the primary residence of all armed service members who actively served in federal active duty out of state for at least 200 days in a calendar year or 200 consecutive days. This amendment took effect on January 1, 2013, but the actual exemption will not affect the County until 2014.
- As explained in Note 9, the state legislature closed the existing defined-benefit pension plan to new employees hired on or after July 1, 2011 and created a "hybrid" pension plan for those new employees. The new plan caps the employer's contribution at a fixed rate and requires the employee to pay the difference, if any, between that capped rate and the actuarially required contribution rate. If the actuarially required rate is less than the cap, the difference is credited to the employee's 401(k) account. The new plan also offers a smaller retirement benefit and a longer vesting period than the existing plan. Finally, new employees have the option of choosing a straight defined-contribution plan in lieu of the hybrid defined-benefit plan. The new plan is administered by Utah Retirement Systems and is expected to reduce pension costs over time for all government employers throughout the state.
- During the 2012 Legislative Session, a number of bills were passed which significantly changed the requirements for vehicle safety and emissions testing in the State of Utah. As a result of these legislative actions, Davis County closed the County run I/M Center in Kaysville, Utah on December 31, 2012. A number of gas stations and repair shops county-wide will continue to conduct the tests.

REQUESTS FOR INFORMATION

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

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

Basic Financial Statements



www.Davis

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DAVIS COUNTY

EXHIBIT A

**STATEMENT OF NET POSITION
DECEMBER 31, 2012**

	Primary Government			Component Units (as of June 30, 2012)	
	Governmental	Business-Type	Total	Davis	Wasatch
	Activities	Activities		Behavioral Health	Integrated Waste
ASSETS					
CURRENT:					
Cash and cash equivalents	\$ 50,499,853	\$ 561,452	\$ 51,061,305	\$ 2,649,424	\$ 2,640,753
Investments	-	-	-	75,000	23,832,692
Accounts receivable	5,625,937	63,605	5,689,542	1,615,061	1,171,409
Taxes receivable	2,429,816	-	2,429,816	-	-
Internal balances	1,651,869	(1,651,869)	-	-	-
Inventory	656,594	-	656,594	18,670	1,357,857
Prepays and other	458,623	30,228	488,851	378,875	505,876
Total current assets	61,322,692	(996,584)	60,326,108	4,737,030	29,508,587
NONCURRENT:					
Capital assets:					
Land and related non-depreciable assets	44,764,219	3,522,893	48,287,112	2,113,203	23,251,165
Construction-in-progress	21,843,986	-	21,843,986	-	1,803,539
Depreciable infrastructure	34,040,411	-	34,040,411	-	-
Buildings, equipment, and other depreciable assets	119,058,404	4,567,475	123,625,879	13,106,106	66,778,881
Less accumulated depreciation	(58,030,256)	(3,170,085)	(61,200,341)	(4,173,194)	(59,517,897)
Total capital assets, net of depreciation	161,676,764	4,920,283	166,597,047	11,046,115	32,315,688
TOTAL ASSETS	222,999,456	3,923,699	226,923,155	15,783,145	61,824,275
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	2,090,472	-	2,090,472	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,090,472	-	2,090,472	-	-
LIABILITIES					
CURRENT:					
Accounts payable	1,846,171	100,996	1,947,167	297,415	2,464,710
Accrued liabilities	2,766,779	35,300	2,802,079	521,320	5,847,305
Unearned revenue	18,256	-	18,256	-	-
Bonds payable	3,620,000	-	3,620,000	247,836	-
Compensated absences	496,608	17,239	513,847	288,635	-
Total current liabilities	8,747,814	153,535	8,901,349	1,355,206	8,312,015
LONG-TERM:					
Bonds payable	77,153,380	-	77,153,380	5,722,222	-
Net OPEB obligation	10,338,750	203,405	10,542,155	-	-
Compensated absences	2,814,111	97,689	2,911,800	419,925	-
Total long-term liabilities	90,306,241	301,094	90,607,335	6,142,147	-
TOTAL LIABILITIES	99,054,055	454,629	99,508,684	7,497,353	8,312,015
NET POSITION					
Net investment in capital assets	82,993,856	4,920,283	87,914,139	5,076,057	32,315,688
Restricted for:					
Car seats and bike helmets	7,868	-	7,868	-	-
Class B-Roads	1,311,114	-	1,311,114	-	-
Debt Service	5,104,997	-	5,104,997	-	-
Closure and post-closure costs	-	-	-	-	5,176,264
Unrestricted	36,618,038	(1,451,213)	35,166,825	3,209,735	16,020,308
TOTAL NET POSITION	\$ 126,035,873	\$ 3,469,070	\$ 129,504,943	\$ 8,285,792	\$ 53,512,260

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Direct Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-Type Activities	Total	Davis Behavioral Health	Wasatch Integrated Waste
Primary Government:									
Governmental activities:									
General government	\$ 42,270,996	\$ 6,303,616	\$ 3,943,208	\$ 483,317	\$ (31,540,855)	\$ -	\$ (31,540,855)	\$ -	\$ -
Public safety	36,905,270	11,647,177	360,043	21,565	(24,876,485)	-	(24,876,485)	-	-
Public health	12,353,127	4,027,561	6,726,892	-	(1,598,674)	-	(1,598,674)	-	-
Public works	4,072,629	66,261	1,512,458	386,182	(2,107,728)	-	(2,107,728)	-	-
Interest on long-term debt	3,431,611	-	-	-	(3,431,611)	-	(3,431,611)	-	-
Total governmental activities	99,033,633	22,044,615	12,542,601	891,064	(63,555,353)	-	(63,555,353)	-	-
Business-type activities:									
Golf	2,328,423	2,461,843	-	-	-	133,420	133,420	-	-
Inmates Commissary	524,585	1,216,022	-	-	-	691,437	691,437	-	-
Total business-type activities	2,853,008	3,677,865	-	-	-	824,857	824,857	-	-
TOTAL PRIMARY GOVERNMENT	\$101,886,641	\$25,722,480	\$12,542,601	\$ 891,064	(63,555,353)	824,857	(62,730,496)	-	-
Component Units:									
Davis behavioral health	\$ 17,843,356	\$ 2,304,308	\$ 15,447,795	\$ -	-	-	-	(91,253)	-
Wasatch integrated waste	18,984,192	15,588,823	-	-	-	-	-	-	(3,395,369)
TOTAL COMPONENT UNITS	\$ 36,827,548	\$17,893,131	\$15,447,795	\$ -	-	-	-	(91,253)	(3,395,369)
General revenues:									
Taxes:									
Property taxes					46,727,996	-	46,727,996	-	-
Sales taxes					16,772,100	-	16,772,100	-	-
Total taxes					63,500,096	-	63,500,096	-	-
Unrestricted investment earnings					288,708	9,487	298,195	31,216	409,847
Gain on sale of capital assets					1,548,428	5,300	1,553,728	-	-
Transfers					1,016,000	(1,016,000)	-	-	-
Total general revenues and transfers					66,353,232	(1,001,213)	65,352,019	31,216	409,847
Change in net position					2,797,879	(176,356)	2,621,523	(60,037)	(2,985,522)
Net position - beginning					124,364,577	3,645,426	128,010,003	8,345,829	56,497,782
Adjustment to beginning net position					(1,126,583)	-	(1,126,583)	-	-
Net position - beginning as adjusted					123,237,994	3,645,426	126,883,420	8,345,829	56,497,782
Net position - ending					\$ 126,035,873	\$ 3,469,070	\$ 129,504,943	\$ 8,285,792	\$53,512,260

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



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Governmental Fund Financial Statements

General Fund

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

Health Special Revenue Fund

This special revenue fund accounts for taxes levied, grants, and other revenues and expenditures by the County to provide health 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 Capital Projects Fund

This 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 85.

DAVIS COUNTY

EXHIBIT C

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	General Fund	Major Special Revenue Funds		Capital Projects Funds		Nonmajor Governmental Funds	Total Governmental Funds
		Health Fund	Library Fund	Flood Control	Campus Construction		
ASSETS							
Cash and cash equivalents	\$ 15,110,745	\$ 2,927,701	\$ 4,991,878	\$ 3,611,437	\$ 2,120,073	\$ 15,834,208	\$ 44,596,042
Accounts receivable	3,388,833	445,225	-	-	-	1,757,971	5,592,029
Taxes receivable	1,957,545	-	343,821	-	-	128,450	2,429,816
Due from other funds	1,700,744	-	-	-	-	-	1,700,744
Inventory	53,364	603,230	-	-	-	-	656,594
Prepays and other	149,454	13,516	87,992	-	-	151,070	402,032
Total assets	<u>\$ 22,360,685</u>	<u>\$ 3,989,672</u>	<u>\$ 5,423,691</u>	<u>\$ 3,611,437</u>	<u>\$ 2,120,073</u>	<u>\$ 17,871,699</u>	<u>\$ 55,377,257</u>
LIABILITIES							
Accounts payable	\$ 955,717	\$ 60,363	\$ 92,415	\$ 41,793	\$ 48,698	\$ 320,311	\$ 1,519,297
Accrued liabilities	1,282,700	220,600	118,200	57,400	-	149,200	1,828,100
Unearned revenue	2,258	-	-	-	-	15,998	18,256
Total liabilities	<u>2,240,675</u>	<u>280,963</u>	<u>210,615</u>	<u>99,193</u>	<u>48,698</u>	<u>485,509</u>	<u>3,365,653</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	<u>1,957,545</u>	<u>-</u>	<u>343,821</u>	<u>-</u>	<u>-</u>	<u>128,450</u>	<u>2,429,816</u>
FUND BALANCES							
Nonspendable:							
Inventory	53,364	603,230	-	-	-	-	656,594
Prepays and other	149,454	13,516	87,992	-	-	151,070	402,032
Restricted for:							
Car seats and bike helmets	-	7,868	-	-	-	-	7,868
Class B-Roads	-	-	-	-	-	1,311,114	1,311,114
Debt Service	-	-	-	-	-	5,104,997	5,104,997
Committed to:							
Davis Cultural Arts Center	-	-	-	-	-	171,429	171,429
Assigned	3,114,988	3,084,095	4,781,263	3,512,244	2,071,375	10,519,130	27,083,095
Unassigned	14,844,659	-	-	-	-	-	14,844,659
Total fund balances	<u>18,162,465</u>	<u>3,708,709</u>	<u>4,869,255</u>	<u>3,512,244</u>	<u>2,071,375</u>	<u>17,257,740</u>	<u>49,581,788</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 22,360,685</u>	<u>\$ 3,989,672</u>	<u>\$ 5,423,691</u>	<u>\$ 3,611,437</u>	<u>\$ 2,120,073</u>	<u>\$ 17,871,699</u>	<u>\$ 55,377,257</u>

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

DAVIS COUNTY**EXHIBIT D****RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2012**

Total fund balances--governmental funds \$ 49,581,788

Amounts reported for governmental activities in the statement of net position are different because:

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

Land and related non-depreciable assets	\$ 44,764,219	
Construction-in-progress	21,843,986	
Depreciable infrastructure	34,040,411	
Buildings, equipment, and other depreciable assets	117,968,261	
Accumulated depreciation	<u>(57,172,077)</u>	
Total capital assets		161,444,800

Some of the county's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are reported as unavailable in the funds. 2,429,816

An internal charge between the governmental and business-type activities is not recorded at the fund level. (48,875)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of those internal service funds that primarily benefit governmental entities are included with governmental activities in the statement of net position. 5,502,010

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

Bonds payable	(80,773,380)	
Deferred charge on refundings (to be amortized as interest expense)	2,090,472	
Net OPEB obligation	(10,048,231)	
Compensated absences	(3,254,248)	
Accrued interest on bonds	<u>(888,279)</u>	
Total long-term liabilities		<u>(92,873,666)</u>

Total net position--governmental activities \$ 126,035,873

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

	General Fund	Major Special Revenue Funds		Capital Projects Funds		Nonmajor Governmental Funds	Total Governmental Funds
		Health Fund	Library Fund	Flood Control	Campus Construction		
REVENUES:							
Taxes:							
General property taxes-current	\$ 34,969,520	\$ -	\$ 6,139,263	\$ -	\$ -	\$ 2,447,858	\$ 43,556,641
General property taxes-delinquent	1,279,060	-	222,667	-	-	84,388	1,586,115
Penalties and interest on delinquent taxes	743,532	-	38,406	-	-	17,892	799,830
Sales taxes	11,308,280	-	-	-	-	5,463,820	16,772,100
Total taxes	48,300,392	-	6,400,336	-	-	8,013,958	62,714,686
Licenses and permits	317,417	-	-	-	-	-	317,417
Fines and forfeitures	1,405,794	-	166,152	-	-	-	1,571,946
Intergovernmental and grant revenue	1,093,974	6,726,892	57,656	-	451,308	5,038,797	13,368,627
Charges for services	11,855,697	3,964,218	-	-	-	2,304,125	18,124,040
Interest	28,507	15,390	15,091	39,449	32,556	120,480	251,473
Other	1,470,082	63,343	6,192	2,237	22,155	352,612	1,916,621
Total revenues	64,471,863	10,769,843	6,645,427	41,686	506,019	15,829,972	98,264,810
EXPENDITURES:							
Current:							
General government	24,347,815	-	5,858,773	-	95,869	9,468,583	39,771,040
Public safety	32,166,245	-	-	-	-	1,743,147	33,909,392
Public health	4,800	11,819,024	-	-	-	-	11,823,824
Public works	345,143	-	-	852,220	-	1,037,729	2,235,092
Capital outlay	1,694,504	35,092	15,195	5,043,266	11,357,420	1,865,724	20,011,201
Debt service:							
Principal retirement	358,264	-	-	-	-	2,956,000	3,314,264
Interest and fiscal charges	13,339	-	-	-	1,006,408	2,484,627	3,504,374
Bond issuance costs	-	-	-	-	-	243,852	243,852
Total expenditures	58,930,110	11,854,116	5,873,968	5,895,486	12,459,697	19,799,662	114,813,039
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,541,753	(1,084,273)	771,459	(5,853,800)	(11,953,678)	(3,969,690)	(16,548,229)
OTHER FINANCING SOURCES (USES)							
Refunding bonds issued	-	-	-	-	-	15,750,000	15,750,000
Premium on refunding bonds issued	-	-	-	-	-	1,474,979	1,474,979
Sale of capital assets	70,319	-	-	4,157	-	31,552	106,028
Transfers in	1,016,000	2,450,004	-	3,500,004	5,275,000	5,644,638	17,885,646
Transfers out	(8,325,008)	-	-	(2,254,079)	-	(6,290,559)	(16,869,646)
Payment to refunded bond escrow agent	-	-	-	-	-	(17,121,128)	(17,121,128)
Total other financing sources (uses), net	(7,238,689)	2,450,004	-	1,250,082	5,275,000	(510,518)	1,225,879
NET CHANGE IN FUND BALANCES BEFORE SPECIAL ITEM	(1,696,936)	1,365,731	771,459	(4,603,718)	(6,678,678)	(4,480,208)	(15,322,350)
SPECIAL ITEM							
Proceeds from sale of Justice Courts Complex	-	-	-	-	-	3,782,944	3,782,944
NET CHANGE IN FUND BALANCES	(1,696,936)	1,365,731	771,459	(4,603,718)	(6,678,678)	(697,264)	(11,539,406)
FUND BALANCES:							
Beginning of year	19,859,401	2,342,978	4,097,796	8,115,962	8,750,053	17,955,004	61,121,194
End of year	\$ 18,162,465	\$ 3,708,709	\$ 4,869,255	\$ 3,512,244	\$ 2,071,375	\$ 17,257,740	\$ 49,581,788

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

DAVIS COUNTY

EXHIBIT F

**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, 2012**

Net change in fund balances--total governmental funds	\$ (11,539,406)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital purchases (\$20,011,201) exceeded depreciation (\$5,329,247) during the current period.	14,681,954
In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus, the change in net position differs from the change in fund balance by the basis of the assets sold.	(2,340,545)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements.	785,410
Expenditures are recognized in the governmental funds when paid or due for interest on long term debt, but the statement of activities is presented on the accrual basis and expenses and liabilities are reported when incurred, regardless of when financial resources are available or expenses are paid or due. This is the amount by which the decrease in accrued interest on bonds payable (\$121,440) exceeded the net amortization on bond premiums and refundings (\$48,677) during the year.	72,763
The liabilities for OPEB and compensated absences are not recorded in the governmental funds, but are reported in the statement of net position. This is the current year change in OPEB (\$2,587,889) and compensated absences (\$140,723), reported as adjustments to expense in the statement of activities.	(2,728,612)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount by which debt service principal payments (\$3,314,264) and refunding payments (\$17,121,128) exceeded bonds issued (\$15,750,000) plus premiums (\$1,474,979).	3,210,413
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.	(13,767)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds is reported with governmental activities.	<u>669,669</u>
Change in net position of governmental activities	<u>\$ 2,797,879</u>

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



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Proprietary Fund Financial Statements

Golf Course Fund

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

Jail Commissary Fund

This fund accounts for the operations of a commissary available to the County Jail inmates.

Governmental Activities – Internal Service Funds

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

DAVIS COUNTY

EXHIBIT G

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2012

	<u>Major Enterprise Fund Golf Courses</u>	<u>Nonmajor Enterprise Fund Commissary</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
ASSETS				
CURRENT:				
Cash and cash equivalents	\$ 1,100	\$ 560,352	\$ 561,452	\$ 5,903,811
Accounts receivable	59,333	4,272	63,605	33,908
Prepays and other	30,228	-	30,228	56,591
Total current assets	<u>90,661</u>	<u>564,624</u>	<u>655,285</u>	<u>5,994,310</u>
NONCURRENT:				
Capital assets:				
Land	754,259	-	754,259	-
Buildings	1,960,747	-	1,960,747	-
Improvements other than buildings	2,768,634	-	2,768,634	-
Furniture, fixtures, and equipment	2,606,728	-	2,606,728	1,090,143
Less accumulated depreciation	<u>(3,170,085)</u>	<u>-</u>	<u>(3,170,085)</u>	<u>(858,179)</u>
Total noncurrent assets	<u>4,920,283</u>	<u>-</u>	<u>4,920,283</u>	<u>231,964</u>
TOTAL ASSETS	<u>5,010,944</u>	<u>564,624</u>	<u>5,575,568</u>	<u>6,226,274</u>
LIABILITIES				
CURRENT:				
Accounts payable	17,940	83,056	100,996	326,874
Accrued liabilities	30,800	4,500	35,300	50,400
Due to other funds	1,700,744	-	1,700,744	-
Obligations for compensated absences	17,239	-	17,239	8,471
Total current liabilities	<u>1,766,723</u>	<u>87,556</u>	<u>1,854,279</u>	<u>385,745</u>
LONG-TERM:				
Net OPEB obligation	173,855	29,550	203,405	290,519
Obligations for compensated absences	97,689	-	97,689	48,000
Total long-term liabilities	<u>271,544</u>	<u>29,550</u>	<u>301,094</u>	<u>338,519</u>
TOTAL LIABILITIES	<u>2,038,267</u>	<u>117,106</u>	<u>2,155,373</u>	<u>724,264</u>
NET POSITION				
Net investment in capital assets	4,920,283	-	4,920,283	231,964
Unrestricted	<u>(1,947,606)</u>	<u>447,518</u>	<u>(1,500,088)</u>	<u>5,270,046</u>
TOTAL NET POSITION	<u>\$ 2,972,677</u>	<u>\$ 447,518</u>	<u>\$ 3,420,195</u>	<u>\$ 5,502,010</u>
Total net position--enterprise funds			\$ 3,420,195	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>48,875</u>	
Total net position--business-type activities			<u>\$ 3,469,070</u>	

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

DAVIS COUNTY

EXHIBIT H

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

	<u>Major Enterprise Fund Golf Courses</u>	<u>Nonmajor Enterprise Fund Commissary</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
OPERATING REVENUES:				
Golf course fees	\$ 2,148,337	\$ -	\$ 2,148,337	\$ -
Commissary sales	-	1,216,022	1,216,022	-
Rent	25,121	-	25,121	-
Charges to other funds	-	-	-	4,822,804
Other revenue	288,385	-	288,385	179,629
Total operating revenue	<u>2,461,843</u>	<u>1,216,022</u>	<u>3,677,865</u>	<u>5,002,433</u>
OPERATING EXPENSES:				
Salaries, wages, and employee benefits	1,419,117	183,042	1,602,159	1,789,398
Other operating expenses	695,250	342,789	1,038,039	2,456,895
Depreciation	226,577	-	226,577	123,706
Total operating expenses	<u>2,340,944</u>	<u>525,831</u>	<u>2,866,775</u>	<u>4,369,999</u>
OPERATING INCOME	<u>120,899</u>	<u>690,191</u>	<u>811,090</u>	<u>632,434</u>
NON-OPERATING REVENUES:				
Interest income	756	8,731	9,487	37,235
Gain on disposal of capital assets	5,300	-	5,300	-
Total non-operating revenues	<u>6,056</u>	<u>8,731</u>	<u>14,787</u>	<u>37,235</u>
INCOME BEFORE TRANSFERS	<u>126,955</u>	<u>698,922</u>	<u>825,877</u>	<u>669,669</u>
Transfers out	<u>(16,000)</u>	<u>(1,000,000)</u>	<u>(1,016,000)</u>	<u>-</u>
CHANGE IN NET POSITION	<u>110,955</u>	<u>(301,078)</u>	<u>(190,123)</u>	<u>669,669</u>
NET POSITION:				
Beginning of year	<u>2,861,722</u>	<u>748,596</u>		<u>4,832,341</u>
End of year	<u>\$ 2,972,677</u>	<u>\$ 447,518</u>		<u>\$ 5,502,010</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>13,767</u>	
Change in net position of business-type activities			<u>\$ (176,356)</u>	

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

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

	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	\$ 2,462,027	\$ 1,222,485	\$ 3,684,512	\$ 181,683
Receipts for interfund services provided	-	-	-	4,822,804
Payments to suppliers	(696,451)	(343,635)	(1,040,086)	(1,987,730)
Payments to employees	(1,378,545)	(173,744)	(1,552,289)	(1,697,891)
Net cash provided by (used in) operating activities	<u>387,031</u>	<u>705,106</u>	<u>1,092,137</u>	<u>1,318,866</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash paid to other funds	(328,714)	-	(328,714)	-
Transfers out	(16,000)	(1,000,000)	(1,016,000)	-
Net cash provided by (used in) noncapital financing activities	<u>(344,714)</u>	<u>(1,000,000)</u>	<u>(1,344,714)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(50,023)	-	(50,023)	(4,880)
Proceeds from sale of capital assets	6,950	-	6,950	-
Net cash provided by (used in) capital and related financing activities	<u>(43,073)</u>	<u>-</u>	<u>(43,073)</u>	<u>(4,880)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	756	8,731	9,487	37,235
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	(286,163)	(286,163)	1,351,221
CASH AND CASH EQUIVALENTS:				
Beginning of year	1,100	846,515	847,615	4,552,590
End of year	<u>\$ 1,100</u>	<u>\$ 560,352</u>	<u>\$ 561,452</u>	<u>\$ 5,903,811</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income	\$ 120,899	\$ 690,191	\$ 811,090	\$ 632,434
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	226,577	-	226,577	123,706
Change in assets and liabilities:				
Accounts receivable	2,441	6,463	8,904	71,349
Other assets	17,340	-	17,340	506,715
Accounts payable	(18,541)	(846)	(19,387)	(106,845)
Accrued liabilities	3,800	(300)	3,500	9,500
Obligation for OPEB	37,044	9,598	46,642	76,446
Obligation for compensated absences	(2,529)	-	(2,529)	5,561
Net cash provided by (used in) operating activities	<u>\$ 387,031</u>	<u>\$ 705,106</u>	<u>\$ 1,092,137</u>	<u>\$ 1,318,866</u>

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

Fiduciary Fund Financial Statements

Agency Funds

These funds account for assets held by the County as an agent for other governments or organizations. These funds are custodial in nature and do not involve measuring the results of operations. Individual agency funds are presented in Supplemental Schedule 17 beginning on page 106.

DAVIS COUNTY

EXHIBIT J

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2012**

ASSETS

Cash and cash equivalents	\$ 44,615,515
Accounts receivable	<u>586,004</u>

TOTAL ASSETS	<u><u>\$ 45,201,519</u></u>
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LIABILITIES

Due to individuals, organizations, and other governments	<u><u>\$ 45,201,519</u></u>
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The notes to the financial statements are an integral part of this statement.

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

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2012

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DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Davis County (the County) conform in all material respects to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the County's significant accounting policies.

A. Reporting Entity

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

The Comprehensive Annual Financial Report (CAFR) of the County includes the financial statements for all activities of the County (referred to as the "primary government" for reporting purposes) and its "component units". Component units are separate legal entities for which the County is considered to be financially accountable. The 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 2012 were \$1,307,614 and pass through grants were \$6,180,372. Related party items at December 31, 2012 consisted of \$654,844 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.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2012

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, 2012.

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

B. Government-wide and Fund Financial Statements

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

The County reports the following major governmental funds:

- **General Fund** – This fund is the principal operating fund of the County. It is used to account for all financial resources not required to be accounted for in another fund.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2012

- **Health Fund** – This special revenue fund accounts for all activities of the County Health Department to provide health services. The Health Fund’s principal revenue source is grants.
- **Library Fund** – This special revenue fund accounts for the operations of the County’s main library and six branches. The Library Fund’s principal revenue source is property taxes.
- **Flood Control Fund** – This capital projects 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, Municipal Building Authority (MBA) Operations, General Government Debt Service, MBA Debt Service, Sales Tax Revenue Bonds Debt Service, and 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 and security systems, and buildings and grounds operations. Internal service funds are reported in a single column on the proprietary fund statements and are combined with governmental activities on the government-wide statements. They are also displayed individually in the combining statements.

The County reports the following fiduciary funds:

- **County Agency Fund** – This fund accounts for the receipt and disbursement of monies passed through the County to other entities.
- **Treasurer’s Tax Collection Agency Fund** – This fund accounts for the collection and disbursement of property taxes for all taxing entities in Davis County.
- **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 accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurements focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2012

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

The governmental fund financial statements are prepared and reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. "Measurable" means that amounts can be reasonably determined within the current period. Expenditures are generally recorded when the related liability is incurred, as under accrual accounting. More specific details concerning revenues and expenditures can be found below in section E.

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

Cash, Cash Equivalents, and Investments

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

Accounts Receivable

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

Taxes Receivable

Taxes receivable include accrued amounts for 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 a deferred inflow of resources for delinquent taxes, but no allowance for doubtful accounts is made as uncollected taxes are deemed to be substantially collectible or recoverable through foreclosure.

Inventories and Prepaid Items

Inventories are valued at cost using 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 prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

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

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2012

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge (\$2,090,472) on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes (\$2,429,816). These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

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

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

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 Position and proprietary funds.

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

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

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2012

Long-term Obligations

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

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

In the governmental fund financial statements, bond premiums and discounts are recognized in the current period. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. The face amount of debt issued is reported as other financing sources.

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

Net Position/Fund Balances

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position”.

Net Position – The net position represents the difference between assets and liabilities. The net position component “net investment in capital assets” consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Deferred outflows/inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. The net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The government-wide statement of net position reports \$6,423,979 of restricted net position, none of which is restricted by enabling legislation. The balance of the net position is reported as unrestricted. The County’s flow assumption policy is to use restricted net position before using unrestricted net position.

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

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by grantors, creditors, or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commissioners through the approval of a motion. Only the County Commissioners may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. The budget officer of the County or his designee has authority to assign fund balance. As defined in state statute, the County Clerk/Auditor is the budget officer of the County. The Commissioners may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments,

DAVIS COUNTY, UTAH
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assignments generally only exist temporarily, so an additional action does not need to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criteria. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

The purposes for all restrictions and commitments are noted on the face of the statements. All assignments, except within the General Fund, are amounts that the County has assigned for the specific purposes for which the Funds that they reside in were created. Within the General Fund, assigned amounts represent fiscal year 2013 line item appropriations. It is the County's policy to consider restricted fund balance to have been used before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, it is the County's policy to use fund balance in the following order: 1. Committed, 2. Assigned, and 3. Unassigned.

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.

F. Interfund Activity and Balances

Government-wide Statements

In general, eliminations have been made to minimize the double counting of internal activity, including internal service fund type activity. However, interfund services provided and used between different functional categories have not been eliminated in order to avoid distorting the direct costs and program revenues of the applicable functions. Transfers between governmental and business-type activities are reported at the net amount in the government-wide statement of activities. Interfund receivables and payables have been eliminated from the Statement of Net Position, except for the residual amounts due between governmental and business-type activities, which are shown as "internal balances" and offset each other to result in a zero balance in the total column.

Governmental Fund Statements

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

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
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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 2012, the County modified various budgets using the above procedure.

H. Estimates

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

NOTE 2. ACCOUNTING AND REPORTING CHANGES

New Accounting Pronouncements

For fiscal year 2012, the County implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement incorporated certain accounting and financial reporting pronouncements into the GASB's authoritative literature. Prior to the implementation of this Statement, the County's policy was to follow all Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 for its government-wide and enterprise fund financial statements, unless those standards conflicted with or contradicted a GASB pronouncement. Consequently, there were no resulting changes to the County's accounting or reporting policies since these pronouncements are now part of GASB Statement 62.

DAVIS COUNTY, UTAH
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The County also implemented GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and Statement No. 65 *Items Previously Reported as Assets and Liabilities*. The County determined that these two standards needed to be implemented at the same time since Statement 63 introduces us to the new Statement of Net Position, while Statement 65 explains the new accounting and reporting treatment for specific items that used to be classified as Assets and Liabilities in the old Statement of Net Assets. With the implementation of Statement 65, an adjustment was made to reduce beginning net position by \$1,126,583 as the result of bond related items which used to be classified as Other Assets and amortized over the life of the bonds but are now expensed in the year the bonds are issued.

NOTE 3. DEPOSITS AND INVESTMENTS

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

A. Custodial Credit Risk

Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the County’s deposits may not be recovered. The County’s policy for managing custodial credit risk is to comply with the Money Management Act. The Act requires all deposits of County funds to be in a *qualified depository*, as defined as a financial institution whose deposits are insured by an agency of the federal government and which is certified by the Utah State Commissioner of Financial Institutions as meeting the requirements of the Act and complying with rules of the Utah Money Management Council. The County’s deposits in financial institutions in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) 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, 2012 were \$14,733,246, of which \$14,483,246 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.

DAVIS COUNTY, UTAH
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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, 2012 are shown below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Quality/Rating</u>
Utah Public Treasurer's Investment Fund	\$ 81,959,306	68*	not rated

*As reported by the PTIF

C. Interest Rate Risk

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

D. Concentration of Credit Risk

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

NOTE 4. INTERFUND BALANCES AND LOANS

Interfund balances arise as the pooled-cash balance of a specific fund becomes negative, thus technically drawing on the pooled-cash of other funds. Interfund balances and loans at December 31, 2012 consisted of the amounts below.

Due to General Fund from:	
Enterprise Funds:	
Golf Fund	<u>\$ 1,700,744</u>

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

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2012

NOTE 5. INTERFUND TRANSFERS

Transfers between funds occur primarily to finance programs accounted for in one fund with resources collected in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended December 31, 2012 are shown below.

	Transfer In		Transfer Out
Major Funds:			
General Fund	\$ 1,016,000	a, c	\$ 8,325,008
Health Fund	2,450,004	b	-
Flood Control Fund	3,500,004	b	2,254,079
Campus Construction Fund	5,275,000	e	-
Golf Course Fund	-		16,000
Nonmajor Funds:			
Tourism Fund	-		1,317,170
Aging Services Fund	1,674,996	b	-
Special Service Area Fund	374,089	d	-
Emergency 911 Dispatch Fund	200,004	b	-
MBA Operating Fund	-		198,389
MBA Debt Service Fund	198,389	f	-
Sales Tax Revenue Bonds Debt Service Fund ...	3,197,160	g	-
Capital Projects Fund	-		4,775,000
Commissary Fund	-		1,000,000
Total Transfers In and Transfers Out	\$ 17,885,646		\$ 17,885,646

- a) The General Fund received \$1,000,000 from the Commissary fund to support general jail operations.
- b) The General Fund transferred general tax monies of the County totaling \$4,325,004 to support health programs, senior service programs, and emergency 911 dispatch. The General Fund also transferred \$3,500,004 to the Flood Control 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 \$374,089 to the Special Service Area Fund to rent heavy equipment used in flood control projects.
- e) The Campus Construction Capital Projects Fund received \$4,775,000 from the Capital Projects Fund and \$500,000 from the General Fund for the construction of the Children's Justice Center, Administration Building, and Library.
- f) The MBA Operating Fund transferred \$198,389 to the MBA Debt Service Fund to make the 2012 debt service payments.
- g) The Tourism Fund transferred \$1,317,170 and the Flood Control Fund transferred \$1,879,990 to the Sales Tax Revenue Bonds Debt Service Fund for debt service payments.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2012

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 12,258,840	\$ 38,334	\$ -	\$ 12,297,174
Land under infrastructure	30,239,239	2,485,344	(257,538)	32,467,045
Construction in progress	11,124,694	12,161,571	(1,442,279)	21,843,986
Total capital assets not being depreciated	<u>53,622,773</u>	<u>14,685,249</u>	<u>(1,699,817)</u>	<u>66,608,205</u>
Capital assets being depreciated:				
Buildings and improvements	102,960,204	1,687,083	(4,333,848)	100,313,439
Furniture, fixtures, and equipment	18,472,084	1,314,240	(1,041,359)	18,744,965
Infrastructure	30,397,393	3,771,787	(128,769)	34,040,411
Total capital assets being depreciated	<u>151,829,681</u>	<u>6,773,110</u>	<u>(5,503,976)</u>	<u>153,098,815</u>
Less accumulated depreciation for:				
Buildings and improvements	(28,802,578)	(2,637,698)	2,275,270	(29,165,006)
Furniture, fixtures, and equipment	(14,115,399)	(1,532,797)	1,016,931	(14,631,265)
Infrastructure	(13,080,295)	(1,282,459)	128,769	(14,233,985)
Total accumulated depreciation	<u>(55,998,272)</u>	<u>(5,452,954)</u>	<u>3,420,970</u>	<u>(58,030,256)</u>
Total capital assets being depreciated, net	<u>95,831,409</u>	<u>1,320,156</u>	<u>(2,083,006)</u>	<u>95,068,559</u>
Governmental activity capital assets, net	<u>\$ 149,454,182</u>	<u>\$ 16,005,405</u>	<u>\$ (3,782,823)</u>	<u>\$ 161,676,764</u>
Business-type activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 3,522,893	\$ -	\$ -	\$ 3,522,893
Total capital assets not being depreciated	<u>3,522,893</u>	<u>-</u>	<u>-</u>	<u>3,522,893</u>
Capital assets being depreciated:				
Buildings and improvements	1,950,882	9,865	-	1,960,747
Furniture, fixtures, and equipment	2,604,470	40,158	(37,900)	2,606,728
Total capital assets being depreciated	<u>4,555,352</u>	<u>50,023</u>	<u>(37,900)</u>	<u>4,567,475</u>
Less accumulated depreciation for:				
Buildings and improvements	(891,326)	(48,460)	-	(939,786)
Furniture, fixtures, and equipment	(2,088,432)	(178,117)	36,250	(2,230,299)
Total accumulated depreciation	<u>(2,979,758)</u>	<u>(226,577)</u>	<u>36,250</u>	<u>(3,170,085)</u>
Total capital assets being depreciated, net	<u>1,575,594</u>	<u>(176,554)</u>	<u>(1,650)</u>	<u>1,397,390</u>
Business-type activity capital assets, net	<u>\$ 5,098,487</u>	<u>\$ (176,554)</u>	<u>\$ (1,650)</u>	<u>\$ 4,920,283</u>

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

Governmental activities:	
General government	\$ 1,502,320
Public safety	1,754,122
Public Health	317,643
Public works	1,755,162
Depreciation on capital assets of the County's internal service funds is charged to the various functions based on their usage of the assets	<u>123,707</u>
Total depreciation expense—governmental activities	<u>\$ 5,452,954</u>
Business-type activities:	
Golf	<u>\$ 226,577</u>

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2012

NOTE 7. LONG-TERM LIABILITIES

A. Changes in Long-term Liabilities

Changes in long-term liabilities for the year ended December 31, 2012 were as follows:

	<u>Balance January 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2012</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds:					
Davis County general obligation bonds, series 2005	\$ 19,805,000	\$ -	\$ (16,325,000)	\$ 3,480,000	\$ 1,115,000
Davis County general obligation refunding bonds, series 2012	-	15,750,000	-	15,750,000	75,000
Unamortized premiums	-	1,474,979	(149,739)	1,325,240	-
Total general obligation bonds	<u>19,805,000</u>	<u>17,224,979</u>	<u>(16,474,739)</u>	<u>20,555,240</u>	<u>1,190,000</u>
Sales tax revenue bonds:					
Davis County sales tax revenue bonds, series 2003	1,690,000	-	(400,000)	1,290,000	415,000
Davis County sales tax revenue bonds, series 2006	8,875,000	-	(245,000)	8,630,000	255,000
Davis County sales tax revenue bonds, series 2009A	5,525,000	-	(1,050,000)	4,475,000	1,075,000
Davis County taxable build America bonds, series 2009B	19,450,000	-	-	19,450,000	-
Davis County sales tax refunding revenue bonds, series 2009C	4,860,000	-	(35,000)	4,825,000	35,000
Unamortized premiums	245,555	-	(69,356)	176,199	-
Total sales tax revenue bonds	<u>40,645,555</u>	<u>-</u>	<u>(1,799,356)</u>	<u>38,846,199</u>	<u>1,780,000</u>
Lease revenue bonds:					
Municipal Building Authority lease revenue bonds, series 2001	677,000	-	(61,000)	616,000	65,000
Municipal Building Authority lease revenue refunding bonds, series 2010A	1,240,000	-	(95,000)	1,145,000	585,000
Municipal Building Authority taxable recovery zone lease revenue bonds, series 2010B	19,600,000	-	-	19,600,000	-
Unamortized premiums	25,732	-	(14,791)	10,941	-
Total lease revenue bonds	<u>21,542,732</u>	<u>-</u>	<u>(170,791)</u>	<u>21,371,941</u>	<u>650,000</u>
Lease/purchase agreement	358,264	-	(358,264)	-	-
Compensated absences	3,164,435	2,203,026	(2,056,742)	3,310,719	496,608
OPEB obligation	7,674,415	3,084,840	(420,505)	10,338,750	-
Total governmental activity long-term debt	<u>\$ 93,190,401</u>	<u>\$ 22,512,845</u>	<u>\$ (21,280,397)</u>	<u>\$ 94,422,849</u>	<u>\$ 4,116,608</u>
Business-type activities:					
Compensated absences	\$ 117,457	\$ 68,869	\$ (71,398)	\$ 114,928	\$ 17,239
OPEB obligation	156,763	54,004	(7,362)	203,405	-
Total business-type long-term debt	<u>\$ 274,220</u>	<u>\$ 122,873</u>	<u>\$ (78,760)</u>	<u>\$ 318,333</u>	<u>\$ 17,239</u>

DAVIS COUNTY, UTAH
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The compensated absence and OPEB liabilities of governmental activities are liquidated in the General Fund or the fund where the related employing department operates.

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

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, 2012 was \$480,478,919, providing a debt margin of \$459,923,679. General Obligation Bonds Payable at December 31, 2012 consisted of the following:

General Obligation Bonds Payable					
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance December 31, 2012
2005 Jail Expansion Bonds	1/11/2005	2/1/2025	3.00%-4.75%	\$ 24,800,000	\$ 3,480,000
2012 Refunding Bonds	5/10/2012	2/1/2025	1.50%-5.00%	15,750,000	15,750,000
Total General Obligation Bonds Outstanding.....					19,230,000
Add Unamortized Premium.....					1,325,240
Total General Obligation Bonds Payable.....					\$ 20,555,240

General Obligation Bonds-Debt Service Requirement to Maturity

Year	Series 2005		Refunding Series 2012		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 1,115,000	\$ 118,294	\$ 75,000	\$ 508,887	\$ 1,190,000	\$ 627,181
2014	1,160,000	71,400	80,000	505,788	1,240,000	577,188
2015	1,205,000	24,100	85,000	502,487	1,290,000	526,587
2016	-	-	1,325,000	490,850	1,325,000	490,850
2017	-	-	1,345,000	470,825	1,345,000	470,825
2018-2022	-	-	7,605,000	1,472,894	7,605,000	1,472,894
2023-2025	-	-	5,235,000	221,125	5,235,000	221,125
Total	\$ 3,480,000	\$ 213,794	\$ 15,750,000	\$ 4,172,856	\$ 19,230,000	\$ 4,386,650

DAVIS COUNTY, UTAH
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For the Fiscal Year Ended December 31, 2012

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 percent of the interest payable on the 2009B Build America Bonds. Sales Tax Revenue Bonds Payable at December 31, 2012 consisted of the following:

Sales Tax Revenue Bonds Payable					Balance
Issue Date	Maturity Date	Interest Rate	Original Amount	December 31, 2012	
2003 Conference Center B	10/23/2003	10/1/2015	2.00%-4.100%	\$ 8,250,000	\$ 1,290,000
2006 Conference Center Expansion	9/12/2006	10/1/2027	4.00%-4.375%	9,955,000	8,630,000
2009A Flood Projects Bonds	9/23/2009	4/1/2016	2.00%-4.000%	7,550,000	4,475,000
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	4,825,000
Total Sales Tax Revenue Bonds Outstanding.....					38,670,000
Add Unamortized Premium.....					176,199
Total Sales Tax Revenue Bonds Payable.....					\$ 38,846,199

Sales Tax Revenue Bonds-Debt Service Requirement to Maturity

Year	Series 2003B		Series 2006		Series 2009A	
	Principal	Interest	Principal	Interest	Principal	Interest
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	347,672	1,125,000	69,500
2016	-	-	290,000	335,773	1,175,000	23,500
2017	-	-	300,000	323,448	-	-
2018-2022	-	-	1,710,000	1,413,875	-	-
2023-2027	-	-	5,530,000	806,335	-	-
Total	\$ 1,290,000	\$ 105,113	\$ 8,630,000	\$ 3,955,810	\$ 4,475,000	\$ 329,000

Build America Bonds Series 2009B

Refunding Series 2009C

Year	Build America Bonds Series 2009B		Interest Net of BAB Subsidy		Refunding Series 2009C	
	Principal	Interest	BAB Subsidy	Interest Net of BAB Subsidy	Principal	Interest
2013	\$ -	\$ 1,036,137	\$ (362,648)	\$ 673,489	\$ 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	-	1,036,138	(362,648)	673,490	515,000	169,250
2017	1,225,000	1,010,412	(353,644)	656,768	535,000	149,587
2018-2022	6,675,000	4,154,600	(1,454,110)	2,700,490	3,000,000	411,938
2023-2027	7,925,000	2,242,469	(784,864)	1,457,605	670,000	11,725
2028-2029	3,625,000	218,863	(76,602)	142,261	-	-
Total	\$ 19,450,000	\$ 11,770,894	\$ (4,119,812)	\$ 7,651,082	\$ 4,825,000	\$ 1,286,312

(Continued)

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2012

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

	Total			Interest Net of BAB Subsidy
	Principal	Interest	BAB Subsidy	
2013	\$ 1,780,000	\$ 1,769,757	\$ (362,648)	\$ 1,407,109
2014	1,830,000	1,717,654	(362,648)	1,355,006
2015	1,885,000	1,651,805	(362,648)	1,289,157
2016	1,980,000	1,564,661	(362,648)	1,202,013
2017	2,060,000	1,483,447	(353,644)	1,129,803
2018-2022	11,385,000	5,980,413	(1,454,110)	4,526,303
2023-2027	14,125,000	3,060,529	(784,864)	2,275,665
2028-2029	3,625,000	218,863	(76,602)	142,261
Total	\$ 38,670,000	\$ 17,447,129	\$ (4,119,812)	\$ 13,327,317

(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. Pursuant to the American Recovery and Reinvestment Act of 2009, the 2010B bonds are designated as "Recovery Zone Bonds", and the County will receive cash subsidy payments from the United States Treasury equal to 45 percent of the interest payable on the 2010B Bonds. Lease Revenue Bonds Payable at December 31, 2012 consists of the following:

	Lease Revenue Bonds Payable				Balance December 31, 2012
	Issue Date	Maturity Date	Interest Rate	Original Amount	
2001 Wasatch Front Regional Council	9/4/2001	9/4/2019	1.49%	\$ 1,153,000	\$ 616,000
2010A DMV Refunding Bonds	10/21/2010	11/1/2014	2.00%-2.50%	1,335,000	1,145,000
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.....					21,361,000
Add Unamortized Premium.....					10,941
Total Sales Tax Revenue Bonds Payable.....					\$ 21,371,941

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2012

Lease Revenue Bonds-Debt Service Requirement to Maturity

Year	Series 2001 WFRC		Series 2010A DMV Refunding	
	Principal	Interest	Principal	Interest
2013	\$ 65,000	\$ 8,940	\$ 585,000	\$ 28,625
2014	67,000	7,964	560,000	14,000
2015	71,000	6,951	-	-
2016	75,000	5,878	-	-
2017	77,000	4,753	-	-
2018-2019	261,000	5,960	-	-
Total	\$ 616,000	\$ 40,446	\$ 1,145,000	\$ 42,625

Taxable Recovery Zone Economic Development Bonds Series 2010B

Year	Principal	Interest	Subsidy	Interest Net of Subsidy
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	625,000	988,528	(444,838)	543,690
2017	635,000	972,277	(437,525)	534,752
2018-2022	3,355,000	4,520,163	(2,034,073)	2,486,090
2023-2027	3,515,000	3,742,120	(1,683,954)	2,058,166
2028-2032	3,640,000	2,785,505	(1,253,477)	1,532,028
2033-2037	4,260,000	1,650,700	(742,815)	907,885
2038-2040	2,910,000	352,800	(158,760)	194,040
Total	\$ 19,600,000	\$ 18,020,075	\$ (8,109,033)	\$ 9,911,042

Total

	Principal	Interest	Subsidy	Interest Net of Subsidy
2013	\$ 650,000	\$ 1,040,472	\$ (451,308)	\$ 589,164
2014	667,000	1,024,871	(451,308)	573,563
2015	691,000	1,009,119	(450,975)	558,144
2016	700,000	994,406	(444,838)	549,568
2017	712,000	977,030	(437,525)	539,505
2018-2022	3,616,000	4,526,123	(2,034,073)	2,492,050
2023-2027	3,515,000	3,742,120	(1,683,954)	2,058,166
2028-2032	3,640,000	2,785,505	(1,253,477)	1,532,028
2033-2037	4,260,000	1,650,700	(742,815)	907,885
2038-2040	2,910,000	352,800	(158,760)	194,040
Total	\$ 21,361,000	\$ 18,103,146	\$ (8,109,033)	\$ 9,994,113

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2012

E. Advance Refunding

On April 26, 2012, the County issued \$15,750,000 in General Obligation Bonds with interest rates ranging from 1.5 percent to 5.0 percent. The proceeds were used to advance refund \$15,255,000 of outstanding General Obligation Bonds, Series 2005 which had interest rates ranging from 3.0 percent to 4.75 percent. The net proceeds of \$16,981,127 (including a \$1,474,979 premium and after payment of \$243,852 in issuance costs), together with a cash contribution from the County of \$140,000, were deposited into an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, \$15,255,000 of the 2005 Jail Expansion Bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the carrying amount of the old debt by \$1,866,127. This amount is included as deferred outflows of resources on the statements of net position and amortized over the remaining life of the refunding debt. The County advance refunded a portion of 2005 General Obligation Bonds to reduce its total debt service payments over 13 years by \$1,116,165 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$983,715.

F. Defeased Bonds

In addition to the defeased general obligation bonds of \$15,255,000 disclosed above, the County also defeased certain sales tax revenue bonds during a prior year 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 Position. At December 31, 2012, \$4,475,000 of sales tax revenue bonds outstanding is considered defeased.

G. 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 required annual appropriations by the County Commission and was secured by the improvements. The interest rate was variable at 70 percent of the Prime Lending Rate of the Bank. Payments were made annually in January. The remaining balance of the lease/purchase agreement was paid during 2012.

NOTE 8. SHORT-TERM DEBT

On August 9, 2012, the County issued \$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 \$38,333 and total principal and interest on the notes was paid in full on December 27, 2012.

NOTE 9. RETIREMENT PLANS

A. Pension Plans

Davis County contributes to the Local Government Contributory and Noncontributory Retirement Systems and the Public Safety Retirement System, (collectively, the Systems), 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.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2012

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.

Recently, the state legislature closed the existing Systems to new employees hired on or after July 1, 2011, and created a new “hybrid” defined-benefit retirement plan for all new employees. This “Tier 2 System” caps the employer’s contribution at a fixed rate and requires the employee to pay the difference, if any, between the capped rate and the actuarially required contribution rate. If the actuarially required rate is less than the cap, the difference is credited to the employee’s 401(k) account. The new plan also offers a smaller retirement benefit and requires more years of service than the existing plan. Finally, new employees have the option of choosing a straight defined-contribution plan in lieu of the Tier 2 System. The new plan is administered by Utah Retirement Systems and is expected to reduce pension costs over time for all government employers in the state. A brief summary of eligibility, benefits, and contribution rates of the Tier 1 and Tier 2 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.

	Tier 1		Tier 2	
	Local Government Noncontributory System	Public Safety Noncontributory System	Local Government	Public Safety
Highest Average Salary	3 Years	3 Years	5 Years	5 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	35 years any age 20 years any age (a) 10 years age 62 (a) 4 years age 65	25 years any age 20 years age 60 (a) 10 years age 62 (a) 4 years age 65
Benefit Percent per Year of Service	2.0% per year	2.5% per year up to 20 years 2.0% per year over 20 years Benefit cannot exceed 70% of final average salary.	1.5% per year	1.5% per year
Annual Cost of Living Adjustment	up to 4.0%	up to 2.5%	up to 2.5%	up to 2.5%
2012 Rates as Percent of Covered Payroll:				
January-June 2012	13.77%	27.07%	11.92%	18.79%
July-December 2012	16.04%	30.45%	12.74%	19.25%
Actual County Contributions Made, by year:				
2012	\$3,639,241	\$2,998,807	\$55,556	\$33,587
2011	\$3,308,960	\$2,825,960	\$4,935	\$171
2010	\$2,983,751	\$2,579,795	N/A	N/A

(a) Requires full actuarial reductions.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2012

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, 2012, Davis County contributed \$1,691,567 to employees' 401(k) Plans.

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

In addition to the pension benefits described in Note 10, 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, 2012, the County's annual OPEB cost (expense) was \$3,138,844. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	\$ 3,296,728
Interest on net OPEB obligation	313,247
Adjustment to annual required contribution	(471,131)
Annual OPEB cost (expense)	3,138,844
Contributions made	(427,867)
Increase in net OPEB obligation	2,710,977
Net OPEB obligation-beginning of year	7,831,178
Net OPEB obligation-end of year	\$ 10,542,155

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2012

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, 2010, 2011, and 2012 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2010	\$ 2,282,730	\$ 500,112	21.91%	\$ 5,815,258
December 31, 2011	2,598,130	582,210	22.41%	7,831,178
December 31, 2012	3,138,844	427,867	13.63%	10,542,155

D. Funded Status and Funding Progress

The funded status of the plan as of December 31, 2012 was as follows:

Actuarial accrued liability (AAL)	\$ 21,606,486
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	21,606,486
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	37,009,357
UAAL as a percentage of covered payroll	58%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, shown as required supplementary information following the notes to the financial statements, presents the results of OPEB valuations as of December 31, 2012 and earlier and provides multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

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

In the most recent actuarial valuation dated January 1, 2012, the projected unit credit actuarial cost method was used with full accrual at full eligibility age. The actuarial assumptions utilized a 4 percent investment rate of return. Because the plan is unfunded, reference to the general assets, which are short-term in nature, was considered in the selection of the 4 percent rate. The valuation assumes a 7.5 percent medical trend rate for 2012, reduced by decrements to an ultimate rate of 4.6 percent. Covered payroll included a 2.75 percent inflation assumption. The unfunded actuarial accrued liability (UAAL) is being amortized over a closed 30 year period in level dollar amounts.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2012

NOTE 11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County finances these risks through membership in the Utah Counties Indemnity Pool (UCIP), which is a self insurance risk sharing interlocal agency of 26 Utah Counties, to mitigate the costs of these risks. The County's responsibility extends only to payment of premiums and deductibles. Deductibles are \$500 for damage to equipment, \$1,000 for auto physical damage, and \$100,000 for damage to buildings. UCIP provides Davis County \$5,000,000 per occurrence coverage with no annual aggregate for liability claims. The amount of settlements has not exceeded UCIP coverage since the inception of County membership in 1998. The County also purchases a \$10,000,000 commercial excess policy from States Insurance to protect against liability claims exceeding UCIP's coverage.

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

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 2012, 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 2012 was \$296,850. It represents only 5.94 percent of the net expenditures funded by the six member entities.

NOTE 14. COMMITMENTS – 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 payments of \$171,429 during 2010-2012. The County will subsequently, for a period of four years, provide the Agency with yearly payments of \$171,429 on March 1 of each of the four years. All payments are subject to budget appropriation and approval by the County Commission.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2012

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. As of December 31, 2012, there were two series of Facility Revenue Bonds outstanding for an aggregate principal balance of \$9,550,000.

NOTE 16. SPECIAL ITEM

On January 24, 2012, the County sold a portion of its Justice Complex to the State of Utah effective January 1, 2012. The portion sold was 1.378 acres (60,015 square feet). The sale was a contractual obligation required as part of a lease purchase agreement entered into by the County and State in 1999. The proceeds of \$3,782,944 from the sale were recorded as a special item in the Capital Projects Fund, a nonmajor governmental fund, because of the unusual nature and significance of the transaction to the fund. This transaction was not considered to be a special item in the government-wide Statement of Activities, however, because the net gain on the sale was not considered to be significant at the government-wide level and was therefore reported as gain on sale of capital assets.



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Required Supplementary Information



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DAVIS COUNTY, UTAH
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended December 31, 2012

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
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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes:				
General property taxes - current	\$ 30,714,250	\$ 31,225,806	\$ 32,027,374	\$ 801,568
General property taxes - delinquent	1,500,000	1,500,000	1,279,060	(220,940)
Penalties and interest on delinquent taxes	775,000	775,000	743,532	(31,468)
Fee-in-lieu	3,125,000	3,125,000	2,942,146	(182,854)
Sales tax	10,775,000	10,775,000	11,308,280	533,280
Total taxes	<u>46,889,250</u>	<u>47,400,806</u>	<u>48,300,392</u>	<u>899,586</u>
Licenses and permits:				
Marriage licenses	21,500	21,500	38,646	17,146
Animal licenses	245,000	245,000	278,771	33,771
Total licenses and permits	<u>266,500</u>	<u>266,500</u>	<u>317,417</u>	<u>50,917</u>
Fines and forfeitures				
Justice court	1,850,000	1,850,000	1,403,909	(446,091)
Other court	3,300	3,300	1,885	(1,415)
Total fines and forfeitures	<u>1,853,300</u>	<u>1,853,300</u>	<u>1,405,794</u>	<u>(447,506)</u>
Intergovernmental and grant revenue:				
Federal - emergency services	48,200	58,200	71,834	13,634
Federal payment in lieu of taxes	60,000	60,000	71,085	11,085
INS grant	87,000	87,000	59,535	(27,465)
State grants:				
State forest service	8,250	8,250	8,501	251
Victim services	96,642	96,642	95,236	(1,406)
EMS per capita	10,773	10,773	10,773	-
Children's justice centers	243,095	243,095	194,239	(48,856)
Drug court grant	297,000	297,000	245,688	(51,312)
DUI grant	200,000	200,000	179,801	(20,199)
Other	263,785	271,668	157,282	(114,386)
Total intergovernmental and grant revenue	<u>1,314,745</u>	<u>1,332,628</u>	<u>1,093,974</u>	<u>(238,654)</u>
Charges for services:				
Clerk fees	175,000	175,000	149,452	(25,548)
Recorder fees	1,250,000	1,250,000	1,636,195	386,195
A.L.S. fees	116,000	116,000	119,729	3,729
Sheriff fees	1,209,380	1,209,380	1,167,021	(42,359)
Jail fees	7,850,510	7,850,510	7,610,531	(239,979)
Drug court participation fees	14,500	14,500	26,879	12,379
Microfilming fees	15,000	15,000	5,700	(9,300)
Surveyor filing fees	3,500	3,500	3,254	(246)
Wellness program fees	1,400	1,400	26,346	24,946
Animal shelter fees	922,721	922,721	920,257	(2,464)
Causeway user fees	125,000	125,000	136,903	11,903
Miscellaneous fees	51,500	51,500	53,430	1,930
Total charges for services	<u>11,734,511</u>	<u>11,734,511</u>	<u>11,855,697</u>	<u>121,186</u>
Interest	28,000	28,000	28,507	507

(Continued)

DAVIS COUNTY

EXHIBIT L
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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Other:				
Rent	99,470	99,470	92,855	(6,615)
Sundry:				
Public defender	140,000	140,000	235,120	95,120
Information systems	212,000	212,000	323,031	111,031
Clerk/Auditor	19,000	19,000	24,789	5,789
Attorney	15,000	15,000	26,600	11,600
Personnel	78,585	78,585	22,876	(55,709)
Children's Justice Center	20,500	20,500	18,085	(2,415)
Treasurer	500	500	1,218	718
Surveyor	1,000	1,000	517	(483)
S.S. revenues	18,000	18,000	22,000	4,000
Miscellaneous	95,972	120,797	702,991	582,194
Total other revenues	700,027	724,852	1,470,082	745,230
TOTAL REVENUES	62,786,333	63,340,597	64,471,863	1,131,266
EXPENDITURES				
General government:				
Commissioners	746,724	752,519	747,674	4,845
Tax Administration	555,837	558,061	467,831	90,230
Drug court	375,013	375,013	347,925	27,088
Justice court	817,163	856,271	799,760	56,511
Mental Health court	125,000	125,000	832	124,168
Legal defender	1,718,695	1,718,695	1,550,877	167,818
Personnel	966,518	966,897	919,728	47,169
Information systems	4,116,726	4,300,367	3,866,357	434,010
Clerk/Auditor	3,130,759	3,151,264	2,808,661	342,603
Treasurer	486,831	492,958	489,587	3,371
Recorder	1,314,967	1,316,107	1,302,377	13,730
Attorney	3,741,287	3,774,516	3,719,902	54,614
Assessor	2,497,638	2,529,277	2,515,772	13,505
Surveyor	635,141	636,253	642,109	(5,856)
Victim services	268,648	268,648	272,556	(3,908)
Children's Justice Center	310,446	314,894	288,863	26,031
Community and Economic Development	329,254	330,366	331,634	(1,268)
Planning	477,535	478,647	469,401	9,246
USU AG Extension	193,500	193,500	193,500	-
Non-departmental	3,599,281	3,351,375	2,612,469	738,906
Total general government	26,406,963	26,490,628	24,347,815	2,142,813
Public safety:				
Sheriff	12,277,066	12,372,022	12,008,144	363,878
Paramedic	1,280,000	1,280,000	1,274,250	5,750
State forest fire protection	60,000	60,000	35,052	24,948
Jail	17,382,691	17,385,121	16,853,612	531,509
Animal care and control	2,027,441	2,056,667	1,995,187	61,480
Total public safety	33,027,198	33,153,810	32,166,245	987,565
Public health - poor and indigent	7,500	7,500	4,800	2,700
Public works - vehicle maintenance	348,103	348,103	345,143	2,960

(Continued)

DAVIS COUNTY

EXHIBIT L
(Page 3 of 3)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Debt service				
Principal retirement	600,000	600,000	358,264	241,736
Interest and other	50,000	50,000	13,339	36,661
Total debt service	650,000	650,000	371,603	278,397
Capital outlay	1,533,614	1,708,628	1,694,504	14,124
TOTAL EXPENDITURES	61,973,378	62,358,669	58,930,110	3,428,559
EXCESS OF REVENUES OVER EXPENDITURES	812,955	981,928	5,541,753	4,559,825
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	75,000	75,000	70,319	(4,681)
Transfers in	1,016,000	1,016,000	1,016,000	-
Transfers out	(7,825,000)	(8,325,000)	(8,325,008)	(8)
Total other financing sources (uses), net	(6,734,000)	(7,234,000)	(7,238,689)	(4,689)
NET CHANGE IN FUND BALANCE	(5,921,045)	(6,252,072)	(1,696,936)	4,555,136
FUND BALANCE - Beginning of year	17,965,469	19,859,401	19,859,401	-
FUND BALANCE - End of year	\$ 12,044,424	\$ 13,607,329	\$ 18,162,465	\$ 4,555,136

(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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
Intergovernmental and grant revenue	\$ 5,755,138	\$ 6,029,052	\$ 6,726,892	\$ 697,840
Charges for services	3,896,249	3,900,249	3,964,218	63,969
Interest	-	-	15,390	15,390
Other	59,276	64,276	63,343	(933)
Total revenues	9,710,663	9,993,577	10,769,843	776,266
EXPENDITURES				
Public health:				
Salaries and benefits	6,567,481	6,608,615	6,366,367	242,248
Operating expenditures	1,989,791	2,232,046	2,025,058	206,988
Food vouchers	3,288,000	3,288,000	3,427,599	(139,599)
Capital outlay	61,500	82,059	35,092	46,967
Total expenditures	11,906,772	12,210,720	11,854,116	356,604
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(2,196,109)	(2,217,143)	(1,084,273)	1,132,870
OTHER FINANCING SOURCES - Transfers in	2,450,000	2,450,000	2,450,004	4
NET CHANGE IN FUND BALANCE	253,891	232,857	1,365,731	1,132,874
FUND BALANCE - Beginning of year	1,609,719	2,342,978	2,342,978	-
FUND BALANCE - End of year	\$ 1,863,610	\$ 2,575,835	\$ 3,708,709	\$ 1,132,874

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, 2012**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
General property taxes:				
Current	\$ 5,921,430	\$ 6,023,990	\$ 6,139,263	\$ 115,273
Delinquent	276,055	276,055	222,667	(53,388)
Penalties and interest on delinquent taxes	24,708	24,708	38,406	13,698
Total taxes	6,222,193	6,324,753	6,400,336	75,583
Fines and forfeitures	190,000	190,000	166,152	(23,848)
Intergovernmental and grant revenue	11,500	54,832	57,656	2,824
Interest	1,000	1,000	15,091	14,091
Other	9,500	9,500	6,192	(3,308)
Total revenues	6,434,193	6,580,085	6,645,427	65,342
EXPENDITURES:				
General government:				
Salaries and benefits	4,387,972	4,387,972	4,223,378	164,594
Operating expenditures	1,734,724	1,769,219	1,635,395	133,824
Capital outlay	65,000	73,837	15,195	58,642
Total expenditures	6,187,696	6,231,028	5,873,968	357,060
EXCESS OF REVENUES OVER EXPENDITURES	246,497	349,057	771,459	422,402
FUND BALANCE - Beginning of year	3,750,900	4,097,796	4,097,796	-
FUND BALANCE - End of year	\$ 3,997,397	\$ 4,446,853	\$ 4,869,255	\$ 422,402

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, 2010	-	16,202,812	16,202,812	0%	34,271,134	47%
January 1, 2011	-	17,821,750	17,821,750	0%	35,008,287	51%
January 1, 2012	-	21,606,486	21,606,486	0%	37,009,357	58%



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Supplementary Information



S

T



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Nonmajor Governmental Funds

Tourism Special Revenue Fund

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

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.

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.

DAVIS COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Special Revenue Funds				
	Tourism Fund	Aging Services	Special Services Area	Emergency 911 Dispatch	Municipal Building Authority
ASSETS					
Cash and cash equivalents	\$ 1,577,182	\$ 665,608	\$ 3,472,040	\$ 16,720	\$ 354,721
Accounts receivable	738,111	538,807	320,269	160,784	-
Taxes receivable	-	-	11,374	-	-
Prepays and other	143,609	6,771	-	690	-
Total assets	\$ 2,458,902	\$ 1,211,186	\$ 3,803,683	\$ 178,194	\$ 354,721
LIABILITIES					
Accounts payable	\$ 160,756	\$ 131,408	\$ 15,002	\$ 13,145	\$ -
Accrued liabilities	20,400	84,400	-	44,400	-
Unearned revenue	2,699	-	-	-	13,299
Total liabilities	183,855	215,808	15,002	57,545	13,299
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	-	-	11,374	-	-
FUND BALANCES					
Nonspendable-prepays	143,609	6,771	-	690	-
Restricted for:					
Class B-Roads	-	-	1,311,114	-	-
Debt Service	-	-	-	-	94,695
Committed to:					
Davis Cultural Arts Center	171,429	-	-	-	-
Assigned	1,960,009	988,607	2,466,193	119,959	246,727
Total fund balances	2,275,047	995,378	3,777,307	120,649	341,422
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,458,902	\$ 1,211,186	\$ 3,803,683	\$ 178,194	\$ 354,721

(Continued)

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 1
 (Page 2 of 2)

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Debt Service Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	General Government	Municipal Building Authority	Sales Tax Revenue Bonds		
ASSETS					
Cash and cash equivalents	\$ 3,882,762	\$ -	\$ 1,127,540	\$ 4,737,635	\$ 15,834,208
Accounts receivable	-	-	-	-	1,757,971
Taxes receivable	117,076	-	-	-	128,450
Prepays and other	-	-	-	-	151,070
Total assets	\$ 3,999,838	\$ -	\$ 1,127,540	\$ 4,737,635	\$ 17,871,699
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 320,311
Accrued liabilities	-	-	-	-	149,200
Unearned revenue	-	-	-	-	15,998
Total liabilities	-	-	-	-	485,509
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	117,076	-	-	-	128,450
FUND BALANCES					
Nonspendable-prepays	-	-	-	-	151,070
Restricted for:					
Class B-Roads	-	-	-	-	1,311,114
Debt Service	3,882,762	-	1,127,540	-	5,104,997
Committed to:					
Davis Cultural Arts Center	-	-	-	-	171,429
Assigned	-	-	-	4,737,635	10,519,130
Total fund balances	3,882,762	-	1,127,540	4,737,635	17,257,740
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,999,838	\$ -	\$ 1,127,540	\$ 4,737,635	\$ 17,871,699

(Concluded)

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 2

(Page 1 of 2)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

	Special Revenue Funds				
	Tourism Fund	Aging Services	Special Services Area	Emergency 911 Dispatch	Municipal Building Authority
REVENUES:					
Taxes:					
General property taxes - current	\$ -	\$ -	\$ 447,227	\$ -	\$ -
General property taxes - delinquent	-	-	7,666	-	-
Penalties and interest on delinquent taxes	-	-	4,835	-	-
Sales taxes	4,756,620	-	707,200	-	-
Total taxes	<u>4,756,620</u>	<u>-</u>	<u>1,166,928</u>	<u>-</u>	<u>-</u>
Intergovernmental and grant revenue	-	3,076,631	1,535,992	31,517	-
Charges for services	520,823	230,444	64,023	1,488,835	-
Interest	5,603	3,975	22,999	-	848
Other	24,800	61,359	-	36,786	229,667
Total revenues	<u>5,307,846</u>	<u>3,372,409</u>	<u>2,789,942</u>	<u>1,557,138</u>	<u>230,515</u>
EXPENDITURES:					
Current:					
General government	4,142,006	4,866,002	460,565	-	10
Public safety	-	-	-	1,743,147	-
Public works	-	-	1,037,729	-	-
Capital outlay	448,229	22,434	1,371,808	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>4,590,235</u>	<u>4,888,436</u>	<u>2,870,102</u>	<u>1,743,147</u>	<u>10</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	717,611	(1,516,027)	(80,160)	(186,009)	230,505
OTHER FINANCING SOURCES (USES):					
Refunding bonds issued	-	-	-	-	-
Premium on refunding bonds issued	-	-	-	-	-
Sale of capital assets	10,392	-	21,160	-	-
Transfers in	-	1,674,996	374,089	200,004	-
Transfers out	(1,317,170)	-	-	-	(198,389)
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses), net	<u>(1,306,778)</u>	<u>1,674,996</u>	<u>395,249</u>	<u>200,004</u>	<u>(198,389)</u>
NET CHANGE IN FUND BALANCES BEFORE SPECIAL ITEM					
	(589,167)	158,969	315,089	13,995	32,116
SPECIAL ITEM					
Proceeds from sale of Justice Courts Complex	-	-	-	-	-
NET CHANGE IN FUND BALANCES					
	(589,167)	158,969	315,089	13,995	32,116
FUND BALANCE:					
Beginning of year	<u>2,864,214</u>	<u>836,409</u>	<u>3,462,218</u>	<u>106,654</u>	<u>309,306</u>
End of year	<u>\$ 2,275,047</u>	<u>\$ 995,378</u>	<u>\$ 3,777,307</u>	<u>\$ 120,649</u>	<u>\$ 341,422</u>

(Continued)

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 2

(Page 2 of 2)

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

	Debt Service Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	General Government	Municipal Building Authority	Sales Tax Revenue Bonds		
REVENUES:					
Taxes:					
General property taxes - current	\$ 2,000,631	\$ -	\$ -	\$ -	\$ 2,447,858
General property taxes - delinquent	76,722	-	-	-	84,388
Penalties and interest on delinquent taxes	13,057	-	-	-	17,892
Sales taxes	-	-	-	-	5,463,820
Total taxes	<u>2,090,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,013,958</u>
Intergovernmental and grant revenue	-	-	362,648	32,009	5,038,797
Charges for services	-	-	-	-	2,304,125
Interest	16,594	-	4,531	65,930	120,480
Other	-	-	-	-	352,612
Total revenues	<u>2,107,004</u>	<u>-</u>	<u>367,179</u>	<u>97,939</u>	<u>15,829,972</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	9,468,583
Public safety	-	-	-	-	1,743,147
Public works	-	-	-	-	1,037,729
Capital outlay	-	-	-	23,253	1,865,724
Debt service:					
Principal retirement	1,070,000	156,000	1,730,000	-	2,956,000
Interest and fiscal charges	612,118	42,389	1,830,120	-	2,484,627
Bond issuance costs	243,852	-	-	-	243,852
Total expenditures	<u>1,925,970</u>	<u>198,389</u>	<u>3,560,120</u>	<u>23,253</u>	<u>19,799,662</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	181,034	(198,389)	(3,192,941)	74,686	(3,969,690)
OTHER FINANCING SOURCES (USES):					
Refunding bonds issued	15,750,000	-	-	-	15,750,000
Premium on refunding bonds issued	1,474,979	-	-	-	1,474,979
Sale of capital assets	-	-	-	-	31,552
Transfers in	-	198,389	3,197,160	-	5,644,638
Transfers out	-	-	-	(4,775,000)	(6,290,559)
Payment to refunded bond escrow agent	(17,121,128)	-	-	-	(17,121,128)
Total other financing sources (uses), net	<u>103,851</u>	<u>198,389</u>	<u>3,197,160</u>	<u>(4,775,000)</u>	<u>(510,518)</u>
NET CHANGE IN FUND BALANCES BEFORE SPECIAL ITEM	284,885	-	4,219	(4,700,314)	(4,480,208)
SPECIAL ITEM					
Proceeds from sale of Justice Courts Complex	-	-	-	3,782,944	3,782,944
NET CHANGE IN FUND BALANCES	284,885	-	4,219	(917,370)	(697,264)
FUND BALANCE:					
Beginning of year	<u>3,597,877</u>	<u>-</u>	<u>1,123,321</u>	<u>5,655,005</u>	<u>17,955,004</u>
End of year	<u>\$ 3,882,762</u>	<u>\$ -</u>	<u>\$ 1,127,540</u>	<u>\$ 4,737,635</u>	<u>\$ 17,257,740</u>

(Concluded)

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 3

**FLOOD CONTROL CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES:			
Interest	\$ 40,000	\$ 39,449	\$ (551)
Other	-	2,237	2,237
Total revenues	<u>40,000</u>	<u>41,686</u>	<u>1,686</u>
EXPENDITURES:			
General government			
Salaries and benefits	1,395,705	569,608	826,097
Operating expenditures	361,280	282,612	78,668
Capital outlay	5,258,400	5,043,266	215,134
Total expenditures	<u>7,015,385</u>	<u>5,895,486</u>	<u>1,119,899</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(6,975,385)	(5,853,800)	1,121,585
OTHER FINANCING SOURCES (USES):			
Sale of capital assets	-	4,157	4,157
Transfers in	3,500,000	3,500,004	4
Transfers out	(2,208,100)	(2,254,079)	(45,979)
Total other financing sources (uses), net	<u>1,291,900</u>	<u>1,250,082</u>	<u>(41,818)</u>
NET CHANGE IN FUND BALANCE	(5,683,485)	(4,603,718)	1,079,767
FUND BALANCE - Beginning of year	<u>8,115,962</u>	<u>8,115,962</u>	<u>-</u>
FUND BALANCE - End of year	<u>\$ 2,432,477</u>	<u>\$ 3,512,244</u>	<u>\$ 1,079,767</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 4

**CAMPUS CONSTRUCTION CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES:			
Intergovernmental revenue - Bond interest subsidy	\$ 451,308	\$ 451,308	\$ -
Interest	10,000	32,556	22,556
Other	-	22,155	22,155
Total revenues	<u>461,308</u>	<u>506,019</u>	<u>44,711</u>
EXPENDITURES:			
General government	70,000	95,869	(25,869)
Debt service-bond interest	1,006,500	1,006,408	92
Capital outlay			
Children's Justice Center	1,440,000	1,433,658	6,342
Administration Building	9,687,000	8,146,559	1,540,441
Library	1,800,000	1,777,203	22,797
Total expenditures	<u>14,003,500</u>	<u>12,459,697</u>	<u>1,543,803</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(13,542,192)	(11,953,678)	1,588,514
OTHER FINANCING SOURCES - Transfers in	<u>5,275,000</u>	<u>5,275,000</u>	-
NET CHANGE IN FUND BALANCE	(8,267,192)	(6,678,678)	1,588,514
FUND BALANCE - Beginning of year	<u>8,750,053</u>	<u>8,750,053</u>	-
FUND BALANCE - End of year	<u>\$ 482,861</u>	<u>\$ 2,071,375</u>	<u>\$ 1,588,514</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 5

TOURISM SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES:			
Sales tax	\$ 4,425,000	\$ 4,756,620	\$ 331,620
Charges for services	664,500	520,823	(143,677)
Interest	5,500	5,603	103
Other	53,000	24,800	(28,200)
	<u>5,148,000</u>	<u>5,307,846</u>	<u>159,846</u>
EXPENDITURES:			
General government:			
Salaries and benefits	723,070	694,422	28,648
Operating expenditures	3,528,956	3,447,584	81,372
Capital outlay	803,572	448,229	355,343
	<u>5,055,598</u>	<u>4,590,235</u>	<u>465,363</u>
EXCESS OF REVENUES OVER EXPENDITURES	92,402	717,611	625,209
OTHER FINANCING SOURCES (USES):			
Sale of capital assets	-	10,392	10,392
Transfers out	(1,321,750)	(1,317,170)	4,580
Total other financing sources (uses), net	<u>(1,321,750)</u>	<u>(1,306,778)</u>	<u>14,972</u>
NET CHANGE IN FUND BALANCE	(1,229,348)	(589,167)	640,181
FUND BALANCE - Beginning of year	<u>2,864,214</u>	<u>2,864,214</u>	<u>-</u>
FUND BALANCE - End of year	<u>\$ 1,634,866</u>	<u>\$ 2,275,047</u>	<u>\$ 640,181</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 6

AGING SERVICES SPECIAL REVENUE FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES:			
Intergovernmental and grant revenue	\$ 3,251,852	\$ 3,076,631	\$ (175,221)
Charges for services	235,000	230,444	(4,556)
Interest	-	3,975	3,975
Other	56,500	61,359	4,859
Total revenues	<u>3,543,352</u>	<u>3,372,409</u>	<u>(170,943)</u>
EXPENDITURES:			
General government:			
Salaries and benefits	3,058,325	2,954,370	103,955
Operating expenditures	2,089,826	1,911,632	178,194
Capital outlay	60,000	22,434	37,566
Total expenditures	<u>5,208,151</u>	<u>4,888,436</u>	<u>319,715</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,664,799)	(1,516,027)	148,772
OTHER FINANCING SOURCES - Transfers in	<u>1,675,000</u>	<u>1,674,996</u>	<u>(4)</u>
NET CHANGE IN FUND BALANCE	10,201	158,969	148,768
FUND BALANCE - Beginning of year	<u>836,409</u>	<u>836,409</u>	<u>-</u>
FUND BALANCE - End of year	<u>\$ 846,610</u>	<u>\$ 995,378</u>	<u>\$ 148,768</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 7

**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, 2012**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES:			
General property taxes:			
Current	\$ 504,845	\$ 447,227	\$ (57,618)
Delinquent	6,000	7,666	1,666
Penalties and interest on delinquent taxes	10,000	4,835	(5,165)
Sales taxes	491,725	707,200	215,475
Total taxes	<u>1,012,570</u>	<u>1,166,928</u>	<u>154,358</u>
Intergovernmental and grant revenue	1,500,000	1,535,992	35,992
Charges for services	27,300	64,023	36,723
Interest	<u>9,000</u>	<u>22,999</u>	<u>13,999</u>
 Total revenues	 <u>2,548,870</u>	 <u>2,789,942</u>	 <u>241,072</u>
EXPENDITURES:			
General government-operating expenditures	<u>553,915</u>	<u>460,565</u>	<u>93,350</u>
 Public works			
Salaries and benefits	590,000	603,766	(13,766)
Operating expenditures	493,883	433,963	59,920
	<u>1,083,883</u>	<u>1,037,729</u>	<u>46,154</u>
 Capital outlay	 <u>1,592,250</u>	 <u>1,371,808</u>	 <u>220,442</u>
 Total expenditures	 <u>3,230,048</u>	 <u>2,870,102</u>	 <u>359,946</u>
 DEFICIENCY OF REVENUES UNDER EXPENDITURES	 <u>(681,178)</u>	 <u>(80,160)</u>	 <u>601,018</u>
OTHER FINANCING SOURCES			
Sale of capital assets	25,000	21,160	(3,840)
Transfers in	325,000	374,089	49,089
Total other financing sources	<u>350,000</u>	<u>395,249</u>	<u>45,249</u>
 NET CHANGE IN FUND BALANCE	 <u>(331,178)</u>	 <u>315,089</u>	 <u>646,267</u>
 FUND BALANCE - Beginning of year	 <u>3,462,218</u>	 <u>3,462,218</u>	 <u>-</u>
 FUND BALANCE - End of year	 <u>\$ 3,131,040</u>	 <u>\$ 3,777,307</u>	 <u>\$ 646,267</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 8

**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, 2012**

	Final Budget	Actual	Variance With Final Budget
REVENUES:			
Intergovernmental and grant revenue	\$ 32,318	\$ 31,517	\$ (801)
Charges for services	1,589,500	1,488,835	(100,665)
Other	34,000	36,786	2,786
 Total revenues	 1,655,818	 1,557,138	 (98,680)
EXPENDITURES - Public safety:			
Salaries and benefits	1,489,370	1,422,587	66,783
Operating expenditures	355,174	320,560	34,614
 Total expenditures - public safety	 1,844,544	 1,743,147	 101,397
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(188,726)	(186,009)	2,717
OTHER FINANCING SOURCES - Transfers in	200,000	200,004	4
NET CHANGE IN FUND BALANCE	11,274	13,995	2,721
FUND BALANCE - Beginning of year	106,654	106,654	-
FUND BALANCE - End of year	\$ 117,928	\$ 120,649	\$ 2,721

DAVIS COUNTY**SUPPLEMENTAL SCHEDULE 9****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, 2012**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES:			
Interest	\$ 500	\$ 848	\$ 348
Other	220,906	229,667	8,761
Total revenues	221,406	230,515	9,109
EXPENDITURES - General government	100	10	90
EXCESS OF REVENUES OVER EXPENDITURES	221,306	230,505	9,199
OTHER FINANCING USES - Transfers out	(225,500)	(198,389)	27,111
NET CHANGE IN FUND BALANCE	(4,194)	32,116	36,310
FUND BALANCE - Beginning of year	309,306	309,306	-
FUND BALANCE - End of year	<u>\$ 305,112</u>	<u>\$ 341,422</u>	<u>\$ 36,310</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 10

GENERAL OBLIGATION DEBT SERVICE FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

	Final Budget	Actual	Variance With Final Budget
REVENUES:			
Taxes - general property taxes - current	\$ 2,148,657	\$ 2,000,631	\$ (148,026)
Taxes - general property taxes - delinquent	100,000	76,722	(23,278)
Penalties and interest on delinquent taxes	10,000	13,057	3,057
Interest earnings	7,500	16,594	9,094
Total revenues	2,266,157	2,107,004	(159,153)
EXPENDITURES			
Principal retirement	1,070,000	1,070,000	-
Interest expense and fiscal charges	832,500	612,118	220,382
Bond issuance costs	250,000	243,852	6,148
Total expenditures	2,152,500	1,925,970	226,530
EXCESS OF REVENUES OVER EXPENDITURES	113,657	181,034	67,377
OTHER FINANCING SOURCES (USES):			
Refunding bonds issued	15,750,000	15,750,000	-
Premium on refunding bonds issued	1,475,000	1,474,979	(21)
Payment to refunded bond escrow agent	(17,125,000)	(17,121,128)	3,872
Total other financing sources (uses)	100,000	103,851	3,851
NET CHANGE IN FUND BALANCE	213,657	284,885	71,228
FUND BALANCE - Beginning of year	3,597,877	3,597,877	-
FUND BALANCE - End of year	\$ 3,811,534	\$ 3,882,762	\$ 71,228

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 11

**MUNICIPAL BUILDING AUTHORITY DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Wasatch Front Debt			
Principal retirement	61,000	61,000	-
Interest expense and fiscal charges	35,750	9,864	25,886
Total Wasatch Front Debt	<u>96,750</u>	<u>70,864</u>	<u>25,886</u>
DMV Debt			
Principal retirement	95,000	95,000	-
Interest expense and fiscal charges	33,750	32,525	1,225
Total DMV Debt	<u>128,750</u>	<u>127,525</u>	<u>1,225</u>
Total expenditures	<u>225,500</u>	<u>198,389</u>	<u>27,111</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(225,500)	(198,389)	27,111
OTHER FINANCING SOURCES - Transfers in	<u>225,500</u>	<u>198,389</u>	<u>(27,111)</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 12

**SALES TAX REVENUE BONDS DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES:			
Intergovernmental revenue - Bond interest subsidy	\$ 362,650	\$ 362,648	\$ (2)
Interest earnings	-	4,531	4,531
Total revenues	<u>362,650</u>	<u>367,179</u>	<u>4,529</u>
EXPENDITURES:			
Conference Center			
Principal retirement	400,000	400,000	-
Interest expense and fiscal charges	70,500	69,423	1,077
Total Conference Center	<u>470,500</u>	<u>469,423</u>	<u>1,077</u>
Conference Center Expansion			
Principal retirement	245,000	245,000	-
Interest expense and fiscal charges	384,250	383,185	1,065
Total Conference Center Expansion	<u>629,250</u>	<u>628,185</u>	<u>1,065</u>
Conference Center Refunding			
Principal retirement	35,000	35,000	-
Interest expense and fiscal charges	187,000	184,875	2,125
Total Conference Refunding	<u>222,000</u>	<u>219,875</u>	<u>2,125</u>
Flood Projects			
Principal retirement	1,050,000	1,050,000	-
Interest expense and fiscal charges	155,500	153,500	2,000
Total Flood Projects	<u>1,205,500</u>	<u>1,203,500</u>	<u>2,000</u>
Flood Projects-Build America Bonds			
Principal retirement	-	-	-
Interest expense and fiscal charges	1,040,250	1,039,137	1,113
Total Flood Projects-Build America Bonds	<u>1,040,250</u>	<u>1,039,137</u>	<u>1,113</u>
Total expenditures	<u>3,567,500</u>	<u>3,560,120</u>	<u>7,380</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(3,204,850)	(3,192,941)	11,909
OTHER FINANCING SOURCES - Transfers in	<u>3,204,850</u>	<u>3,197,160</u>	<u>(7,690)</u>
NET CHANGE IN FUND BALANCE	-	4,219	4,219
FUND BALANCE - Beginning of year	<u>1,123,321</u>	<u>1,123,321</u>	<u>-</u>
FUND BALANCE - End of year	<u>\$ 1,123,321</u>	<u>\$ 1,127,540</u>	<u>\$ 4,219</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 13

**CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES:			
Intergovernmental and grant revenue	\$ -	\$ 32,009	\$ 32,009
Interest earnings	20,000	65,930	45,930
Total revenues	<u>20,000</u>	<u>97,939</u>	<u>77,939</u>
EXPENDITURES - Capital outlay	<u>75,000</u>	<u>23,253</u>	<u>51,747</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(55,000)	74,686	129,686
OTHER FINANCING USES - Transfers out	<u>(4,775,000)</u>	<u>(4,775,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE BEFORE SPECIAL ITEM	(4,830,000)	(4,700,314)	129,686
SPECIAL ITEM - Proceeds from sale of Justice Courts Complex	<u>3,800,000</u>	<u>3,782,944</u>	<u>(17,056)</u>
NET CHANGE IN FUND BALANCE	(1,030,000)	(917,370)	112,630
FUND BALANCE - Beginning of year	<u>5,655,005</u>	<u>5,655,005</u>	<u>-</u>
FUND BALANCE - End of year	<u>\$ 4,625,005</u>	<u>\$ 4,737,635</u>	<u>\$ 112,630</u>

Internal Service Funds

Insurance Fund

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

Telephone and Security System Fund

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

Building and Grounds Fund

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

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 14

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2012**

	<u>Insurance</u>	<u>Telephone and Security System</u>	<u>Building and Grounds</u>	<u>Total Internal Service Funds</u>
ASSETS				
CURRENT:				
Cash and cash equivalents	\$ 2,390,911	\$ 1,225,980	\$ 2,286,920	\$ 5,903,811
Accounts receivables	-	8,536	25,372	33,908
Prepaid Expense	-	55,707	884	56,591
Total current assets	<u>2,390,911</u>	<u>1,290,223</u>	<u>2,313,176</u>	<u>5,994,310</u>
NONCURRENT:				
Capital assets				
Furniture, fixtures, and equipment	574,028	192,974	323,141	1,090,143
Less accumulated depreciation	<u>(410,020)</u>	<u>(169,877)</u>	<u>(278,282)</u>	<u>(858,179)</u>
Total noncurrent assets	<u>164,008</u>	<u>23,097</u>	<u>44,859</u>	<u>231,964</u>
TOTAL ASSETS	<u>2,554,919</u>	<u>1,313,320</u>	<u>2,358,035</u>	<u>6,226,274</u>
LIABILITIES				
CURRENT:				
Accounts payable	26,449	214	300,211	326,874
Accrued liabilities	3,300	2,200	44,900	50,400
Obligations for compensated absences	-	-	8,471	8,471
Total current liabilities	<u>29,749</u>	<u>2,414</u>	<u>353,582</u>	<u>385,745</u>
LONG-TERM:				
Net OPEB obligation	17,596	12,987	259,936	290,519
Obligations for compensated absences	-	-	48,000	48,000
Total long-term liabilities	<u>17,596</u>	<u>12,987</u>	<u>307,936</u>	<u>338,519</u>
TOTAL LIABILITIES	<u>47,345</u>	<u>15,401</u>	<u>661,518</u>	<u>724,264</u>
NET POSITION				
Net investment in capital assets	164,008	23,097	44,859	231,964
Unrestricted	<u>2,343,566</u>	<u>1,274,822</u>	<u>1,651,658</u>	<u>5,270,046</u>
TOTAL NET POSITION	<u>\$ 2,507,574</u>	<u>\$ 1,297,919</u>	<u>\$ 1,696,517</u>	<u>\$ 5,502,010</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 15

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

	<u>Insurance</u>	<u>Telephone and Security System</u>	<u>Building and Grounds</u>	<u>Total</u>
OPERATING REVENUES:				
Charges to other funds	\$ 969,324	\$ 464,283	\$ 3,389,197	\$ 4,822,804
Other revenues	10,072	83,544	86,013	179,629
Total operating revenues	<u>979,396</u>	<u>547,827</u>	<u>3,475,210</u>	<u>5,002,433</u>
OPERATING EXPENSES:				
Salaries, wages, and benefits	130,572	72,121	1,586,705	1,789,398
Insurance premiums	648,405	-	-	648,405
Line charges	-	91,758	-	91,758
Other operating expenses	14,726	92,410	1,609,596	1,716,732
Depreciation	82,004	11,549	30,153	123,706
Total operating expenses	<u>875,707</u>	<u>267,838</u>	<u>3,226,454</u>	<u>4,369,999</u>
OPERATING INCOME	<u>103,689</u>	<u>279,989</u>	<u>248,756</u>	<u>632,434</u>
NONOPERATING REVENUES				
Interest income	15,182	8,479	13,574	37,235
CHANGE IN NET POSITION	118,871	288,468	262,330	669,669
NET POSITION - Beginning of year	<u>2,388,703</u>	<u>1,009,451</u>	<u>1,434,187</u>	<u>4,832,341</u>
NET POSITION - End of year	<u>\$ 2,507,574</u>	<u>\$ 1,297,919</u>	<u>\$ 1,696,517</u>	<u>\$ 5,502,010</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 16

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

	<u>Insurance</u>	<u>Telephone and Security System</u>	<u>Building and Grounds</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 10,072	\$ 85,458	\$ 86,153	\$ 181,683
Receipts from interfund services provided	969,324	464,283	3,389,197	4,822,804
Payments to suppliers	(263,497)	(302,693)	(1,421,540)	(1,987,730)
Payments to employees	(125,494)	(68,253)	(1,504,144)	(1,697,891)
Net cash provided by (used in) operating activities	<u>590,405</u>	<u>178,795</u>	<u>549,666</u>	<u>1,318,866</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	-	(4,880)	(4,880)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	<u>15,182</u>	<u>8,479</u>	<u>13,574</u>	<u>37,235</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	605,587	187,274	558,360	1,351,221
CASH AND CASH EQUIVALENTS:				
Beginning of year	<u>1,785,324</u>	<u>1,038,706</u>	<u>1,728,560</u>	<u>4,552,590</u>
End of year	<u>\$ 2,390,911</u>	<u>\$ 1,225,980</u>	<u>\$ 2,286,920</u>	<u>\$ 5,903,811</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income	\$ 103,689	\$ 279,989	\$ 248,756	\$ 632,434
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation expense	82,004	11,549	30,153	123,706
Change in assets and liabilities:				
Accounts receivables	69,295	1,914	140	71,349
Other assets	549,949	(43,783)	549	506,715
Accounts payable	(219,610)	(74,742)	187,507	(106,845)
Accrued liabilities	700	500	8,300	9,500
Obligation for OPEB	4,378	3,368	68,700	76,446
Obligation for compensated absences	-	-	5,561	5,561
Net cash provided by (used in) operating activities	<u>\$ 590,405</u>	<u>\$ 178,795</u>	<u>\$ 549,666</u>	<u>\$ 1,318,866</u>

Agency Funds

County Agency Fund

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

Treasurer Tax Collection Fund

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

Employee Benefits Funds

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

DAVIS COUNTY**SUPPLEMENTAL SCHEDULE 17****COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES****AGENCY FUNDS****DECEMBER 31, 2012**

	<u>County Agency Fund</u>	<u>Treasurer's Tax Collection Agency Fund</u>	<u>Employee Benefits Agency Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 531,383	\$ 43,813,727	\$ 270,405	\$ 44,615,515
Accounts receivable	46,653	539,351	-	586,004
TOTAL ASSETS	<u>\$ 578,036</u>	<u>\$ 44,353,078</u>	<u>\$ 270,405</u>	<u>\$ 45,201,519</u>
LIABILITIES				
Due to individuals, organizations, and other governments	<u>\$ 578,036</u>	<u>\$ 44,353,078</u>	<u>\$ 270,405</u>	<u>\$ 45,201,519</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 18

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

	<u>Balance at January 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31, 2012</u>
COUNTY AGENCY FUND				
ASSETS				
Cash and cash equivalents	\$ 369,752	\$ 11,786,600	\$ 11,624,969	\$ 531,383
Accounts receivable	3,523	7,044,883	7,001,753	46,653
TOTAL ASSETS	<u>\$ 373,275</u>	<u>\$ 18,831,483</u>	<u>\$ 18,626,722</u>	<u>\$ 578,036</u>
LIABILITIES				
Due to individuals, organizations, and other governments	<u>\$ 373,275</u>	<u>\$ 18,831,483</u>	<u>\$ 18,626,722</u>	<u>\$ 578,036</u>
TREASURER'S TAX COLLECTION AGENCY FUND				
ASSETS				
Cash and cash equivalents	\$ 52,768,019	\$ 252,455,397	\$ 261,409,689	\$ 43,813,727
Accounts receivable	526,111	539,351	526,111	539,351
TOTAL ASSETS	<u>\$ 53,294,130</u>	<u>\$ 252,994,748</u>	<u>\$ 261,935,800</u>	<u>\$ 44,353,078</u>
LIABILITIES				
Due to individuals, organizations, and other governments	<u>\$ 53,294,130</u>	<u>\$ 252,994,748</u>	<u>\$ 261,935,800</u>	<u>\$ 44,353,078</u>
EMPLOYEE BENEFITS AGENCY FUND				
ASSETS				
Cash and cash equivalents	<u>\$ 270,900</u>	<u>\$ 62,835,297</u>	<u>\$ 62,835,792</u>	<u>\$ 270,405</u>
LIABILITIES				
Due to individuals, organizations, and other governments	<u>\$ 270,900</u>	<u>\$ 62,835,297</u>	<u>\$ 62,835,792</u>	<u>\$ 270,405</u>



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Other Schedules

Schedule of Tax Charged, Collected, and Disbursed

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

Treasurer's Tax Collection Agency Fund – Schedule of Receipts and Disbursements

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

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 19
(page 1 of 2)

TREASURER'S TAX COLLECTION FUND
SCHEDULE OF TAXES CHARGED, COLLECTED, AND DISBURSED
FOR THE YEAR ENDED DECEMBER 31, 2012

ENTITY	YEAR-END REAL PROPERTY & CENTRALLY ASSESSED VALUES										YEAR-END PERSONAL PROPERTY VALUES										PROPERTY TAX CALCULATION									
	Real Property		Centrally Assessed		Redevelopment		Total		Personal Property		RDA Reductions		Total		ENTITY TOTAL ADJUSTED VALUE		Current Year Tax Rate		Prior Year Tax Rate (Personal)		Centrally Assessed		Personal Property		Total					
	Real Property	Centrally Assessed	Redevelopment	Total	Personal Property	RDA Reductions	Total	Personal Property	RDA Reductions	Total	ENTITY TOTAL ADJUSTED VALUE	Current Year Tax Rate	Prior Year Tax Rate (Personal)	Centrally Assessed	Personal Property	Total	Current Year Tax Rate	Prior Year Tax Rate (Personal)	Centrally Assessed	Personal Property	Total	Current Year Tax Rate	Prior Year Tax Rate (Personal)	Centrally Assessed	Personal Property	Total				
Davis School District	13,827,247,835	502,545,497	611,473,217	15,718,320,115	147,172,453	15,865,492,568	147,172,453	56,951,426	15,922,404,000	1,414,771,027	15,133,091,142	.007290	.007270	100,006,554	10,285,385	110,291,939	.007290	.007270	100,006,554	10,285,385	110,291,939	.007290	.007270	100,006,554	10,285,385	110,291,939				
Statewide School	13,827,247,835	502,545,497	611,473,217	15,718,320,115	147,172,453	15,865,492,568	147,172,453	56,951,426	15,922,404,000	1,414,771,027	15,133,091,142	.006151	.00591	22,648,947	2,250,901	24,899,848	.006151	.00591	22,648,947	2,250,901	24,899,848	.006151	.00591	22,648,947	2,250,901	24,899,848				
Davis County	13,827,247,835	502,545,497	611,437,015	15,718,356,317	147,172,453	15,865,528,770	147,172,453	56,948,055	15,922,476,825	1,414,774,398	15,133,150,715	.002108	.002097	28,918,295	2,966,782	31,885,077	.002108	.002097	28,918,295	2,966,782	31,885,077	.002108	.002097	28,918,295	2,966,782	31,885,077				
County Library	13,827,247,835	502,545,497	611,437,015	15,718,356,317	147,172,453	15,865,528,770	147,172,453	56,948,055	15,922,476,825	1,414,774,398	15,133,150,715	.000396	.000392	5,432,469	554,592	5,987,061	.000396	.000392	5,432,469	554,592	5,987,061	.000396	.000392	5,432,469	554,592	5,987,061				
County Assess & Coll	13,827,247,835	502,545,497	-	14,329,793,332	147,172,453	14,476,965,785	147,172,453	-	14,624,140,238	1,414,774,398	15,801,515,785	.000115	.000114	1,647,926	167,776	1,815,702	.000115	.000114	1,647,926	167,776	1,815,702	.000115	.000114	1,647,926	167,776	1,815,702				
State Assess & Coll	13,827,247,835	502,545,497	-	14,329,793,332	147,172,453	14,476,965,785	147,172,453	-	14,624,140,238	1,414,774,398	15,801,515,785	.000168	.000172	2,407,405	253,156	2,660,541	.000168	.000172	2,407,405	253,156	2,660,541	.000168	.000172	2,407,405	253,156	2,660,541				
Bountiful City	2,087,618,665	216,807,797	109,051,815	2,413,478,277	63,191,994	2,476,670,271	63,191,994	3,172,027	2,539,862,298	60,019,967	2,060,267,614	.001094	.001093	2,188,271	65,602	2,253,873	.001094	.001093	2,188,271	65,602	2,253,873	.001094	.001093	2,188,271	65,602	2,253,873				
Centerville City	865,044,664	32,760,873	83,275,533	945,075,070	42,924,459	988,000,529	42,924,459	3,799,770	1,027,790,300	39,124,689	853,654,693	.001165	.001173	948,928	45,893	994,821	.001165	.001173	948,928	45,893	994,821	.001165	.001173	948,928	45,893	994,821				
Clearfield City	1,024,674,132	65,286,516	89,350,995	1,179,311,643	267,077,014	1,446,388,657	267,077,014	38,053,186	1,829,441,843	229,023,828	1,252,633,481	.001800	.001800	1,618,897	412,243	2,031,140	.001800	.001800	1,618,897	412,243	2,031,140	.001800	.001800	1,618,897	412,243	2,031,140				
Clinton City	69,118,698	17,657,716	5,537,057	92,313,471	22,416,243	114,729,714	22,416,243	169,588	137,145,962	22,246,655	726,183,012	.001871	.001866	1,317,065	4,151	1,361,216	.001871	.001866	1,317,065	4,151	1,361,216	.001871	.001866	1,317,065	4,151	1,361,216				
Farmington City	976,900,473	31,994,547	69,462,275	1,378,357,295	37,661,655	1,416,018,950	37,661,655	2,499,687	1,443,518,637	35,161,968	974,594,713	.002269	.002283	2,151,573	80,275	2,231,848	.002269	.002283	2,151,573	80,275	2,231,848	.002269	.002283	2,151,573	80,275	2,231,848				
Fruit Heights City	270,376,748	6,971,733	-	277,348,481	2,491,137	280,340,618	2,491,137	-	282,831,755	2,491,137	279,839,618	.002054	.002071	569,674	5,159	574,833	.002054	.002071	569,674	5,159	574,833	.002054	.002071	569,674	5,159	574,833				
Kaysville City	12,141,432,720	24,544,460	-	12,165,977,180	32,996,500	12,208,973,680	32,996,500	-	12,241,970,180	32,996,500	1,271,684,680	.001028	.001035	1,273,372	34,151	1,307,523	.001028	.001035	1,273,372	34,151	1,307,523	.001028	.001035	1,273,372	34,151	1,307,523				
Layton City	3,019,094,269	78,872,724	49,637,234	3,147,594,227	185,670,052	3,333,264,279	185,670,052	2,806,689	3,518,940,968	182,863,363	3,231,193,122	.002084	.002068	6,352,719	378,162	6,730,881	.002084	.002068	6,352,719	378,162	6,730,881	.002084	.002068	6,352,719	378,162	6,730,881				
North Salt Lake City	1,091,303,138	55,222,145	482,523	1,644,047,806	197,308,754	1,841,356,560	197,308,754	70,847	1,912,205,307	197,237,907	1,343,280,667	.001637	.001637	1,876,072	322,879	2,198,951	.001637	.001637	1,876,072	322,879	2,198,951	.001637	.001637	1,876,072	322,879	2,198,951				
South Weber City	235,882,509	48,107,022	-	283,989,531	4,202,188	288,191,719	4,202,188	-	292,393,907	4,202,188	288,191,719	.000998	.000927	283,422	3,996	287,418	.000998	.000927	283,422	3,996	287,418	.000998	.000927	283,422	3,996	287,418				
Sunset City	12,155,260	6,620,583	-	18,775,843	3,173,655	21,949,498	3,173,655	-	25,123,153	3,173,655	13,134,689	.002492	.002492	3,194,408	7,290	32,669	.002492	.002492	3,194,408	7,290	32,669	.002492	.002492	3,194,408	7,290	32,669				
Sydney City	932,579,077	15,163,720	23,397,024	967,139,821	23,388,122	990,527,943	23,388,122	563,480	1,013,915,423	22,824,642	947,170,415	.001832	.001821	1,693,401	41,564	1,734,965	.001832	.001821	1,693,401	41,564	1,734,965	.001832	.001821	1,693,401	41,564	1,734,965				
West Bountiful City	292,491,278	15,974,756	35,013,743	343,479,777	183,993,307	527,473,084	183,993,307	1,081,881	638,564,965	170,911,426	444,363,717	.001951	.001997	533,505	34,131	567,636	.001951	.001997	533,505	34,131	567,636	.001951	.001997	533,505	34,131	567,636				
West Point City	295,831,303	6,411,423	-	302,242,726	3,000,019	305,242,745	3,000,019	-	308,242,764	3,000,019	305,242,745	.001111	.001111	335,792	3,024	338,816	.001111	.001111	335,792	3,024	338,816	.001111	.001111	335,792	3,024	338,816				
Woods Cross City	533,113,819	16,916,070	15,010,244	565,040,123	69,663,724	634,703,847	69,663,724	1,687,398	636,391,245	67,976,326	602,995,971	.001058	.001049	5,660,051	71,307	5,731,358	.001058	.001049	5,660,051	71,307	5,731,358	.001058	.001049	5,660,051	71,307	5,731,358				
Benchnetland Water Distr	876,271,669	20,707,571	19,700,639	896,680,279	23,994,320	920,674,600	23,994,320	513,265	926,668,925	23,481,055	900,759,656	.000488	.000483	428,112	11,341	439,453	.000488	.000483	428,112	11,341	439,453	.000488	.000483	428,112	11,341	439,453				
Bountiful Water SubCon	1,739,793,229	17,878,216	18,275,507	1,775,946,952	77,990,214	1,853,937,166	77,990,214	5,449,934	1,931,937,100	72,540,280	1,701,936,218	.00131	.00130	213,451	9,430	222,881	.00131	.00130	213,451	9,430	222,881	.00131	.00130	213,451	9,430	222,881				
Central Davis Sewer	2,333,704,186	74,569,017	69,462,275	2,477,735,480	69,053,819	2,546,789,299	69,053,819	1,936,214	2,640,005,513	67,117,605	2,405,928,533	.000237	.000237	554,298	15,907	570,205	.000237	.000237	554,298	15,907	570,205	.000237	.000237	554,298	15,907	570,205				
Central Weber Sewer	236,330,287	46,770,695	-	283,100,982	4,202,188	287,303,170	4,202,188	-	291,505,368	4,202,188	287,303,170	.000880	.000854	249,129	3,589	290,718	.000880	.000854	249,129	3,589	290,718	.000880	.000854	249,129	3,589	290,718				
Hooper Water Improv	80,945,739	2,307,462	-	83,253,201	58,534	83,311,735	58,534	-	83,370,269	58,534	83,311,735	.000455	.000433	37,880	25	37,905	.000455	.000433	37,880	25	37,905	.000455	.000433	37,880	25	37,905				
Mosquito Abatement	13,826,369,355	502,097,210	611,437,015	15,718,356,317	147,172,453	15,865,528,770	147,172,453	56,952,837	15,922,481,607	1,414,769,616	15,131,799,166	.000105	.000104	1,440,288	147,156	1,587,424	.000105	.000104	1,440,288	147,156	1,587,424	.000105	.000104	1,440,288	147,156	1,587,424				
North Davis Fire Dist.	1,320,505,433	71,697,939	83,350,995	1,473,554,367	270,077,033	1,743,631,400	270,077,033	3,144,473	1,746,775,873	238,662,560	1,437,514,939	.001467	.001316	1,758,716	34,080	1,792,796	.001467	.001316	1,758,716	34,080	1,792,796	.001467	.001316	1,758,716	34,080	1,792,796				
North Davis Sewer	6,309,466,067	208,397,119	298,578,243	6,816,451,429	509,379,227	7,325,830,656	509,379,227	2,164,250	7,542,080,906	487,736,377	6,707,021,630	.000993	.000928	6,175,750	452,619	6,628,369	.000993	.000928	6,175,750	452,619	6,628,369	.000993	.000928	6,175,750	452,619	6,628,369				
South Davis Recr. Dist.	4,930,913,139	150,779,982	243,256,065	5,224,949,186	882,302,499	6,107,251,685	882,302,499	35,986,853	6,143,238,538	846,315,646	5,684,752,702	.000399	.000407	1,930,536	344,450	2,274,986														

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 19
(continued - page 2 of 2)

TREASURER'S TAX COLLECTION FUND
SCHEDULE OF TAXES CHARGED, COLLECTED, AND DISBURSED
FOR THE YEAR ENDED DECEMBER 31, 2012

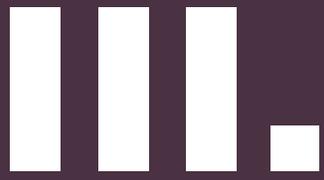
ENTITY	TREASURER'S RELIEF			OTHER COLLECTIONS				Total, All Collections/ Distributed				
	TAXES CHARGED	Unpaid Taxes	Abatements	Other	Total	TAXES COLLECTED	PERCENTAGE COLLECTED		Fee-in-lieu Age-based	Redemptio ns	Mis c. Co llectio n	Delinquent Interes t/ Penalty
Davis School District	10,291,939	5,090,367	2,018,737	(53,734)	7,055,370	103,236,569	93.6%	8,795,496	4,021,778	1542,334	163,189	117,759,366
Statewide School	24,899,848	1,071,202	457,193	(77,089)	1,451,306	23,448,542	94.2%	1,991,957	910,831	349,850	36,958	26,738,138
Davis County	31,885,077	1,464,269	583,744	(21,856)	2,026,157	29,858,920	93.6%	2,543,334	1,162,950	446,040	540,987	34,552,231
County Library	5,987,061	272,226	109,660	(6,240)	375,646	5,611,415	93.7%	477,780	218,467	83,809	8,865	6,400,336
County Assess & Coll	18,570,202	79,293	3,184,600	(7,860)	103,279	17,124,233	94.3%	138,749	63,444	24,955	2,574	19,421,145
State Assess & Coll	2,660,541	123,874	46,522	(5,432)	164,964	2,495,577	93.8%	202,695	92,683	36,408	3,761	2,831,124
Boonville City	2,253,873	88,492	3,124,200	9,083	128,817	2,125,056	94.3%	198,147	98,077	20,668	3,720	2,445,668
Centerville City	994,821	29,291	12,204	8,666	50,161	944,660	95.0%	88,018	29,642	10,051	982	1,073,353
Clearfield City	2,026,140	143,045	44,296	45,150	232,491	1,793,649	88.5%	130,085	115,902	19,058	4,710	2,063,404
Clinton City	1,358,577	28,497	55,123	7,947	91,567	1,267,010	93.3%	128,437	31,862	14,897	873	1,443,079
Farmington City	2,211,848	61,031	2,155,500	14,760	97,346	2,114,502	95.6%	177,451	74,176	38,146	3,053	2,407,328
Fruit Heights City	574,833	26,684	7,791	2,222	36,697	538,136	93.6%	50,198	25,885	22,132	919	637,270
Kaysville City	1,307,523	41,806	15,980	4,943	62,729	1,244,794	95.2%	128,361	38,533	25,597	1,250	1,438,535
Layton City	6,730,881	246,735	175,737	4,169	426,641	6,304,240	93.7%	518,787	232,854	100,127	9,131	7,165,139
North Salt Lake City	2,198,951	119,786	118,400	(11,618)	120,008	2,078,943	94.5%	129,108	93,554	21,342	4,201	2,327,148
South Weber City	287,318	6,643	8,766	(284)	15,125	272,193	94.7%	29,096	4,471	3,205	326	309,291
Sunset City	326,698	15,484	116,556	(2,121)	25,019	301,679	92.3%	30,857	8,333	4,367	560	345,796
Syracuse City	1,734,965	83,431	54,394	13,082	150,907	1,584,058	91.3%	173,579	66,909	19,807	3,155	1,847,508
West Boonville City	874,816	80,720	6,431	3,956	91,107	783,709	89.6%	46,328	18,084	9,404	1,045	858,570
West Point City	338,816	9,035	12,707	(1,946)	19,796	319,020	94.2%	39,042	8,995	5,356	439	372,852
Woods Cross City	637,358	36,405	4,388	(1,989)	38,804	598,554	93.9%	45,706	37,952	19,833	1,721	703,766
Benchmark Water Distr	439,453	11,166	4,559	1,382	17,107	422,346	96.1%	38,436	16,041	6,750	495	484,068
Boonville Water SubCon	222,881	9,413	3,048	827	13,288	209,593	94.0%	18,373	9,780	1,685,583	384	192,371
Central Davis Sewer	570,205	18,516	6,191	2,348	27,055	543,150	95.3%	51,446	19,148	10,820	677	625,241
Central Weber Sewer	252,718	5,993	7,729	860	14,582	238,136	94.2%	25,363	3,958	2,407	288	270,152
Hooper Water Improv	37,905	1,845	12,130	30	3,088	34,817	91.9%	4,013	2,312	523	124	41,789
Mosquito Abatement	1,587,424	72,258	29,076	(1,585)	99,749	1,487,675	93.7%	126,684	57,921	22,221	2,350	1,696,851
North Davis Fire Dist.	2,072,796	88,158	52,880	13,200	154,218	1,918,578	92.6%	157,571	106,338	22,270	4,419	2,209,176
North Davis Sewer	6,628,369	245,388	185,918	(10,784)	420,522	6,207,847	93.7%	548,546	244,812	90,922	10,033	7,102,160
South Davis Reert. Dist.	2,274,986	138,636	21,696	(10,258)	150,074	2,124,912	93.4%	161,911	87,289	26,143	3,614	2,403,869
South Davis Sewer	1,877,465	108,298	17,944	(11,489)	114,753	1,762,712	93.9%	133,922	72,263	21,142	2,989	2,233,028
South Davis Water	96,170	4,223	1,582	305	6,110	90,060	93.6%	8,184	3,206	6,299	152	107,901
Special Serv Area	475,439	85,870	12,477	(40,315)	46,802	428,637	90.2%	13,727	5,288	11,835	242	459,729
Weber Basin Water	3,256,166	153,913	59,538	1,309	214,760	3,041,406	93.4%	259,401	118,600	14,574	4,812	4,839,793
	221,189,563	10,061,973	4,114,433	(130,361)	14,046,045	207,143,518		17,610,788	8,102,338	6,379,875	822,998	240,059,517

DAVIS COUNTY

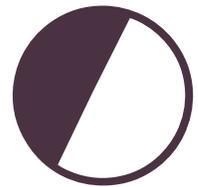
SUPPLEMENTAL SCHEDULE 20

TREASURER'S TAX COLLECTION FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Treasurer's Balance		Apportionments			Totals	Disbursements	Treasurer's Balance 12/31/2012
	1/1/2012	Receipts	Current Taxes	Delinquent Taxes	Other Collections			
Current 2011 taxes	\$ -	\$ 216,034,049	\$ (216,034,049)	\$ -	\$ -	\$ -	\$ -	\$ -
Prior year redemptions and rollbacks	-	9,115,194	-	(9,115,194)	-	-	-	-
Other taxes - "Class D"	357,691	3,584,654	-	-	(3,722,163)	220,182	-	220,182
Interest received	-	822,998	-	-	(822,998)	-	-	-
Fee in lieu	-	17,610,788	-	-	(17,610,788)	-	-	-
Miscellaneous collections	-	3,003,501	-	-	(3,003,501)	-	-	-
Taxes held for refund & prepayments	438,932	2,284,213	-	-	-	2,723,145	215,203	2,507,942
Total	796,623	252,455,397	(216,034,049)	(9,115,194)	(25,159,450)	2,943,327	215,203	2,728,124
Davis County:								
County funds	-	-	34,066,920	1,486,014	3,939,503	39,492,437	39,492,437	-
County library	-	-	5,611,415	246,115	570,454	6,427,984	6,427,984	-
Special service area	-	-	428,637	8,289	25,804	462,730	462,730	-
Total Davis County	-	-	40,106,972	1,740,418	4,535,761	46,383,151	46,383,151	-
Davis County School District	33,082,691	-	126,685,112	5,556,859	12,879,783	178,204,445	153,404,027	24,800,418
Cities and towns:								
Bountiful	520,081	-	2,125,056	98,207	222,536	2,965,880	2,592,696	373,184
Centerville	220,955	-	944,660	31,322	99,051	1,295,988	1,154,737	141,251
Clearfield	546,766	-	1,793,649	116,088	153,853	2,610,356	2,558,049	52,307
Clinton	341,487	-	1,267,010	35,792	144,206	1,788,495	1,528,917	259,578
Farmington	601,823	-	2,114,501	93,861	218,651	3,028,836	2,679,298	349,538
Fruit Heights	143,956	-	538,136	43,101	73,249	798,442	671,451	126,991
Kaysville	354,903	-	1,244,794	51,237	155,516	1,806,450	1,532,605	273,845
Layton	1,791,444	-	6,304,240	276,070	628,415	9,000,169	7,616,348	1,383,821
North Salt Lake	627,608	-	2,078,943	93,554	154,651	2,954,756	2,439,600	515,156
South Weber City	79,527	-	272,193	4,899	32,628	389,247	324,395	64,852
Sunset	109,533	-	301,679	8,333	35,784	455,329	386,470	68,859
Syracuse	404,560	-	1,584,057	71,775	196,541	2,256,933	1,972,592	284,341
West Bountiful	350,225	-	783,709	18,517	56,777	1,209,228	1,130,310	78,918
West Point	81,708	-	319,019	11,634	44,837	457,198	384,124	73,074
Woods Cross	154,051	-	598,553	45,241	67,260	865,105	707,621	157,484
Total cities and towns	6,328,627	-	22,270,199	999,631	2,283,955	31,882,412	27,679,213	4,203,199
Other taxing districts:								
Benchland Water Dist	110,671	-	422,346	19,110	45,681	597,808	513,010	84,798
Bountiful Irrigation Water District	209,760	-	209,593	9,796	1,869,608	2,298,757	2,151,677	147,080
Central Davis Sewer	153,049	-	543,151	25,271	62,943	784,414	674,081	110,333
Central Weber Sewer	68,708	-	238,135	4,336	28,059	339,238	285,823	53,415
Hooper Water Improv	9,605	-	34,818	2,538	4,659	51,620	43,503	8,117
Mosquito Abatement	387,541	-	1,487,675	65,252	151,255	2,091,723	1,801,864	289,859
North Davis Fire Dist	517,483	-	1,918,577	109,973	184,260	2,730,293	2,508,028	222,265
North Davis Sewer	1,550,058	-	6,207,847	279,319	649,501	8,686,725	7,448,546	1,238,179
South Davis Recreation	526,821	-	2,124,913	90,749	191,668	2,934,151	2,533,663	400,488
South Davis Sewer	457,205	-	1,762,712	75,125	418,117	2,713,159	2,355,932	357,227
South Davis Water	22,942	-	90,061	3,206	15,288	131,497	111,347	20,150
South Weber Water	4,941	-	-	-	4,940	9,881	7,681	2,200
Weber Basin Water	950,953	-	3,041,407	133,611	1,833,972	5,959,943	5,302,699	657,244
Total other taxing districts	4,969,737	-	18,081,235	818,286	5,459,951	29,329,209	25,737,854	3,591,355
Redevelopment agencies:								
Bountiful	1,193,108	-	1,498,018	-	-	2,691,126	1,593,108	1,098,018
Centerville	1,219,060	-	1,137,461	-	-	2,356,521	1,219,060	1,137,461
Clearfield	2,367,203	-	3,098,449	-	-	5,465,652	2,367,203	3,098,449
Clinton	84,125	-	81,002	-	-	165,127	84,125	81,002
Farmington	322,258	-	1,000,910	-	-	1,323,168	322,258	1,000,910
Layton	668,965	-	740,558	-	-	1,409,523	668,965	740,558
Military Instillation Development Auth	-	-	271,523	-	-	271,523	-	271,523
North Salt Lake	-	-	11,382	-	-	11,382	-	11,382
Syracuse	445,397	-	341,362	-	-	786,759	445,397	341,362
West Bountiful	540,973	-	502,031	-	-	1,043,004	540,973	502,031
Woods Cross	749,152	-	207,835	-	-	956,987	749,152	207,835
Total redevelopment agencies	7,590,241	-	8,890,531	-	-	16,480,772	7,990,241	8,490,531
GRAND TOTAL	\$ 52,767,919	\$ 252,455,397	\$ -	\$ -	\$ -	\$ 305,223,316	\$ 261,409,689	\$ 43,813,627



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.

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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 POSITION BY COMPONENT - LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	<u>2012</u>	<u>Restated 2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities:				
Net investment in capital assets	\$ 82,993,856	\$ 81,947,428	\$ 83,234,732	\$ 49,323,126
Restricted	6,423,979	20,499,016	27,391,189	40,833,438
Unrestricted	<u>36,618,038</u>	<u>20,791,550</u>	<u>9,224,736</u>	<u>26,184,917</u>
Total government activities net position	<u>\$ 126,035,873</u>	<u>\$ 123,237,994</u>	<u>\$ 119,850,657</u>	<u>\$ 116,341,481</u>
Business-type activities:				
Net investment in capital assets	\$ 4,920,283	\$ 5,098,487	\$ 5,397,435	\$ 5,523,989
Restricted	-	-	-	-
Unrestricted	<u>(1,451,213)</u>	<u>(1,453,061)</u>	<u>(1,579,793)</u>	<u>(1,231,369)</u>
Total business-type activities net position	<u>\$ 3,469,070</u>	<u>\$ 3,645,426</u>	<u>\$ 3,817,642</u>	<u>\$ 4,292,620</u>
Primary government:				
Net investment in capital assets	\$ 87,914,139	\$ 87,045,915	\$ 88,632,167	\$ 54,847,115
Restricted	6,423,979	20,499,016	27,391,189	40,833,438
Unrestricted	<u>35,166,825</u>	<u>19,338,489</u>	<u>7,644,943</u>	<u>24,953,548</u>
Total primary government net position	<u>\$ 129,504,943</u>	<u>\$ 126,883,420</u>	<u>\$ 123,668,299</u>	<u>\$ 120,634,101</u>

Note: Beginning fiscal year 2012, the term "net assets" was replaced by the term "net position" as a result of implementing GASB Statement 63. Also, net position was restated for 2011 to comply with GASB Statement 65. Net position has not been restated for years prior to 2011.

2008	2007	2006	2005	2004	2003
\$ 70,794,633	\$ 65,565,679	\$ 55,892,112	\$ 53,753,012	\$ 67,413,090	\$ 64,521,074
9,979,541	14,663,159	26,698,852	30,827,499	13,233,017	18,960,187
<u>29,177,532</u>	<u>20,296,195</u>	<u>6,988,754</u>	<u>2,082,042</u>	<u>3,148,450</u>	<u>(3,684,586)</u>
<u>\$ 109,951,706</u>	<u>\$ 100,525,033</u>	<u>\$ 89,579,718</u>	<u>\$ 86,662,553</u>	<u>\$ 83,794,557</u>	<u>\$ 79,796,675</u>
\$ 5,021,973	\$ 4,696,201	\$ 4,286,855	\$ 4,516,622	\$ 4,471,715	\$ 3,875,287
-	-	-	-	-	311,698
<u>(755,083)</u>	<u>(543,467)</u>	<u>(126,035)</u>	<u>(279,615)</u>	<u>(285,813)</u>	<u>-</u>
<u>\$ 4,266,890</u>	<u>\$ 4,152,734</u>	<u>\$ 4,160,820</u>	<u>\$ 4,237,007</u>	<u>\$ 4,185,902</u>	<u>\$ 4,186,985</u>
\$ 75,816,606	\$ 70,261,880	\$ 60,178,967	\$ 58,269,634	\$ 71,884,805	\$ 68,396,361
9,979,541	14,663,159	26,698,852	30,827,499	13,233,017	19,271,885
<u>28,422,449</u>	<u>19,752,728</u>	<u>6,862,719</u>	<u>1,802,427</u>	<u>2,862,637</u>	<u>(3,684,586)</u>
<u>\$ 114,218,596</u>	<u>\$ 104,677,767</u>	<u>\$ 93,740,538</u>	<u>\$ 90,899,560</u>	<u>\$ 87,980,459</u>	<u>\$ 83,983,660</u>

DAVIS COUNTY

STATISTICAL SCHEDULE 2

CHANGES IN NET POSITION - LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

Expenses	Year Ended December 31,			
	2012	2011 (Restated)	2010	2009
Government activities:				
General governmental	\$ 42,270,996	\$ 40,130,429	\$ 39,406,125	\$ 38,282,727
Public safety	36,905,270	35,577,640	34,241,872	33,054,829
Public health	12,353,127	11,640,398	12,037,386	12,232,929
Public works	4,072,629	3,908,616	3,938,669	2,791,754
Interest on long-term debt	3,431,611	3,836,966	3,079,963	2,024,496
Total governmental activities	<u>99,033,633</u>	<u>95,094,049</u>	<u>92,704,015</u>	<u>88,386,735</u>
Business-type activities:				
Golf Course	2,328,423	2,422,690	2,409,586	2,358,484
Inmates Commissary	524,585	582,734	529,040	321,386
Total business-type activities	<u>2,853,008</u>	<u>3,005,424</u>	<u>2,938,626</u>	<u>2,679,870</u>
Total primary government expenses	<u>\$ 101,886,641</u>	<u>\$ 98,099,473</u>	<u>\$ 95,642,641</u>	<u>\$ 91,066,605</u>
Program Revenues				
Government activities:				
Charges for services:				
General governmental	\$ 6,303,616	\$ 6,811,617	\$ 6,196,860	\$ 6,825,863
Public safety	11,647,177	12,314,622	12,561,950	12,308,071
Public health	4,027,561	3,890,624	3,742,446	3,889,556
Public works	66,261	58,675	129,059	75,823
Operating grants and contributions	12,542,601	12,642,377	12,597,575	12,110,452
Capital grants and contributions	891,064	1,794,609	1,164,996	1,496,789
Total governmental activities program revenues	<u>35,478,280</u>	<u>37,512,524</u>	<u>36,392,886</u>	<u>36,706,554</u>
Business-type activities:				
Charges for services:				
Golf Course	2,461,843	2,033,729	2,055,001	2,062,591
Inmates Commissary	1,216,022	1,343,807	1,073,918	902,144
Total business-type activities program revenues	<u>3,677,865</u>	<u>3,377,536</u>	<u>3,128,919</u>	<u>2,964,735</u>
Total primary government program revenues	<u>\$ 39,156,145</u>	<u>\$ 40,890,060</u>	<u>\$ 39,521,805</u>	<u>\$ 39,671,289</u>
Net (Expense)/Revenue				
Governmental activities	\$ (63,555,353)	\$ (57,581,525)	\$ (56,311,129)	\$ (51,680,181)
Business-type activities	824,857	372,112	190,293	284,865
Total primary government net expenses	<u>\$ (62,730,496)</u>	<u>\$ (57,209,413)</u>	<u>\$ (56,120,836)</u>	<u>\$ (51,395,316)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 46,727,996	\$ 45,490,304	\$ 44,199,765	\$ 43,017,735
Sales taxes	16,772,100	15,779,389	14,657,381	14,352,182
Investment earnings	288,708	296,803	292,159	348,457
Miscellaneous	-	-	-	-
Sale of capital assets	1,548,428	102,583	-	85,582
Transfers	1,016,000	550,100	671,000	266,000
Total governmental activities	<u>66,353,232</u>	<u>62,219,179</u>	<u>59,820,305</u>	<u>58,069,956</u>
Business-type activities:				
Investment earnings	9,487	5,772	5,729	6,865
Sale of capital assets	5,300	-	-	-
Transfers	(1,016,000)	(550,100)	(671,000)	(266,000)
Total business-type activities	<u>(1,001,213)</u>	<u>(544,328)</u>	<u>(665,271)</u>	<u>(259,135)</u>
Total primary government	<u>\$ 65,352,019</u>	<u>\$ 61,674,851</u>	<u>\$ 59,155,034</u>	<u>\$ 57,810,821</u>
Changes in Net Position				
Governmental activities	2,797,879	4,637,654	3,509,176	6,389,775
Business-type activities	(176,356)	(172,216)	(474,978)	25,730
Total primary government	<u>\$ 2,621,523</u>	<u>\$ 4,465,438</u>	<u>\$ 3,034,198</u>	<u>\$ 6,415,505</u>

Note: Beginning fiscal year 2012, the term "net assets" was replaced by the term "net position" as a result of implementing GASB Statement 63. Also, the numbers were restated for 2011 to comply with GASB Statement 65. Numbers have not been restated for years prior to 2011.

2008	2007	2006	2005	2004	2003
\$ 35,180,227	\$ 32,609,337	\$ 29,778,524	\$ 28,437,339	\$ 28,338,607	\$ 22,558,382
30,904,112	28,996,517	23,891,430	22,191,785	21,682,995	18,936,997
11,785,783	11,503,649	11,430,314	10,887,342	10,679,084	12,620,889
4,506,001	3,107,421	3,498,580	3,907,168	4,843,119	2,950,695
1,925,416	2,211,960	1,746,590	1,261,046	593,825	302,557
84,301,539	78,428,884	70,345,438	66,684,680	66,137,630	57,369,520
2,360,640	1,962,402	1,715,142	1,732,388	1,669,724	1,776,900
201,464	224,855	151,663	275,669	457,960	326,652
2,562,104	2,187,257	1,866,805	2,008,057	2,127,684	2,103,552
\$ 86,863,643	\$ 80,616,141	\$ 72,212,243	\$ 68,692,737	\$ 68,265,314	\$ 59,473,072
\$ 7,782,162	\$ 8,723,667	\$ 6,096,759	\$ 5,697,334	\$ 5,343,411	\$ 6,968,245
11,124,802	8,720,283	5,844,881	5,962,719	5,851,326	5,667,794
3,685,802	3,317,563	3,530,513	3,448,422	3,595,731	4,973,169
42,990	32,024	54,370	70,271	63,831	-
10,479,540	10,450,647	9,673,000	9,639,704	9,675,331	5,985,271
611,539	358,648	803,373	197,572	1,379,475	123,537
33,726,835	31,602,832	26,002,896	25,016,022	25,909,105	23,718,016
2,255,855	1,936,108	1,672,955	1,817,493	1,695,141	1,668,078
671,473	560,210	389,859	526,314	614,810	578,157
2,927,328	2,496,318	2,062,814	2,343,807	2,309,951	2,246,235
\$ 36,654,163	\$ 34,099,150	\$ 28,065,710	\$ 27,359,829	\$ 28,219,056	\$ 25,964,251
\$ (50,574,704)	\$ (46,826,052)	\$ (44,342,542)	\$ (41,668,658)	\$ (40,228,525)	\$ (33,651,504)
365,224	309,061	196,009	335,750	182,267	142,683
\$ (50,209,480)	\$ (46,516,991)	\$ (44,146,533)	\$ (41,332,908)	\$ (40,046,258)	\$ (33,508,821)
\$ 42,848,970	\$ 38,961,134	\$ 29,234,230	\$ 28,392,647	\$ 27,041,508	\$ 26,260,406
15,949,104	16,052,114	14,856,146	12,896,727	11,688,594	11,301,183
858,912	1,437,070	1,243,491	1,259,879	284,699	108,766
-	-	1,351,627	1,379,336	1,263,659	2,090,425
78,391	-	295,070	319,116	3,754,080	-
266,000	327,206	279,143	288,947	193,867	820,535
60,001,377	56,777,524	47,259,707	44,536,652	44,226,407	40,581,315
14,932	10,059	6,947	4,302	10,517	11,563
-	-	-	-	-	-
(266,000)	(327,206)	(279,143)	(288,947)	(193,867)	(820,535)
(251,068)	(317,147)	(272,196)	(284,645)	(183,350)	(808,972)
\$ 59,750,309	\$ 56,460,377	\$ 46,987,511	\$ 44,252,007	\$ 44,043,057	\$ 39,772,343
9,426,673	9,951,472	2,917,165	2,867,994	3,997,882	6,929,811
114,156	(8,086)	(76,187)	51,105	(1,083)	(666,289)
\$ 9,540,829	\$ 9,943,386	\$ 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	2012	2011	2010	2009
General Fund				
Nonspendable:				
Inventories	\$ 53,364	\$ 58,900	\$ -	\$ -
Prepays and other	149,454	246,215	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	3,114,988	5,921,045	-	-
Unassigned	14,844,659	13,633,241	-	-
Total General Fund	\$ 18,162,465	\$ 19,859,401	\$ -	\$ -
All Other Governmental Funds				
Nonspendable:				
Inventories	\$ 603,230	\$ 569,577	\$ -	\$ -
Prepays and other	252,578	264,852	-	-
Restricted	6,423,979	20,499,016	-	-
Committed	171,429	410,194	-	-
Assigned	23,968,107	19,518,154	-	-
Total All Other Governmental Funds	\$ 31,419,323	\$ 41,261,793	\$ -	\$ -
General fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	19,820,821	16,298,104
Total general fund	\$ -	\$ -	\$ 19,820,821	\$ 16,298,104
All other governmental funds				
Reserved	\$ -	\$ -	\$ 800,804	\$ 725,764
Unreserved, reported in:				
Special revenue funds	-	-	29,477,885	37,791,322
Capital project funds	-	-	22,194,664	8,957,275
Debt service funds	-	-	4,395,721	4,128,494
Total all other governmental funds	\$ -	\$ -	\$ 56,869,074	\$ 51,602,855

Source: Davis County Balance Sheet(s) 2003-2012

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

Fund balance has not been restated for prior years.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>					
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>					
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18,286,835	11,055,808	6,590,777	5,807,312	5,886,202	4,263,391
<u>\$ 18,286,835</u>	<u>\$ 11,055,808</u>	<u>\$ 6,590,777</u>	<u>\$ 5,807,312</u>	<u>\$ 5,886,202</u>	<u>\$ 4,263,391</u>
\$ 673,274	\$ 1,410,031	\$ 2,381,568	\$ 2,297,203	\$ 1,558,978	\$ 2,200,669
9,602,582	7,147,748	5,200,972	5,281,840	6,220,721	4,106,126
5,622,782	10,870,068	16,873,682	19,693,243	1,824,925	9,744,995
3,683,485	2,383,060	2,242,130	3,555,213	3,628,393	3,296,051
<u>\$ 19,582,123</u>	<u>\$ 21,810,907</u>	<u>\$ 26,698,352</u>	<u>\$ 30,827,499</u>	<u>\$ 13,233,017</u>	<u>\$ 19,347,841</u>

DAVIS COUNTY

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

Fiscal Year	2012	2011	2010	2009
Revenues				
Taxes	\$ 62,714,686	\$ 61,601,396	\$ 58,989,801	\$ 57,598,744
Licenses, fees, and permits	317,417	249,767	252,732	245,852
Intergovernmental revenue	13,368,627	14,327,645	13,119,927	12,124,516
Charges for services	18,124,040	18,411,815	18,861,739	19,021,171
Fines and forfeitures	1,571,946	1,961,996	1,923,871	1,963,453
Interest	251,473	272,029	268,634	308,101
Other revenues	1,916,621	2,399,752	1,581,287	1,854,450
Total revenues	<u>98,264,810</u>	<u>99,224,400</u>	<u>94,997,991</u>	<u>93,116,287</u>
Expenditures				
General government	\$ 39,771,040	\$ 37,930,408	\$ 37,173,921	\$ 36,222,968
Public Safety	33,909,392	32,894,660	31,807,064	30,255,383
Public health	11,823,824	11,108,602	11,569,818	11,819,066
Public works	2,235,092	2,251,044	2,443,846	3,002,249
Capital Outlay	20,011,201	24,115,927	17,175,246	5,396,113
Debt Service				
Principal retirement	3,314,264	3,487,286	3,334,401	2,190,359
Interest and fiscal charges	3,504,374	3,875,229	2,967,283	1,764,389
Bond issuance costs	243,852	-	250,657	-
Total expenditures	<u>114,813,039</u>	<u>115,663,156</u>	<u>106,722,236</u>	<u>90,650,527</u>
Excess of revenues over (under) expenditures	(16,548,229)	(16,438,756)	(11,724,245)	2,465,760
Other Financing Sources (Uses)				
Proceeds from sale of Capital Assets	106,028	319,955	225,135	98,768
General obligation bonds issued	-	-	-	-
Sales tax revenue and Build America bonds issued	-	-	-	27,000,000
Refunding bonds issued	15,750,000	-	1,335,000	4,925,000
Premium on bonds issued	1,474,979	-	52,977	454,620
MBA Lease Rev./Recovery Zone bonds issued	-	-	19,600,000	-
Transfers in	17,885,646	13,996,946	17,546,652	22,397,614
Transfers out	(16,869,646)	(13,446,846)	(16,875,652)	(22,131,614)
Refunded bonds redeemed	-	-	(1,370,931)	-
Payment to refunded bond escrow agent	(17,121,128)	-	-	(5,178,147)
Total other financing sources (uses)	<u>1,225,879</u>	<u>870,055</u>	<u>20,513,181</u>	<u>27,566,241</u>
Net change in fund balances before special item	(15,322,350)	(15,568,701)	8,788,936	30,032,001
Special item	<u>3,782,944</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (11,539,406)</u>	<u>\$ (15,568,701)</u>	<u>\$ 8,788,936</u>	<u>\$ 30,032,001</u>
Debt service as a percentage of noncapital expenditures	7.2%	8.0%	7.0%	4.6%

Sources: Davis County Statement of Revenues, Expenditures, and Changes in Fund Balances 2003-2012

2008	2007	2006	2005	2004	2003
\$ 58,135,168	\$ 54,332,406	\$ 44,090,376	\$ 41,289,374	\$ 38,730,101	\$ 37,561,589
260,010	243,822	224,429	231,330	208,119	210,321
10,985,979	10,704,851	10,476,373	9,837,276	11,054,806	9,788,853
18,539,585	16,019,006	13,452,143	13,073,059	12,720,646	12,029,343
1,952,672	1,817,327	1,849,951	1,874,357	1,925,534	1,689,499
751,765	1,306,478	1,243,491	1,259,879	284,699	108,766
1,889,260	2,727,825	1,646,696	1,698,453	5,017,741	2,090,425
<u>92,514,439</u>	<u>87,151,715</u>	<u>72,983,459</u>	<u>69,263,728</u>	<u>69,941,646</u>	<u>63,478,796</u>
\$ 33,207,764	\$ 31,462,380	\$ 28,725,911	\$ 27,334,114	\$ 27,049,891	\$ 21,734,986
28,412,212	27,580,416	22,717,685	20,982,358	19,732,326	17,968,775
11,374,251	11,417,388	11,306,187	10,772,189	10,468,495	12,492,436
2,660,187	2,571,468	2,586,915	2,811,279	3,335,276	1,954,701
8,086,052	11,101,771	18,411,177	11,277,186	11,370,712	3,880,010
2,133,508	2,076,281	1,746,590	2,398,911	593,825	302,557
2,001,272	1,884,238	2,694,820	1,261,046	2,077,000	1,640,000
-	-	-	-	-	-
<u>87,875,246</u>	<u>88,093,942</u>	<u>88,189,285</u>	<u>76,837,083</u>	<u>74,627,525</u>	<u>59,973,465</u>
4,639,193	(942,227)	(15,205,826)	(7,573,355)	(4,685,879)	3,505,331
97,050	192,607	-	-	-	-
-	-	-	24,800,000	-	-
-	-	9,955,000	-	-	9,070,943
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,626,000	-	-	-
13,360,616	16,111,204	10,894,556	9,563,216	9,344,377	7,382,881
(13,094,616)	(15,783,998)	(10,615,412)	(9,274,269)	(9,150,511)	(6,562,345)
-	-	-	-	-	-
-	-	-	-	-	-
<u>363,050</u>	<u>519,813</u>	<u>11,860,144</u>	<u>25,088,947</u>	<u>193,866</u>	<u>9,891,479</u>
5,002,243	(422,414)	(3,345,682)	17,515,592	(4,492,013)	13,396,810
-	-	-	-	-	-
<u>\$ 5,002,243</u>	<u>\$ (422,414)</u>	<u>\$ (3,345,682)</u>	<u>\$ 17,515,592</u>	<u>\$ (4,492,013)</u>	<u>\$ 13,396,810</u>
5.2%	5.1%	6.4%	5.6%	4.2%	3.5%

DAVIS COUNTY

STATISTICAL SCHEDULE 5

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

<u>December 31,</u>	<u>Residential Property</u>	<u>Commercial and Industrial Property</u>	<u>Agricultural Property</u>	<u>Mobile and Personal Property</u>	<u>Centrally Assessed Property</u>
2012	\$ 10,124,228,191	\$ 3,583,071,829	\$ 119,949,215	\$ 1,471,722,453	\$ 502,545,497
2011	10,127,751,543	3,507,953,650	117,895,470	1,441,813,546	485,292,602
2010	10,657,206,804	3,717,208,859	144,417,417	1,185,481,355	493,463,739
2009	11,031,774,065	3,622,873,532	157,847,356	1,307,517,190	412,551,226
2008	11,483,109,031	3,649,547,749	195,089,731	1,206,790,087	370,416,894
2007	9,955,671,253	2,820,842,899	123,379,683	1,059,363,010	321,003,481
2006	8,026,810,761	2,690,159,809	129,163,796	860,077,858	307,995,999
2005	7,154,484,948	2,502,244,227	119,545,034	815,598,806	298,195,675
2004	6,718,404,694	2,362,239,405	108,938,108	773,550,267	291,289,246
2003	6,382,795,657	2,144,646,116	98,904,499	831,024,706	329,341,180

Source: Davis County Assessor's Office.

<u>Fee in lieu property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Market Value</u>	<u>Ratio of Taxable Assessed Value to Estimated Market Value</u>
\$ 1,174,052,533	\$ 15,801,517,185	0.002787	\$ 24,023,945,974	65.8%
1,192,245,935	15,680,706,811	0.002775	25,595,666,942	61.3%
1,219,363,049	16,197,778,174	0.002576	25,058,738,383	64.6%
1,361,982,489	16,532,563,369	0.002456	25,477,711,753	64.9%
1,353,063,017	16,904,953,492	0.002329	26,372,578,441	64.1%
1,347,035,643	14,280,260,326	0.002564	22,432,352,520	63.7%
1,277,851,892	12,014,208,223	0.002142	18,457,991,962	65.1%
1,237,153,267	10,890,068,690	0.002347	17,135,120,877	63.6%
1,201,209,533	10,254,421,720	0.002549	15,667,356,241	65.5%
1,384,801,667	9,786,712,158	0.002556	14,509,725,213	67.4%

DAVIS COUNTY

STATISTICAL SCHEDULE 6

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

Fiscal year	2012	2011	2010	2009	2008
County direct rates					
County Basic Rate	0.001977	0.001960	0.001817	0.001739	0.001653
General Obligation Debt Service	0.000131	0.000137	0.000128	0.000126	0.000123
County Assess & Collect	0.000115	0.000114	0.000106	0.000101	0.000100
State Assess & Collect	0.000168	0.000172	0.000162	0.000142	0.000121
County Library	0.000396	0.000392	0.000363	0.000348	0.000332
Total direct rate	0.002787	0.002775	0.002576	0.002456	0.002329
County school districts' rates					
Davis County School District	0.007290	0.007270	0.006365	0.005685	0.005514
City Rates					
Bountiful	0.001094	0.001093	0.001037	0.000948	0.000903
Centerville	0.001165	0.001173	0.001102	0.000997	0.000923
Clearfield	0.001800	0.001800	0.001548	0.001548	0.001548
Clinton	0.001871	0.001866	0.001752	0.001729	0.001623
Farmington	0.002269	0.002283	0.002109	0.002051	0.001982
Fruit Heights	0.002054	0.002071	0.002006	0.001845	0.001925
Kaysville	0.001028	0.001035	0.000987	0.000907	0.000829
Layton	0.002084	0.002068	0.001933	0.001876	0.001771
North Salt Lake	0.001637	0.001637	0.001520	0.001396	0.001258
South Weber	0.000998	0.000927	0.000827	0.000840	0.000883
Special Service Area	0.000901	0.000918	0.000899	0.000844	0.000794
Sunset	0.002492	0.002297	0.002138	0.001483	0.001253
Syracuse	0.001832	0.001821	0.001631	0.001613	0.001500
West Bountiful	0.001951	0.001997	0.001366	0.001384	0.001204
West Point	0.001111	0.001008	0.000936	0.000876	0.000895
Woods Cross	0.001058	0.001049	0.000840	0.000690	0.000646
Overlapping Rates					
Weber Basin Water	0.000215	0.000217	0.000207	0.000188	0.000181
Mosquito Abatement	0.000105	0.000104	0.000097	0.000093	0.000088
North Davis Sewer	0.000993	0.000928	0.000864	0.000763	0.000763
Bountiful Irrigation	0.000131	0.000130	0.000122	0.000113	0.000110
South Davis Water	0.000253	0.000248	0.000240	0.000243	0.000228
Central Davis Sewer	0.000237	0.000237	0.000227	0.000212	0.000200
South Davis Sewer	0.000330	0.000329	0.000315	0.000290	0.000270
Benchland Water	0.000488	0.000483	0.000451	0.000427	0.000408
Hooper Water	0.000455	0.000433	0.000404	0.000396	0.000379
South Weber Water	0.000000	0.000000	0.000000	0.000000	0.000000
Central Weber Sewer	0.000880	0.000854	0.000833	0.000811	0.000800
South Davis Recreation	0.000399	0.000407	0.000379	0.000356	0.000340
North Davis Fire	0.001467	0.001316	0.001148	0.001194	0.001179

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.

2007	2006	2005	2004	2003
0.001863	0.001424	0.001501	0.001695	0.001700
0.000142	0.000108	0.000175	0.000169	0.000168
0.000063	0.000068	0.000072	0.000073	0.000073
0.000121	0.000139	0.000173	0.000180	0.000181
0.000375	0.000403	0.000426	0.000432	0.000434
0.002564	0.002142	0.002347	0.002549	0.002556
0.005865	0.005790	0.005964	0.006021	0.005906
0.000912	0.001119	0.001194	0.001231	0.001223
0.001233	0.001349	0.001436	0.001459	0.001470
0.001580	0.001580	0.002980	0.002980	0.002916
0.001906	0.001955	0.002087	0.002163	0.002250
0.002000	0.002149	0.002336	0.002426	0.002443
0.001959	0.001980	0.001980	0.001989	0.001918
0.000925	0.001004	0.001519	0.001600	0.001626
0.002047	0.002092	0.002134	0.002092	0.002161
0.001459	0.001546	0.001645	0.001652	0.001627
0.001057	0.001126	0.001166	0.001201	0.001189
0.000869	0.000940	0.000940	0.000972	0.000843
0.001209	0.001108	0.001147	0.001174	0.001158
0.001500	0.001043	0.001043	0.001043	0.001047
0.001457	0.001500	0.001482	0.001475	0.001372
0.000834	0.000909	0.001539	0.001555	0.001548
0.000833	0.000880	0.000923	0.000949	0.000966
0.000200	0.000178	0.000193	0.000198	0.000196
0.000099	0.000086	0.000091	0.000093	0.000094
0.000763	0.000763	0.000763	0.000763	0.000763
0.000115	0.000139	0.000147	0.000153	0.000152
0.000236	0.000298	0.000316	0.000318	0.000318
0.000220	0.000234	0.000259	0.000271	0.000275
0.000305	0.000341	0.000357	0.000366	0.000364
0.000421	0.000450	0.000508	0.000518	0.000527
0.000404	0.000474	0.000455	0.000547	0.000469
0.000000	0.000000	0.000000	0.000000	0.000597
0.000519	0.000573	0.000567	0.000552	0.000574
0.000390	0.000441	0.000536	n/a	n/a
0.001400	0.001400	n/a	n/a	n/a

DAVIS COUNTY

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

Taxpayers	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value \$15,801,517,185	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value \$9,786,712,158
Chevron U.S. Inc	\$ 418,607,825	1	2.65%	\$ 100,063,031	3	1.02%
PacifiCorp	192,792,820	2	1.22%	66,054,691	5	0.67%
Freeport Center Associates	190,774,128	3	1.21%	119,647,079	1	1.22%
Woods Cross Refining Comp - LLC	174,920,494	4	1.11%	45,264,621	10	0.46%
LHM Utah LLC	96,375,334	5	0.61%	88,491,195	4	0.90%
ATK Aerospace	88,435,749	6	0.56%	n/a	n/a	n/a
Big West Oil	81,540,839	7	0.52%	59,356,628	7	0.61%
Wal-Mart Real Estate Business Trust	78,134,783	8	0.49%	n/a	n/a	n/a
Smith's Food King Properties	75,418,013	9	0.48%	62,665,925	6	0.64%
Questar Gas	74,432,686	10	0.47%	n/a	n/a	n/a
Albertson's	n/a	n/a	n/a	57,178,356	8	0.58%
Lifetime Products	n/a	n/a	n/a	46,893,503	9	0.48%
Qwest Communications	n/a	n/a	n/a	102,832,888	2	1.05%
Totals	<u>\$ 1,471,432,671</u>		<u>9.32%</u>	<u>\$ 748,447,917</u>		<u>7.63%</u>

Source: Davis County Clerk/Auditor's Office.

DAVIS COUNTY

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

Year Ended December 31,	Taxes Levied for the Year	Collected within the Fiscal Year of Levy		Collections of Previous Years Taxes	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 31,885,077	\$ 29,858,919	93.6%	\$ 1,162,950	\$ 31,021,869	97.3%
2011	31,526,528	29,202,258	92.6%	1,660,659	30,862,917	97.9%
2010	30,395,866	27,831,487	91.6%	1,472,074	29,303,561	96.4%
2009	29,768,232	27,701,054	93.1%	1,325,097	29,026,152	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%

Source: Davis County Treasurer's Office.

DAVIS COUNTY

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

December 31,	Governmental Activities						Percentage of Personal Income(1)	Per Capita(1)
	General Obligation Bonds	Revenue Bonds	Municipal Building Revenue Bonds	Lease/ Purchase line of credit	Total Primary Government			
2012	\$ 20,555,240	\$ 38,846,199	\$ 21,371,941	\$ -	\$ 80,773,380	0.7%	\$ 254	
2011 (2)	19,805,000	40,645,555	21,542,732	358,264	82,351,551	0.8%	264	
2010	20,835,000	41,830,086	21,685,028	981,550	85,331,664	0.8%	277	
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	

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

Notes:

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

DAVIS COUNTY

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

<u>December 31,</u>	<u>General Obligation Bonds</u>	<u>Adjusted Taxable Valuation</u>	<u>Less Amount In Debt Service Reserves</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Population</u>	<u>Per Capita</u>
2012	20,555,240	\$ 15,801,517,185	\$ -	0.13%	318,073	\$ 65
2011	19,805,000	15,680,706,811	-	0.13%	311,811	64
2010	20,835,000	16,197,778,174	-	0.13%	307,806	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

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, 2012

Taxing Entity	2012 Year-End Taxable Valuation 1	County's Portion of Taxable Valuation	County's Percentage	Entity's Outstanding G.O. Debt	Davis County Overlapping Debt
Overlapping:					
State of Utah	\$ 191,694,668,745	\$ 15,680,706,811	8.2%	\$ 3,225,435,000	\$ 264,485,670
Davis County School District	15,801,517,185	15,801,517,185	100.0%	419,175,000	419,175,000
Total Overlapping G.O. Debt					<u>683,660,670</u>
Underlying:					
Weber Basin Water Conservatory District 2,3	41,509,981,607	15,800,190,418	38.1%	26,749,898	10,191,711
Clearfield City 3	1,357,037,662	1,357,037,662	100.0%	7,895,000	-
Farmington City	1,046,556,675	1,046,556,675	100.0%	4,043,000	4,043,000
South Davis Recreation District 4	5,963,995,620	5,963,995,620	100.0%	14,185,000	14,185,000
West Bountiful City 3	492,459,341	492,459,341	100.0%	225,000	-
North Salt Lake City 3	1,343,834,037	1,343,834,037	100.0%	3,650,000	-
North Davis County Sewer District	8,245,878,359	7,027,243,613	85.2%	40,791,000	34,753,932
Total Underlying					<u>63,173,643</u>
Total Overlapping & Underlying Debt					<u>\$ 746,834,313</u>
Total Overlapping Debt (Excluding the State) 5					\$ 419,175,000
Total Direct Debt					80,773,380
Total Direct and Overlapping Debt (Excluding the State) 5					<u>\$ 499,948,380</u>
Total Underlying Debt					\$ 63,173,643
Total Direct Debt					80,773,380
Total Direct and Underlying Debt					<u>\$ 143,947,023</u>
Total Overlapping & Underlying Debt (Excluding the State) 5					\$ 482,348,643
Total Direct Debt					80,773,380
Total Direct, Overlapping and Underlying Debt (Excl. the State) 5					<u>\$ 563,122,023</u>

Notes:

- 1 Values are preliminary and subject to change. Taxable values used in this table excludes the taxable value used to determine uniform fees on tangible personal property.
- 2 The Weber Basin Water Conservatory District covers all of Morgan County, most of the County and Weber Counties, and portions of Box Elder and Summit Counties. Principal and interest on WBWCD general obligation bonds are paid from sales of water. WBWCD bonds are 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

<u>Fiscal Year</u>	<u>Estimated Actual Market Value</u>	<u>Debt Limit</u>	<u>Total net debt applicable to limit</u>	<u>Legal debt margin</u>	<u>Total net debt applicable to the limit as a percentage of debt limit</u>
2012	\$ 24,023,945,974	480,478,919	\$ 20,555,240	459,923,679	4.28%
2011	25,595,666,942	511,913,339	19,805,000	492,108,339	3.87%
2010	25,058,738,383	501,174,768	20,835,000	480,339,768	4.16%
2009	25,477,711,753	509,554,235	21,835,000	487,719,235	4.29%
2008	26,372,578,441	527,451,569	22,805,000	504,646,569	4.32%
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%

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 PLEGGED - REVENUE COVERAGE LAST TEN FISCAL YEARS

Fiscal Year Ended December 31,	Lease Revenue Bonds				Sales Tax Revenue Bonds			
	Lease Revenue Collection	Principal	Interest	Coverage	Total Pledged Taxes	Principal	Interest	Coverage
2012	70,864	61,000	9,864	100%	12,015,480	1,730,000	1,830,120	338%
2011	94,578	59,000	35,578	100%	11,183,227	1,680,000	1,875,032	315%
2010	135,675	55,000	80,675	100%	10,411,345	1,630,000	1,948,808	291%
2009	293,516	167,000	126,516	100%	10,161,709	575,000	635,632	839%
2008	350,713	212,000	138,713	100%	11,484,426	565,000	770,318	860%
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%	-	-	-	-

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

DAVIS COUNTY

STATISTICAL SCHEDULE 14 DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population</u>	<u>Births</u>	<u>Deaths</u>	<u>Personal Income</u>	<u>Per Capita Personal Income*</u>	<u>Unemployment Rate</u>	<u>Total Public School Enrollment</u>
2012	318,073	5,844	1,544	n/a	n/a	5.3%	68,342
2011	311,811	5,704	1,514	10,836,991,305	34,755	6.2%	71,232
2010	307,806	5,799	1,329	10,409,075,502	33,817	6.7%	66,019
2009	307,656	6,069	1,339	10,184,644,224	33,104	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

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

* Note: 2012 per capita personal income, and personal income information was not available at the time this was released.

DAVIS COUNTY

STATISTICAL SCHEDULE 15

PRINCIPAL EMPLOYERS

PRIOR YEAR AND NINE YEARS AGO

Employer	2011			2003		
	Employees	Rank	Percentage of Total County Employment (134,583)	Employees	Rank	Percentage of Total County Employment (122,587)
Hill Air Force Base	10,000 - 14,999	1	11.1%	15,000 - 25,000	1	20.4%
Davis County School District	7,000 - 9,999	2	7.4%	5,000 - 7,000	2	5.7%
Walmart	1,000 - 1,999	3	1.5%	250 - 499	n/a	0.4%
Lifetime Products	1,000 - 1,999	4	1.5%	1,000 - 1,999	3	1.6%
Lagoon Inc	1,000 - 1,999	5	1.5%	500 - 999	6	0.8%
Smith's Marketplace Dist./Kroger	500 - 999	6	0.7%	1,000 - 1,999	4	1.6%
ATK Space Systems / Alliant	500 - 999	7	0.7%	250 - 499	n/a	0.4%
Davis County	500 - 999	8	0.7%	500 - 999	5	0.8%
Utility Trailer & Manufacturing	500 - 999	9	0.7%	500 - 999	7	0.8%
Davis Hospital and Medical Center	500 - 999	10	0.7%	500 - 999	11	0.8%
Albertson's	n/a	n/a	0.0%	500 - 999	8	0.8%
Amusement Services	n/a	n/a	0.0%	500 - 999	9	0.8%
Associates Commerce Solutions	n/a	n/a	0.0%	500 - 999	10	0.8%
Totals	22,500 - 35,990		26.5%	26,000 - 43,989		35.7%

Source: Utah Department of Workforce Services

Note: 2012 data was not available at the time this report was issued. Number of employees is based upon an annual average.

DAVIS COUNTY

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

Function/Program	Full-Time Equivalent Employees as of December 31,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government										
Commission	5	5	5	5	5	5	5	5	5	5
Justice Court	10	11	10	8	9	8	8	8	8	8
Personnel	10	7	7	7	8	6	8	8	8	8
Info Systems	31	30	30	29	29	29	27	24	24	24
Clerk/Auditor	26	24	24	23	24	21	22	22	21	17
Treasurer	4	4	4	4	4	5	4	4	5	5
Recorder	18	18	18	17	19	19	20	19	18	18
Attorney	43	40	38	39	41	40	37	38	41	39
Assessor	38	37	38	39	36	35	31	31	31	34
Surveyor	6	6	6	6	6	6	6	6	5	5
Tax Administration	5	5	4	5	n/a	n/a	n/a	n/a	n/a	n/a
Senior Services	29	31	32	32	33	31	32	33	33	33
Weatherization	17	19	16	12	9	n/a	n/a	n/a	n/a	n/a
Public Safety										
Sheriff's Officers	133	128	131	130	130	129	125	124	124	119
Correction's Officers	184	185	186	186	183	183	128	108	108	106
Animal Control	27	27	27	26	24	24	23	23	23	23
911-Emergency	21	22	22	21	21	19	23	25	25	24
Health/Nursing										
WIC Program	13	13	13	13	8	9	9	12	12	13
Epidimiology	8	8	7	6	6	3	3	3	3	2
Administration	8	9	9	8	8	7	7	7	7	7
I & M	24	28	29	29	29	29	29	28	28	28
Environmental	16	16	15	16	16	15	15	14	14	12
Nursing	14	12	12	12	29	35	42	42	42	43
Promotion	5	4	5	5	5	5	6	7	7	7
BT/MRC	4	4	4	4	4	n/a	n/a	n/a	n/a	n/a
Redevelopment										
Community and Economic Development	4	4	4	4	4	8	8	7	7	7
Planning	5	5	4	4	4	n/a	n/a	n/a	n/a	n/a
Parks and recreation										
Valley View Golf Course	16	17	18	25	24	16	18	20	20	20
Davis Park Golf Course	13	13	15	21	20	18	19	17	17	17
Events Center	9	11	14	14	13	14	15	14	14	13
Library										
Library	84	84	84	94	89	88	88	73	73	73
Public Works										
Public Works	28	29	29	29	28	26	28	27	27	27
Facilities Management										
Facilities Management	29	29	28	29	26	27	28	13	13	14
Total	887	885	888	902	894	860	814	762	763	751

Source: Davis County Personnel Department

The changes in total County employees for 2010 - 2012 is due to actual hours worked by department divided by 2080 hours, instead of part-time equivalent ratio's.

DAVIS COUNTY

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

Function/Program	Fiscal Year 2012	Fiscal Year 2011	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	5,454	5,165	4,684	4,310	3,929	2,295	3,201	2,512	1,986
Circuit Breaker Abatements	964	949	960	985	957	949	949	923	931
Blind Abatements	123	147	157	149	153	163	169	158	160
Indigent Abatements	163	174	172	140	141	118	152	149	146
Treasurer									
Number of Tax Notices Sent	97,436	97,202	96,956	96,307	95,221	92,426	90,296	87,102	83,592
Recorder									
Number of Recordings	75,848	58,756	73,504	89,770	82,145	99,029	97,174	92,861	96,386
Sheriff									
Traffic Citations	5,129	5,637	6,010	6,896	5,779	5,507	7,000	6,510	n/a
DUIs	175	158	221	239	352	402	277	241	196
Arrests	1,471	1,363	1,346	1,588	1,580	1,748	n/a	n/a	n/a
E-911 phone calls	139,699	138,802	124,502	133,733	141,086	249,167	249,641	248,212	235,307
Average number of inmates	727	755	642	726	730	712	499	513	497
Senior Services									
Total Meals Delivered	141,980	145,903	157,974	154,250	152,042	150,987	141,978	145,293	144,691
Health/Nursing									
Client Count	11,890	9,613	11,495	17,645	17,130	24,268	26,576	22,949	19,922
Number of Immunizations	16,456	15,628	15,303	18,517	16,433	23,826	21,728	25,752	23,081
Weatherization									
Homes Serviced	162	214	230	153	108	108	138	180	93
Library									
Items Loaned	2,807,144	2,817,866	2,843,728	2,753,295	2,537,384	2,386,571	2,195,623	1,942,386	1,810,111
Materials Held	714,722	716,289	690,803	675,184	653,349	647,332	620,507	518,294	504,745
Registered Users	168,062	171,254	185,051	187,639	169,981	160,217	156,489	147,150	142,291
Golf Course									
Rounds	158,395	143,542	150,487	151,217	150,146	167,872	144,092	156,276	157,249

Source: Various Departments of Davis County

Information before 2004 not available

DAVIS COUNTY

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

Function/Program	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007	Fiscal Year 2006
General							
Buildings	4	3	3	3	3	3	3
Total Square Footage	157,585	59,560	59,560	59,560	59,560	59,560	54,160
Vehicles	25	30	33	34	31	22	18
Golf Courses							
Acres	280	280	280	280	280	280	280
Number of Buildings	5	5	5	5	5	5	5
Total Square Footage	27,072	27,072	27,072	27,072	24,104	24,104	24,104
Vehicles	7	6	7	7	7	8	7
Events Centers							
Number of Buildings	12	11	11	11	11	11	4
Total Square Footage	147,209	142,982	142,982	142,982	142,982	142,982	118,400
Vehicles	5	5	6				
Public Libraries							
Number of Library Buildings	7	6	6	6	6	6	6
Total Square Footage	110,704	96,203	96,203	96,203	96,203	96,203	96,203
Vehicles	1	1	2	2	2	2	2
Conference Center (Sq. Ft.)							
	41,000	41,000	41,000	41,000	41,000	41,000	41,000
Health/Nursing							
Number of Buildings	5	5	6	5	5	5	5
Total Square Footage	85,520	85,520	123,216	56,663	56,663	56,663	56,663
Vehicles	22	22	1	1	1	1	1
Sheriff/Corrections							
Number of Buildings	4	4	3	3	3	3	3
Total Square Footage	325,472	325,472	259,074	259,074	259,074	259,074	259,074
Sheriff Vehicles	93	92	124	121	122	106	102
Animal Control							
Animal Control Square Footage	12,577	12,577	14,033	14,033	14,033	14,033	14,033
Animal Control Vehicles	18	18	20	20	20	19	16
Floods							
Number of Channels	24	24	24	24	24	24	24
Miles of Stream Channels	198	198	198	198	198	198	198
Miles of Stream Bank	400	400	400	400	400	400	400
Senior Services							
Number of Senior Centers	3	3	2	2	2	2	2
Total Square Footage	36,511	36,511	50,732	50,732	50,732	50,732	50,732
Vehicles	25	25	37	36	32	35	28
Public Works							
Number of Buildings	6	6	6	6	6	6	6
Total Square Footage	32,052	32,052	32,052	32,052	32,052	32,052	32,052
Vehicles	30	30	46	47	45	45	46

Source: Various Departments of Davis County

Information before 2006 not available

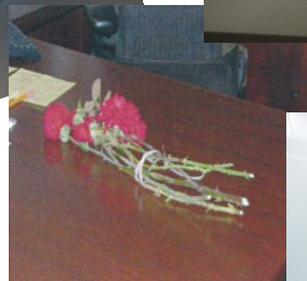
Trailers and ATVs were not counted in the vehicle totals for 2011-2012



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IV. Single Audit Section

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61 South Main Street
Farmington UT 84025



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

The Board of County Commissioners
Davis County, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, 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, 2012, and the related notes to the financial statements, which collectively comprise Davis County's basic financial statements, and have issued our report thereon dated May 30, 2013.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

Purpose of this Report

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

Christensen, Palmer & Ambrose P.C.

May 30, 2013



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

The Board of County Commissioners
Davis County, Utah

Report on Compliance for Each Major Federal Program

We have audited Davis County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Davis County's major federal programs for the year ended December 31, 2012. Davis County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Davis County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Davis County's compliance.

Opinion on Each Major Federal Program

In our opinion, Davis County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of Davis County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Davis County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Christensen, Palmer & Ambrose P.C.

DAVIS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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, 2012 are as follows:

Program	CFDA#	Expenditures
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	\$ 4,493,916
Community Development Block Grants/Entitlement Grants	14.218	460,796
Weatherization Assistance for Low-Income Persons	81.042	116,665
ARRA-Weatherization Assistance for Low-Income Persons	81.042	684,856
Low-Income Home Energy Assistance Program	93.568	613,069

8. A threshold of \$312,088 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, 2012**

(Page 1 of 2)

Federal Grantor Agency Pass Through Grantor Program Title	Federal CFDA Number	Grant Numbers	2012 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	None as h	3,427,599
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	10.557	12-0798, 13-1762	1,066,317
Summer Food Service Program for Children	10-559	12-0378	800
Total U.S. Department of Agriculture			<u>\$ 4,494,716</u>
U.S. Department of Commerce			
Passed through Utah State Department of Public Safety:			
Public Safety Interoperable Communications Grant Program	11.555	2007DEM-PSIC	<u>10,000</u>
Total U.S. Department of Commerce			<u>\$ 10,000</u>
Corporation for National and Community Service			
Retired and Senior Volunteer Program	94.002	12SRP UT003	<u>4,641</u>
Total Corporation for National and Community Service			<u>\$ 4,641</u>
U.S. Department of Health and Human Services			
Passed through Utah State Department of Health:			
Innovations in Applied Public Health Research	93.061	12-1931	5,000
Public Health Emergency Preparedness	93.069	13-0761	128,667
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	12-1921	4,584
Injury Prevention and Control Research and State and Community Based Programs	93.136	13-1526	778
Immunization Cooperative Agreements	93.268	12-1921	70,239
CDC_Investigations, Technical Assistance	93.283	12-1024, 12-1246 13-1526	258,558
CDC_Affordable Care Act-Communities Putting Prevention to Work	93.520	12-1246	6,150
ELC/EIP-2012 Prevention and Public Health Fund & other Capacity-Blding Activities	93.521	12-1921, 12-2034	34,796
Comm. Transformation Grants and Nat. Dissemination and Support for Comm. Transformation Grants	93.531	12-1246, 13-1526	42,515
Prevention and Public Health Funds Affordable Care Act-Immunization Program	93.539	13-1527, 13-1528	48,086
Coordinated Chronic Disease Prevention And Health Promotion Program	93.544	12-1246, 13-1526	11,997
ARRA - Prevention and Wellness-State, Territories and Pacific Islands	93.723	11-2175	15,792
ARRA - Communities Putting Prevention to Work: Chronic Disease Self-Mgmt Program	93.725	11-1143	2,500
Medical Assistance Program	93.778	12-0268, 12-0903 13-0507, 13-0525	38,188
National Bio terrorism Hospital Preparedness Program	93.889	12-0856	10,000
HIV Prevention Activities, Health Department Based	93.940	11-0701, 12-1921	91,150
Preventive Health Services, Sexually Transmitted Diseases Control Grants	93.977	12-1921	4,400
Preventive Health and Health Services Block Grant	93.991	12-1246, 13-1526	57,629
Maternal and Child Health Services Block Grant to the States (MCH Block Grants)	93.994	12-0865, 12-1246 13-1448	115,924
Passed through Utah State Department of Human Services:			
State Grants for Long Term Care Ombudsman Services	93.042	12-0267, 13-0780	17,608
Title III, Part D, Disease Prevention and Health Promotion Services	93.043	11-0404, 12-0267	4,556
Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	12-0267, 13-0780	127,509
Title III, Part C, Nutrition Services	93.045	12-0267, 13-0780	242,275
Title IV_and Title II Discretionary Projects	93.048	12-0267, 13-0780	28,530
National Family Caregiver Support, Title III, Part E	93.052	12-0267, 13-0780	56,816
Nutrition Services Incentive Program	93.053	11-0404, 13-0780	70,890
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	12-2387	41,142
Social Services Block Grant	93.667	12-0623	123,986
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	93.779	11-0404, 12-0267	32,495
Block Grants for Community Mental Health Services	93.958	09-2446, 12-2387 12-2434	238,944
Block Grants for Prevention and Treatment of Substance Abuse	93.959	09-2366, 12-2387	1,689,807
Passed through Utah State Department of Workforce Services			
Low-Income Home Energy Assistance	93.568	11-2602, 12-2369	<u>613,069</u>
Total U.S. Department of Health and Human Services			<u>\$ 4,234,560</u>

See notes to supplementary schedule of federal financial assistance.

DAVIS COUNTY

**SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

(Page 2 of 2)

Federal Grantor Agency Pass Through Grantor Program Title	Federal CFDA Number	Grant Numbers	2012 Expenditures (Modified Accrual Basis)
Department of Homeland Security			
Passed through Utah State Department of Public Safety:			
Homeland Security Grant Program	97.067		11,201
Emergency Management Performance Grants	97.042		50,000
Total Department of Homeland Security			<u>\$ 61,201</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grant	14.218		460,796
Total Department of Housing and Urban Development			<u>\$ 460,796</u>
U.S. Department of Justice			
State Criminal Alien Assistance Program	16.606		59,535
Joint Law Enforcement Operations Task Force	MOU		5,388
Passed through Utah State Office for Victims of Crime:			
Sexual Assault Services Formula Program	16.017	I2VOCA17, I2VOCA18	57,213
Passed through Utah State Dept. of Public Safety:			
Enforcing Underage Drinking Laws Program	16.727	J1107	16,198
Passed through Utah State Commission on Criminal and Juvenile Justice:			
Crime Victim Assistance	16.575	I1VOCA16, I1VOCA175	54,069
Edward Byrne Memorial Justice Assistance Grant Program	16.738	11A116	5,383
Passed through Office of The Attorney General:			
Missing Children's Assistance	16.543	MOU	4,201
Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers	16.758	FARM-UT-P III	10,000
Total U.S. Department of Justice			<u>\$ 211,987</u>
U.S. Department of Labor			
Passed through Utah State Department of Social Services:			
Senior Community Service Employment Program	17.235	10-0336, 13-0780	25,554
U.S. Department of Energy			
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	8.128		32,009
Passed through Utah State Department of Community and Culture:			
ARRA - Weatherization Assistance for Low Income Persons	8.1042	10-0009	684,856
Weatherization Assistance for Low Income Persons	8.1042	12-2371, 13-1196	116,665
Total U.S. Department of Energy			<u>\$ 833,530</u>
Environmental Protection Agency			
Passed through Utah State Department of Environmental Quality:			
Capitalization Grants for Drinking Water State Revolving Fund	66.468	12-0426, 13-0468	14,379
Performance Partnership Grants	66.605	12-0426, 13-0468	5,534
Total Environmental Protection Agency			<u>\$ 19,913</u>
U.S. Department of Transportation			
Passed through Utah State Department of Public Safety:			
State and Community Highway Safety	20.600	CP120201	25,528
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	K8110306, K8120306	19,474
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HLS-2012-LEPC	1,042
Total U.S. Department of Transportation			<u>\$ 46,044</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 10,402,942</u>

See notes to supplementary schedule of federal financial assistance.

DAVIS COUNTY
NOTES TO SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

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, 2012. 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 position, or cash flows of Davis County.
2. ***Summary of Significant Accounting Policies*** –
 - a. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 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.