Comprehensive Annual Financial Report of Davis County, Utah

FOR THE YEAR ENDED DECEMBER 31, 2004

Davis Conference Center, Layton, Utah

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF

DAVIS COUNTY, UTAH

For the Year Ended December 31, 2004

Prepared by:

Davis County Clerk / Auditor's Office

Steve S. Rawlings, CGFM
Clerk / Auditor

Carl Allen, CPA, CGFM
Chief Deputy/Administration

Jonathan Lee, MBA, CPA
Chief Deputy/Finance

DAVIS COUNTY, UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2004

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Davis County

COUNTY CLERK/AUDITOR
Steve S. Rawlings, CGFM

June 15, 2005

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

This letter introduces the Comprehensive Annual Financial Report (CAFR) of Davis County (the County) for the year ended December 31, 2004. The County's CAFR is prepared by the County Clerk/Auditor's Office. Technical assistance is provided by our independent auditors, Crane, Christensen & Ambrose P.C.

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

We believe the information in this CAFR is accurate in all material respects and presents fairly the financial position and the results of operations of the County in accordance with generally accepted accounting principles (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.

This CAFR is organized into four main sections: Introductory, Financial, Statistical, and Single Audit. The *INTRODUCTORY SECTION* contains this letter of transmittal and organizational charts of the County. The *FINANCIAL SECTION* includes the independent auditors' report, basic financial statements, required supplemental information, combining and individual fund and account group statements, and supplemental information. The *STATISTICAL SECTION* presents data of an accounting and non-accounting nature to assist in obtaining an understanding of the County by highlighting financial status, trends, and socioeconomic information. The *SINGLE AUDIT SECTION* includes the additional financial statements, supplemental schedules, independent auditors' report, and supplemental reports as required by the Single Audit Act of 1984 and by the U.S. Office of Management and Budget Circular A-133.

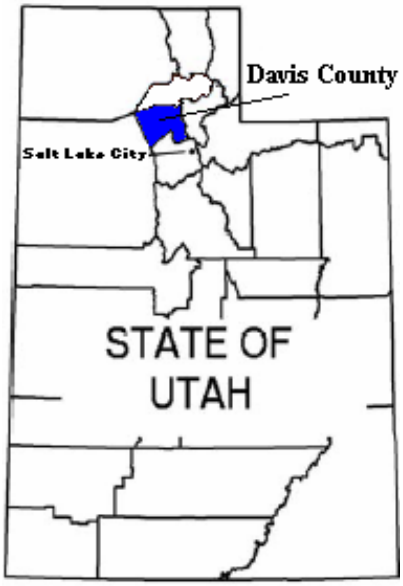
Management's Discussion and Analysis (MD&A). The discussion and analysis beginning on page 19 provides an overview and analysis of the County's Basic Financial Statements. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

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

Federal regulations also require the County to undergo an annual "Single Audit" in conformance 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.

PROFILE OF THE COUNTY

For those who may be unfamiliar with the County, we offer a brief introduction. Davis County is Utah's smallest county in land area. It is a narrow strip of land containing only 223 square miles. It is the third largest county in population. An estimated 269,000 residents live in the County's fifteen communities. Frequented by Shoshone Indians during historic times, the area was among the first settled by members of The Church of Jesus Christ of Latter-day Saints who arrived in the Great Salt Lake Valley in 1847. The lush lake-bottom pastures, fertile soils of the bench lands, and streams flowing out of the high Wasatch Mountains on the east attracted early settlers, who established small farms and close-knit communities. These early settlers established schools, built homes and churches, and created productive farms and shops.



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

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

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

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 doubled again, from 65,000 to 147,000. By 1990 the population had reached 188,000 and the 2000 census recorded 238,994. Being the fastest growing of the four major urban communities along the Wasatch Front, Davis County is projected to build out with a population near 400,000 by the year 2030.

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

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

	Davis Co.	Utah	U.S.
Median Age	26.8	27.1	35.3
Average Family Size	3.7	3.6	3.1
Percent Own a Home	77.5 %	71.5 %	66.2 %
College Graduate	28.8 %	26.1 %	24.4 %
Median Mortgage	$1,156	$1,102	$1,088

A three-member elected Board of Commissioners is the governing body of Davis County. All Commissioners serve four-year terms, to enhance continuity for the governing board. The County organizational chart following this letter outlines each Commissioner's major areas of responsibility. Department Heads reporting to the Commissioners serve as exempt (appointed) non-merit employees. The Commissioners are responsible for all County services and operations. Commissioners approve, adopt, and amend 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.

Administrative Officers reporting to the Commissioners serve as exempt (appointed) non-merit employees. These individuals are responsible for the daily management of the various services and programs provided by the County.

In addition to the elected and appointed offices just mentioned, seven other elected officials, shown on the organizational chart, all serve four-year terms and are eligible for re-election. Chief Deputies serving each of the other elected officials are also exempt (appointed) non-merit employees.

The Clerk/Auditor serves as the chief financial and budget officer of the County. The County Treasurer is responsible for the collection and investing of all County funds. The County Commission, Clerk/Auditor, and Treasurer together administer the County financial system and the receipt and disbursement of funds as required by the Utah Fiscal Procedures Act.

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

Municipal type services include fire protection, 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

The slowdown of the economy throughout the world this decade has taken a toll on funding of Davis County services. Davis County continues to show measurable signs of improvement. Even though the

county unemployment rate has risen from 3.2 at the beginning of the decade to 4.4 percent in 2004, the rate still compares favorably with the State rate of 4.7 percent and the National rate of 5.0 percent. The County and the State continue to have one of the best labor and business climates in the western United States. The work force is young and well educated and, overall, wages are competitive. Employment in Davis County is distributed among many industries. The County is unique primarily because of its proportion of total jobs made up by the government. One of Utah's largest employers, Hill Air Force Base, is in the county. 27 percent of all non-farm jobs are in the government sector, and Hill is the dominant employer (along with state and local government, mainly schools). In the Spring of 2005, the Base Realignment and Closure (BRAC) Committee will be recommending a preliminary list of military bases for closure. Hill AFB is one of 425 military installations that are being scrutinized as part of next year's BRAC round. Should Hill be recommended to be closed, it could have a devastating effect on the local economy and property values. Should Hill AFB not get recommended for closure, it could also mean more workload from other facilities could be transferred to Hill; thus benefiting the local economy. This round of the BRAC's base closure list will be finalized in 2006 and future evaluations will occur every six years.

Other larger industry sectors include manufacturing (12 percent) and retail and wholesale trade (13 percent). As the economy improves, the County expects unemployment rate to continue to decrease. In 2004, the employment picture for Davis County continued to improve. Job growth for Davis County was 4 percent in 2004 when compared to 2003. The Statewide average was 2.8 percent. The increase in the rate of job growth, in excess of the state average, is very positive and evidence of a strong market.

Interest rates have stayed low while the economy has gained momentum. Total permit-authorized construction in Davis County continues to remain very strong. Last year, the number of construction and manufacturing jobs in the County continued to increase, following state and national trends in those industries. In the improving economy, the value of total permit authorized construction in the County rose 18.3 percent in 2004 compared to 2003 figures. In the New Nonresidential construction category, growth was even more dramatic increasing 23.2 percent over the prior year. Total construction valuation increased approximately 8% in 2004 even after adjusting for higher building and material costs. With the improving economy and mortgage rates expected to remain below 6.5 percent, the single-family home sector should continue to buoy the construction industry well into 2005. Sales of existing homes this year also remain strong; up 24% over last year. The average home price gained slightly more than 1% over a year ago.

In 2004, the County's total sales taxes grew 3.4 percent. Davis County continues to experience steady growth in existing business expansion and new business growth, especially in commercial, restaurant, and retail.

The major employers in Davis County are:

BUSINESS	EMPLOYEES
Hill Air Force Base	23,500
Davis County School District	6,300
Lifetime Products	1,900
Davis County	900
Lagoon Inc	850
Smith's Distribution Services	1,150
Utility Trailer and Manufacturing	700 –1,000
Albertson's	500 – 700
Amusement Services	500 – 700
Associates Commerce Solutions	500 – 700
Davis Hospital and Medical Center	500 – 700
J.C. Penney	500 – 700
Pioneer Adult Rehabilitation	500 – 700
Icon Health and Fitness	650
Lakeview Hospital	550

TRANSPORTATION AND ACCESSIBILITY

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

The Salt Lake International Airport is readily accessible to all of Davis County. The airport is anchored by Delta Airlines and Southwest Airlines and has a total of 17 airlines operating 972 scheduled daily departures. Almost 18 million passengers traveled through the airport in 2004 making it the 26th busiest airport in North America and 51st in the world. Several air cargo/express mail services have daily flights in and out of Salt Lake International Airport.

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

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

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

MAJOR INITIATIVES AND OTHER ACCOMPLISHMENTS

TEAM MANAGEMENT

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

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

DAVIS COUNTY JUSTICE COMPLEX

Rapid growth within the County created a need for additional court and detention facilities. During the last decade, the State constructed court facilities. The County contracted with the federal marshals to construct a work release facility to house 120 work release inmates. Work release inmates are now housed in a less expensive minimum-security setting. Other inmates use the existing traditional security structure. The County's normal detention capacity is 496 inmates.

Current projections show the County will require almost double the inmate capacity within the next 15-20 years. Detention expansion is now in the development stage to accommodate this projected need. During 2004, Citizens of the County approved a $24.8 million General Obligation bond to finance jail expansion construction costs. It is anticipated that the proposed 400-bed expansion will begin in the Spring of 2005 and be completed in mid-2006.

UTAH STATE UNIVERSITY (USU) EXTENSION PROGRAM

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

The County has partnered with USU in the development of the Utah Botanical Center. It replaces the historic Utah Botanical Gardens. The new development has been built on 94 acres of property in the center of the County. Its walking trails wander through a home and garden village, demonstration gardens, fishing ponds, a visitor's center, exhibit pavilion, and a demonstration home "The Utah House". The entire Center is an operating educational facility that demonstrates principles of sustainability that can significantly reduce our impact on the land and its resources. The fish ponds have been dredged and redesigned to better tell the story of the Gardens. Much earth work was accomplished on the grounds and trails of the Gardens with the material dredged from the ponds. The Utah House is now open and many visitors are enjoying it. The Botanical Center opened in April of 2004.

CONFERENCE CENTER

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

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

LIBRARY EXPANSION

During 2000, after several years of planning, the Davis County Commission approved a property tax increase for library expansion. The modest increase has already funded a major expansion of the South Branch Library during 2000. Facilities were expanded at the Central Branch in 2001 and 2002. Construction on the new branch library in Syracuse City was completed in August of 2003. The expansion also includes a branch library to be constructed in Centerville City during 2005. The tax increase is considered a permanent increase because the additional revenue will be needed to fund the ongoing operating costs of the expanded system.

PUBLIC WORKS EXPANSION

Outdated and failing buildings at the Fruit Heights public works facility have been replaced with new metal garages and office space. A redesigned layout provided for a new office structure, covered salt and sand storage and a new fueling system. Began in 2002, the $800,000 project concluded in 2004 with completion of the five new service bay garage and an upgraded parking area.

SHERIFF'S "CITIZEN'S ACADEMY"

Under the direction of the Sheriff, a training program called "Citizen's Academy" continues to be funded. Leaders and citizens in the community are invited to participate. The training is being offered to achieve better community understanding of the functions of law enforcement.
Community Oriented Policing is about teamwork providing greater opportunities for all citizens, government agencies and officials, law enforcement professionals and private agencies working together to improve the quality of life in our communities. It is a well-known premise that better communication between citizens and those who provide law enforcement protection greatly enhances our communities.

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

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

FINANCIAL INFORMATION

FINANCIAL REPORTING AND ACCOUNTING STANDARDS

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

THE REPORTING ENTITY

This CAFR includes all funds of the County as follows:

DESCRIPTION	FUND TYPE
General Fund	General Government
Health Fund	Special Revenue
Tourism Board Fund	Special Revenue
Library Fund	Special Revenue
Flood Control Fund	Special Revenue
Aging Services Fund	Special Revenue
Metro Strike Force Fund	Special Revenue
Emergency 911 Fund	Special Revenue
Municipal Building Authority Fund	Special Revenue
Special Service Area Fund	Special Revenue
General Obligation Bond Fund	Debt Service
Conference Center Bond Fund	Debt Service
Municipal Building Authority Bond Fund	Debt Service

DESCRIPTION	FUND TYPE
Conference Center Construction Fund	Capital Projects
Capital Projects Fund	Capital Projects
Golf Courses Fund	Enterprise
Commissary Fund	Enterprise
Insurance Fund	Internal Service

Telephone Fund	Internal Service
Buildings and Grounds Fund	Internal Service
County Agency Fund	Agency
Treasurer's Tax Collection Fund	Agency
Employee Benefits Fund	Agency

The CAFR also reports consolidated information of Davis Behavioral Health and Wasatch Integrated Waste Management as related entities of Davis County. Davis Behavioral Health was created in 1983 by the County as a public non-profit organization to provide behavioral and also alcohol and drug services for the residents of Davis County. Wasatch Integrated Waste Mangement 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 SYSTEMS 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.

A 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 in the 2004 report.

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, 2003. This is the eleventh year in a row that Davis County has received this award.

This prestigious award requires a governmental 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 have made application for the award for the 2005 calendar year and believe this report continues to conform to the program requirements. Our highly qualified and professional staff is dedicated to making this certification possible

CONCLUSION

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

Sincerely,

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, 2003

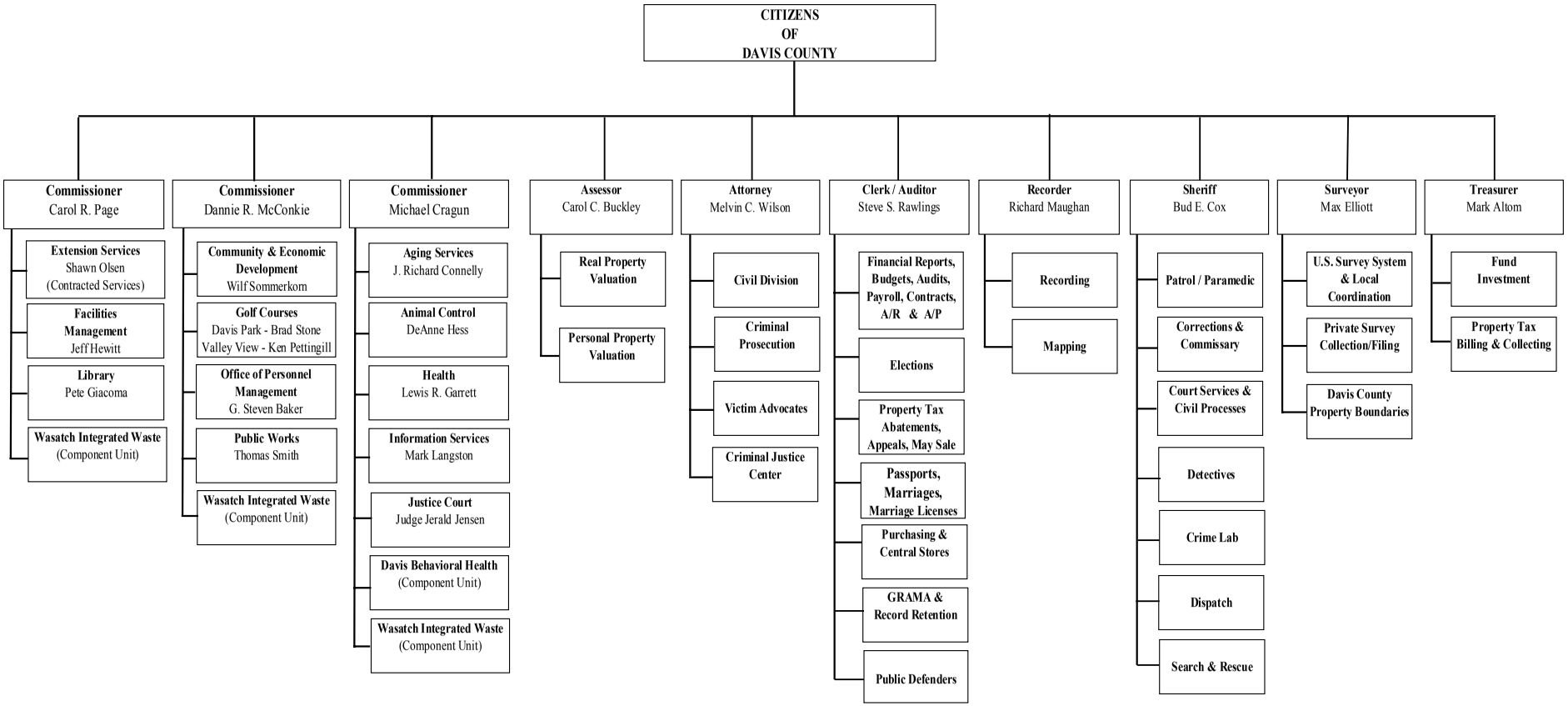
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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

President

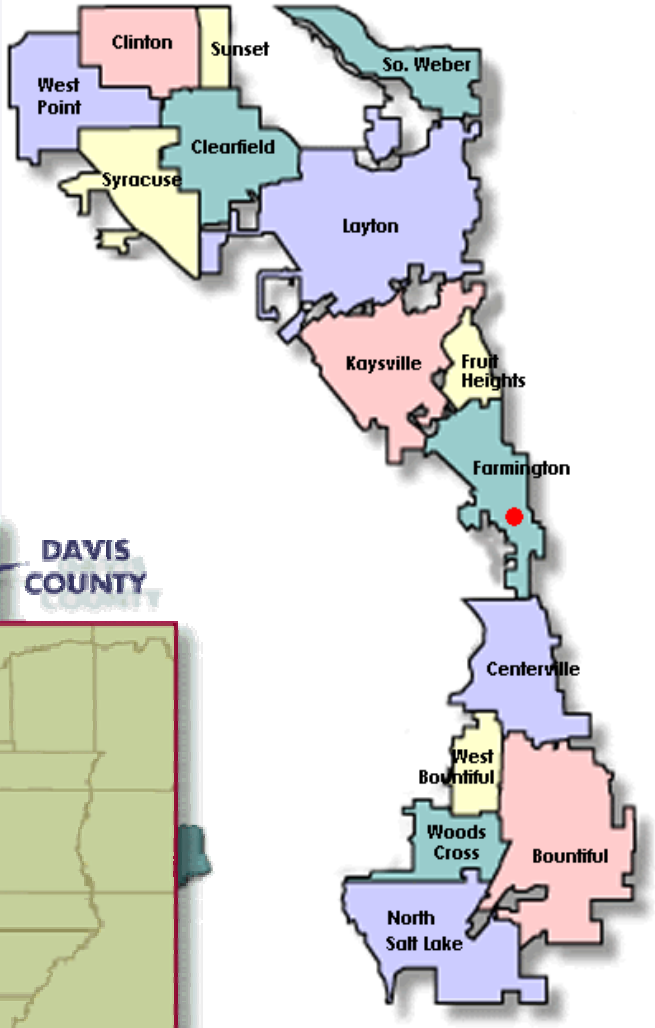
Executive Director

DAVIS COUNTY ORGANIZATION CHART

For the Year Ended December 31, 2004



II. Financial Section



CRANE, CHRISTENSEN & AMBROSE
Certified Public Accountants
A Professional Corporation

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

INDEPENDENT AUDITORS' REPORT

The Board of County Commissioners
Davis County, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Davis County (the County), as of and for the year ended December 31, 2004, which collectively comprises the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Davis Behavioral Health which is shown as a discretely presented component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Davis Behavioral Health, is based solely on the reports of such other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with the *Government Auditing Standards*, we have also issued our report dated April 21, 2005 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

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statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Crane, Christensen & Ambrose P.C.

Ogden, Utah
April 21, 2005

INTRODUCTION

The following is a discussion and analysis of Davis County's financial performance and activities for the year ended December 31, 2004. When read in conjunction with the letter of transmittal and the notes to the financial statements, this section's financial highlights, overview and analysis should assist the reader to gain a more complete knowledge of the County's financial performance. This is the second year that the County implemented new reporting standards established by the Governmental Accounting Standards Board (GASB). Comparative analysis to previous year's results are now available and have been provided.

HIGHLIGHTS

Government-wide

- The County's total net assets increased $4.0 million or 5.0 percent over the prior year. The increase is almost wholly due to the increase in net assets of governmental activities. Net assets of business-type activities decreased $1,083 or less than .03 percent.

Fund Level

- Fund balances in the County's governmental funds decreased $4.5 million or 19 percent from the prior year to a total of $19.1 million. The primary reason for the decrease in fund balance was the use of the remaining $7.7 million from the 2003 Conference Center bond held for completion of the Conference Center. Without the funds held for Conference Center construction, other governmental fund balances increased $3.2 million or 20 percent in 2004. No taxes were raised in 2004.

- Property tax revenues were 3 percent higher in 2004 than the prior year primarily due to growth of the property tax base throughout the County. The County's total sales taxes also grew 3.4 percent, a sign of continued growth and economic recovery.

Long-term Debt

- The County's long-term debt decreased $2.3 million, or 10.8 percent to $18.9 million in 2004.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report includes 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, as well as, additional supplementary information and fund data, including combining statements for non-major funds and a statistical section.

The government-wide view of the County's finances is a requirement under the GASB Statement 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and became effective for the County for 2003. Fund financial statements have been reported in the past.

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

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

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

The government-wide statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or most of their costs through user fees and charges (*business-type activities*). Davis County's governmental activities include general government, public safety, public works, judicial, and library services. 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 statement may be misleading if it were not included. The basic criterion to include Wasatch Energy's as a component unit is that Wasatch Energy is fiscally dependent on the County.

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

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

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

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

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

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

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Assets
The largest component of the County's net assets, 80.4 percent, reflects investments in capital assets (land, buildings, equipment, roads, and other infrastructure) less all outstanding debt that was issued to buy or build those assets. As Capital assets, these resources are not available for future spending, nor can they all be readily liquidated to pay off the related liabilities. Resources needed to repay capital-related debt must be provided from other sources.

Restricted net assets comprise 15.8 percent of total net assets and are subject to external restrictions on how they may be used. Unrestricted net asset at December 31, 2004 is positive $3.1 million, an improvement from prior year's negative $5.9 million amount.

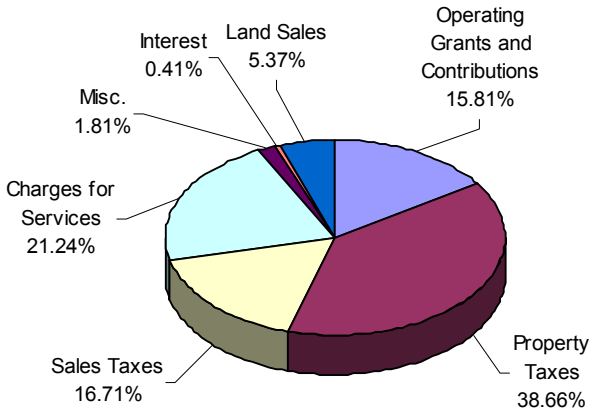
Davis County
Net Assets
December 31,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2004	**2003**	**2004**	**2003**	**2004**	**2003**
Current and Other Assets	$ 24,928,032	$ 30,714,688	$ (285,813)	$ 494,478	$ 24,642,219	$ 31,209,166
Capital Assets	80,677,958	74,405,942	4,673,378	3,875,287	85,351,336	$ 78,281,229
Total Assets	**105,605,990**	**105,120,630**	**4,387,565**	**4,369,765**	**109,993,555**	**109,490,395**
Current and Other Liabilities	2,682,716	4,089,000	201,663	182,779	2,884,379	4,271,779
Long-term Liabilities	19,128,717	21,234,955	-	0	19,128,717	21,234,955
Total Liabilities	**21,811,433**	**25,323,955**	**201,663**	**182,779**	**22,013,096**	**25,506,734**
Net Assets:						
Invested in Cash Assets						
Net of related Debt	70,793,090	64,521,074	4,471,715	3,875,287	75,264,805	68,396,361
Reserved for inventories & Other Assets	-	2,230,270	-	0	-	2,230,270
Restricted	13,233,017	18,960,187	-	311,698	13,233,017	19,271,885
Unrestricted	(231,550)	(5,914,856)	(285,813)	0	(517,363)	(5,914,856)
Total Net Assets	**$ 83,794,557**	**$79,796,675**	**$ 4,185,902**	**$4,186,985**	**$ 87,980,459**	**$83,983,660**

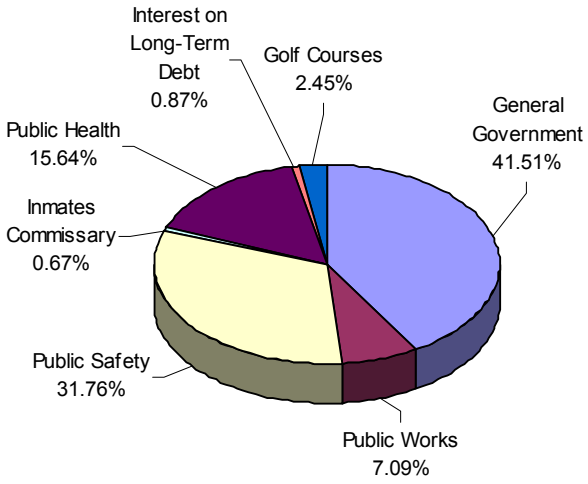
Changes in Net Assets

The County's combined net assets increased by $4.0 million or 5.0 percent from the prior year. The increase is almost wholly due to the increase in Net Assets of governmental activities. Net assets of business-type activities decreased $1,083 or less than .03 percent. The County's business-type activities, the Golf Course, and Jail Commissary, had an increase in net assets of $158 thousand or 3.8 percent before transfer outs. Transfer outs of $159 thousand was to transfer the net income of the Commissary Fund to the General Fund. The following charts and schedules summarize the County's revenues and expenses relative to each other and to the prior year.

Davis County
Total Revenues - 2004



Davis County
Total Expenses - 2004



Governmental Activities

Total tax revenues showed moderate increases during 2004. General sales taxes increased 3.4 percent. Property taxes increased 3 percent due to continued development of residential and commercial real estate throughout the County. There was no property tax increase in 2004. Net assets for governmental activities increased this year due mostly to depreciation costs of the County's capital assets.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2004	**2003**	**2004**	**2003**	**2004**	**2003**
Revenues						
General Revenues:						
Taxes	$ 38,730,102	$ 37,561,589	$ -	$ -	$ 38,730,102	$ 37,561,589
Other General Revenues	5,017,739	2,090,425	-	-	5,017,739	2,090,425
Interest Revenue	284,699	108,766	10,517	11,563	295,216	120,329
Program Revenues:						
Charges for Services	14,854,299	17,609,208	2,309,951	2,246,235	17,164,250	19,855,443
Operating Grants	9,675,331	5,985,271	-	-	9,675,331	5,985,271
Capital Grants	1,379,475	123,537	-	-	1,379,475	123,537
Total Revenues	**69,941,645**	**63,478,796**	**2,320,468**	**2,257,798**	**72,262,113**	**65,736,594**
Expenses						
General Government	28,338,607	22,558,382	-	-	28,338,607	22,558,382
Public Safety	21,682,995	18,936,997	-	-	21,682,995	18,936,997
Public Health	10,679,084	12,620,889	-	-	10,679,084	12,620,889
Public Works	4,843,119	2,950,695	-	-	4,843,119	2,950,695
Interest on Long-term Debt	593,825	302,557	-	-	593,825	302,557
Golf Courses	-	-	1,669,724	1,776,900	1,669,724	1,776,900
Commissary	-	-	457,960	326,652	457,960	326,652
Total Expenses	**66,137,630**	**57,369,520**	**2,127,684**	**2,103,552**	**68,265,314**	**59,473,072**
Changes in Net Assets before Tranfer	3,804,015	6,109,276	192,784	154,246	3,996,799	6,263,522
Transfer In (Out)	193,867	820,535	(193,867)	(820,535)	-	-
Changes in Net Assets	3,997,882	6,929,811	(1,083)	(666,289)	3,996,799	6,263,522
Net Assets - Beginning	79,796,675	72,866,864	4,186,985	4,853,275	83,983,660	77,720,139
Net Assets - Ending	**$ 83,794,557**	**$ 79,796,675**	**$ 4,185,902**	**$ 4,186,986**	**$ 87,980,459**	**$ 83,983,661**

The table below shows to what extent the County's governmental activities relied on taxes and other general revenues to cover all of their costs. For 2004, these programs generated $25.9 million or 39.2 percent of their total expenses through charges for services and grants. This amount increased from $23.7 million or 8.9 percent from 2003. Taxes and other general revenues covered the remaining 60.8 percent of expenses.

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

	Total Program Expenses	Less Program Revenues	Net Program Costs		Program Revenue as a Percentage of Total Expenses	
	2004	**2004**	**2004**	**2003**	**2004**	**2003**
Activities						
General Government	$ 28,338,607	$ (6,127,149)	$ 22,211,458	$ 14,748,024	21.6%	34.6%
Public Safety	21,682,995	(7,601,937)	14,081,058	9,875,242	35.1%	47.9%
Public Health	10,679,084	(11,110,723)	(431,639)	6,886,867	104.0%	45.4%
Public Works	4,843,119	(1,069,296)	3,773,823	1,838,814	22.1%	37.7%
Interest on Long-term Debt	593,825	-	593,825	302,557	0.0%	0.0%
Total Government Activities	**$ 66,137,630**	**$ (25,909,105)**	**$ 40,228,525**	**$ 33,651,504**	39.2%	41.3%

Business-type Activities
In 2004, Davis County's Golf Courses created an operating income of $25,417. In addition, there was a $34,000 transfer out to the General Fund for administrative expenses related to the golf courses. Revenue however, was still $27,063 higher than the prior year while expenses were $107,176 lower than the prior year.

The Jail Commissary continues to generate sufficient revenues to cover its operating costs. Net income for 2004 was approximately $160 thousand. This amount was transferred to the General Fund to help cover Jail operations. Revenue increased by $36,653, or 6.3 percent, while expenses increased by $131,308 or 40.2 percent.

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

Capital Assets
Davis County added approximately $11.4 million in new capital assets during 2004, of which $8.6 million was related to the construction of the conference center which was completed in August, 2004. Another $2.8 million was related to building, equipment purchases, and improvements.

Long-term Debt
During 2004, Davis County did not issue any additional bonds. At December 31, 2004, Davis County had the following long-term debt outstanding in governmental activities. There was no long-term debt associated with business type activities. Additional information can be found in Note 8 of the Notes to the Financial Statement beginning on page 58.

Davis County
Long-term Liabilities
December 31,

	Governmental Activities	
	2004	**2003**
General Obligation Bonds, net of premiums/disccounts	$ 3,380,000	$ 4,980,000
Revenue Bonds	8,655,000	9,000,000
Municipal Building Authority Bonds	1,497,000	1,629,000
Lease Purchase Line of Credit	3,239,637	3,514,320
Compensated Absences	2,163,361	2,097,443
Total	$ 18,934,998	$ 21,220,763

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Fund Balances
At December 31, 2004, Davis County's governmental funds reported combined fund balances of $19.1 million. Of this amount, $1.6 million is reserved for B Roads. The following chart presents the County's 2004 ending fund balances.

For the Year Ended December 31,

	2004 Reserved	2004 Unreserved	2004 Total	2003 Total	% Change from prior year
General Fund	$ -	$ 5,763,743.00	$ 5,763,743.00	$ 4,413,042.00	30.6%
Health Fund	$ -	$ 1,005,247.00	$ 1,005,247.00	$ 530,706.00	N/A
Tourism Fund	$ -	$ 2,903,234.00	$ 2,903,234.00	$ 1,976,987.00	46.9%
Library Fund	$ -	$ 1,420,757.00	$ 1,420,757.00	$ 745,867.00	90.5%
Aging Services Fund	$ -	$ 122,459.00	$ 122,459.00	$ -	N/A
G/O Debt Fund	$ -	$ 3,478,588.00	$ 3,478,588.00	$ 3,296,051.00	5.5%
Capital Proj. Conf. Ctr. Fund	$ -	$ -	$ -	$ 7,731,425.00	N/A
NonMajor Fund	$ 1,558,978	$ 4,425,191.00	$ 5,984,169.00	$ 4,917,154.00	21.7%
Total	$ 1,558,978	$ 19,119,219.00	$ 20,678,197.00	$ 23,611,232.00	-12.4%

General Fund
During 2004, the fund balance in the General Fund increased $1,350,701 or 30.6 percent due to a combination of fiscally responsible management and $2.2 million from the sales of County owned land. As the national and local economy continued to improve in 2004, General Fund sales taxes increased by $649,923 or 8.4 percent; as compared to $78,799 or a 1.0 percent increase in 2003. Rising interest rates were the major driving force behind the 24.4 percent decrease in Recorder's fees. Fees for 2004 totaled $1,848,151, a decrease of $595,399 from the prior year. Federal grants and revenue for emergency services resulted in the other significant General Fund revenue increase. These revenues increased $1,234,083 from $66,024 in 2003 to $1,300,107 in 2004. Total General Fund revenues increased $4,415,983 or 11.2 percent.

Total General Fund expenditures increased $4.1 million or 13.0 percent due mainly to the following factors:

- Capital Outlay for the Spillman dispatch system and other associated/support costs increased Information Systems expenditures. Total Information Systems expenditures in 2004 totaled $3.9 million, a $1.6 million increase.

- Costs associated with the final settlement of the Prows property Drainage Basin lawsuit was approximately $1.4 million. The county received $345,000 for expenses related to the settlement.

- Costs associated with the 2004 elections increased the Clerk/Auditor's Office's expenditures by $347,369 or 28.8 percent. Expenditures in non-election years should reduce expenditures to a more normal level.

- Assessor's Office expenditures increased $230,624 or 14.0 percent as the County Commission authorized an effort to automate the process of valuing the real estate and personal property through out the County.

- Capital Outlay expenditures that have been put on hold in prior years continued to be funded at a more adequate level. These expenditures increased to a more regular level of $665,586 during 2004.

- Most county employees received a 2 percent cost-of-living increase, as approved in the 2004 budget

General fund transfers changed dramatically from the previous year. 2004 Transfers in were $646,800, an increase of $292,785 or 154.6 percent from the 2003 level. 2004 transfers in were generous due to excellent management of the Jail Commissary and a smaller than expected subsidy for the E911 Dispatch fund.

Transfers out from the General Fund were also generous in 2004. The Commission authorized a total of $7.4 million in transfers to support County operations various funds for Aging Services, Health Services, Flood Control, and Dispatch. A complete list of transfer activity can be found in Footnote 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.

Actual General Fund revenues were $1.0 million or approximately 2.4 percent above the original and final budgets. Actual expenditures were $1.7 million or 4.5 percent and $1.9 million or 5.0 percent below the original and final budgets, respectively. The County was not required to draw upon existing fund balance in the General Fund this year to cover its expenditures

Other Major Funds
During 2004, the Health Fund was allowed to retain a fund balance of $1,005,247. Health Fund total revenues increased by $594,941 and expenditures increased by $766,938 from the 2003 year.

The balance in the Tourism Fund increased $926,246 to $2,903,233 even after transferring out $816,184 for the operations of the new Davis County Conference Center. In the future, as the Davis Conference Center becomes more regionally known and improves its client base, operational transfers need from the Tourism fund will be minimized as the Center becomes self-supporting.

The balance in the Library Fund increased by $674,890 to $1,420,757. This is in anticipation of the Centerville Branch library construction that is scheduled to begin in 2005.

The Capital Projects / Conference Center Fund was created for 2003. The proceeds of the $9,000,000 revenue bond are deposited there and the construction of the facility is underway. In 2004, the remaining $7.6 million plus interest revenue was spent before the end of the year. At the end of 2004, the Capital Projects / Conference Center Fund had a zero balance.

Nonmajor Funds
Davis County's nonmajor funds had a combined decrease in fund balance of $491 thousand or 10.0 percent. The Flood Control Fund replaced Aging Services Fund in the Nonmajor Fund category because of GASB34 definitions. Public Works focused their resources this year on Flood Control projects, thus leaving the Special Service Area road allocations idle to be used another year. The Special Services Fund remained fairly level at $2,450,461. Capital Project Fund also remained fairly consistent as transfers in of $421,775 was used to offset $679,420 in expenditures. The Fund balance at the end of the year was $1,824,925. Layton City has taken over responsibility of the Davis County Metro Strike Force in 2004. As such, the Strike Force Fund was closed and all beginning Fund balances were fowarded to Layton City for Strike Force operations.

OTHER MATTERS

During the 2004 General Session of the Utah State Legislature, lawmakers made changes to the Utah Code that will impact Davis County's future financial position. Highlights of some of the changes are as follows:

- Veteran Abatement's ceiling has been significantly raised to $200,000 of taxable value for personal and primary residence. This is an $117,500 or 142% increase from prior year's taxable value ceiling of $82,500.

- Ammendments to Property Tax Valuation Agency Fund Asessing and Collecting Levy was passed in 2004 Legislature. Legislation reduced the maximum rate of the state multicounty assessing and collection levy from .0003 to .0002. However it increased the county assessing and collecting levy from .0002 to .0003 and provides that a county may not receive funds from the Property Tax Valuation Agency Fund unless the county levies a county assessing and collecting levy of at least .0003.

- Legislation was enacted which prohibits a Redevelopment District Authority (RDA) from adopting a project area plan for retail growth redevelopment projects. This created a moratorium for retail sales purposes for a one year period from July 1, 2005 to June 30, 2006.

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. 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

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BASIC FINANCIAL statements

DAVIS COUNTY **EXHIBIT A**

STATEMENT OF NET ASSETS
DECEMBER 31, 2004

	Primary Government			Component Units (as of June 30, 2004)	
	Governmental Activities	Business-type Activities	Total	Davis Behavioral Health	Wasatch Integrated Waste
ASSETS					
Cash and Cash Equivalents	$ 12,703,284	$ 52,324	$ 12,755,608	$ 3,017,144	$ 787,880
Investments	-	-	-	162,306	20,676,576
Accounts Receivable	4,844,582	4,986	4,849,568	1,848,047	1,981,961
Taxes Receivable	4,765,907	-	4,765,907	-	-
Inventories and other assets	2,254,970	16,166	2,271,136	150,150	1,419,855
Internal Balances	359,289	(359,289)	-		
Capital Assets:					
Land and Related Non-depreciable Assets	28,103,777	3,279,668	31,383,445	484,106	13,558,635
Construction in process	1,590,978	-	1,590,978	-	-
Depreciable Infrastructure	17,404,137	-	17,404,137	-	534,197
Buildings, Equipmt., & Other Depreciable Assets	64,479,065	3,354,907	67,833,972	7,059,598	54,262,902
Less Accumulated Depreciation	(30,899,999)	(1,961,197)	(32,861,196)	(2,854,396)	(35,518,041)
Total Capital Assets	80,677,958	4,673,378	85,351,336	4,689,308	32,837,693
TOTAL ASSETS	105,605,990	4,387,565	109,993,555	9,866,955	57,703,965
LIABILITIES					
Accounts Payable and Accrued Liabilities	1,496,578	201,663	1,698,241	3,014,207	2,989,606
Amounts Due to Other Governmental Entities	-	-	-	-	-
Deferred Revenue	1,186,138	-	1,186,138	15,375	-
Long-term Debt	-				
Due Within One Year	2,616,769	-	2,616,769	5,711	4,515,000
Due in More Than One Year	16,511,948	-	16,511,948	510,490	4,830,000
TOTAL LIABILITIES	21,811,433	201,663	22,013,096	3,545,783	12,334,606
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	67,413,090	4,471,715	71,884,805	3,753,577	23,492,693
Restricted for:					
Special Revenue Activities	7,779,697	-	7,779,697	2,567,595	5,078,115
Debt Service	3,628,394	-	3,628,394	-	-
Capital Projects	1,824,926	-	1,824,926	-	-
Golf Courses	-	-	-	-	-
Unrestricted	3,148,450	(285,813)	2,862,637	-	16,798,551
TOTAL NET ASSETS	$ 83,794,557	$ 4,185,902	$ 87,980,459	$ 6,321,172	$ 45,369,359

The Notes to the Financial Statements are an integral part of this statement.
The results of the Component Units have been restated to reflect final audit numbers.

DAVIS COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

		Program Revenues		
Activities	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental:				
General Government	$ 28,338,607	$ 5,343,411	$ 783,738	$ -
Public Safety	21,682,995	5,851,326	456,152	1,294,459
Public Health	10,679,084	3,595,731	7,514,992	-
Public Works	4,843,119	63,831	920,449	85,016
Interest and Other Charges on Long-term Debt	593,825	-	-	-
Total Governmental Activities	66,137,630	14,854,299	9,675,331	1,379,475
Business-type:				
Golf Courses	1,669,724	1,695,141	-	-
Inmates Commissary	457,960	614,810	-	-
Total Business-type Activities	2,127,684	2,309,951	-	-
Total Primary Government	68,265,314	17,164,250	9,675,331	1,379,475
Component Units:				
Davis Behavioral Health	12,728,407	1,337,200	11,809,221	-
Wasatch Energy	12,528,361	19,252,214	-	-
Total Component Units	$ 25,256,768	$ 20,589,414	$ 11,809,221	$ -

General Revenues:

Property Tax

Sales Tax

Total Taxes

Unrestricted Interest Earned

Gain on Sale of Capital Assets

Miscellaneous

Transfers - Internal Activities

Total General Revenues, Special Items, and Transfers

Change in Net Assets

Net Assets-Beginning

Net Assets-Ending

See notes to financial statements.

The Component Unit has been restated to reflect final audit numbers.

EXHIBIT B

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Davis Behavior Health	Wasatch Integrated Waste
$ (22,211,458)	$ -	$ (22,211,458)	$ -	$ -
(14,081,058)	-	(14,081,058)	-	-
431,639	-	431,639	-	-
(3,773,823)	-	(3,773,823)	-	-
(593,825)	-	(593,825)	-	-
(40,228,525)	-	(40,228,525)	-	-
-	25,417	25,417	-	-
-	156,850	156,850	-	-
-	182,267	182,267	-	-
(40,228,525)	182,267	(40,046,258)	-	-
-	-	-	418,014	-
-	-	-	-	6,723,853
$ -	$ -	$ -	$ 418,014	$ 6,723,853
27,041,508	-	27,041,508	-	-
11,688,594	-	11,688,594	-	-
38,730,102	-	38,730,102	-	-
284,699	10,517	295,216		
3,754,080	-	3,754,080	-	-
1,263,659	-	1,263,659	-	330,480
193,867	(193,867)	-	-	-
44,226,407	(183,350)	44,043,057	-	330,480
3,997,882	(1,083)	3,996,799	418,014	7,054,333
79,796,675	4,186,985	83,983,660	5,903,158	38,315,026
$ 83,794,557	$ 4,185,902	$ 87,980,459	$ 6,321,172	$ 45,369,359

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

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

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

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

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

Capital Projects / Conference Center Fund
This fund accounts for the cost of construction of the Davis Conference Center.

Nonmajor Governmental Funds
Nonmajor governmental funds are presented individually beginning on page 79.

DAVIS COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	General Fund	Health Fund	Tourism Fund	Library Fund
ASSETS:				
Cash and Cash Equivalents	$ 605,380	$ 634,500	$ 1,870,594	$ 735,134
Accounts Receivable	3,129,377	377,121	448,200	-
Taxes Receivable	887,673	-	-	200,762
Due from other funds	2,381,258	-	632,469	753,390
Inventories and other assets	247,989	99,620	135,048	-
TOTAL ASSETS	$ 7,251,677	$ 1,111,241	$ 3,086,311	$ 1,689,286
LIABILITIES				
Accounts Payable and Accrued Liabilities	600,261	105,994	183,077	67,267
Due to other funds	-	-	-	-
Amount Due to Other Governmental Entities	-	-	-	-
Deferred Revenue	887,673	-	-	201,262
TOTAL LIABILITIES	1,487,934	105,994	183,077	268,529
FUND BALANCES				
Reserved for "B" Roads	-	-	-	-
Unreserved, reported in:				
General Fund	5,763,743	-	-	-
Special Revenue Funds	-	1,005,247	2,903,234	1,420,757
Debt Service Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
TOTAL FUND BALANCES	5,763,743	1,005,247	2,903,234	1,420,757
TOTAL LIABILITIES AND FUND BALANCES	$ 7,251,677	$ 1,111,241	$ 3,086,311	$ 1,689,286

See notes to financial statements.

EXHIBIT C

Aging Services Fund	G/O Debt Fund	Capital Proj. Conf. Ctr. Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 1,130	$ 3,088,209	$ -	$ 4,274,490	$ 11,841,906
401,953	-	-	463,560	4,820,211
-	84,230	-	12,974	1,185,639
-	390,379	-	55,241	3,580,268
160,004	-	-	29,436	672,097
$ 563,087	$ 3,562,818	$ -	$ 4,835,701	$ 22,100,121
81,615	-	-	383,370	1,421,584
359,013	-	-	14,167	373,180
-	-	-	-	-
-	84,230	-	12,973	1,186,138
440,628	84,230	-	410,510	2,980,902
-	-	-	1,558,978	1,558,978
122,459	-	-	-	5,886,202
-	-	-	891,483	6,220,721
-	3,478,588	-	149,805	3,628,393
-	-	-	1,824,925	1,824,925
122,459	3,478,588	-	4,425,191	19,119,219
$ 563,087	$ 3,562,818	$ -	$ 4,835,701	$ 22,100,121

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DAVIS COUNTY **EXHIBIT D**

RECONCILIATION OF THE BALANCE SHEET -- GOVERNMENT FUNDS
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2004

Total fund balance -- governmental funds		$ 19,119,219
Amount reported for governmental activities in the statement of net assets are different because:		
Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. These assets consist of:		
Land and related non-depreciable assets	28,103,777	
Construction in progress	1,590,978	
Depreciable Infrastructure	17,404,137	
Buildings, equipment, and other depreciable assets	63,792,954	
Accumulated Depreciation	(30,265,687)	
Total Capital Assets		80,626,159
Deferred Charges - MBA payments		1,497,000
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of those internal service funds that primarily benefit governmental entities are included with governmental activities in the statement of net assets.		1,665,674
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds and Line of Credit	(16,771,638)	
Accrued Interest	(178,496)	
Compensated absences	(2,163,361)	
Total Long-Term Debt		(19,113,495)
Total net assets --- governmental activities		$ 83,794,557

See notes to financial statements.

DAVIS COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	General Fund	Health Fund	Tourism Fund	Library Fund
REVENUES:				
Taxes	$ 28,754,576	$ -	$ 2,778,144	$ 4,503,812
Licenses and permits	208,119	-	-	-
Intergovernmental revenues	2,457,887	5,672,425	11,192	65,270
Charges for services	7,795,544	3,280,173	382,448	2,077
Fines and forfeitures	1,753,584	-	-	171,950
Interest	57,087	4,452	36,627	-
Miscellaneous	2,937,557	35	1,448,646	30,765
Total	43,964,354	8,957,085	4,657,057	4,773,874
EXPENDITURES:				
Current:				
General government	16,754,715	-	2,827,063	4,023,799
Public safety	18,064,055	-	-	-
Public health	2,593	10,465,902	-	-
Public works	329,802	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	665,586	26,474	93,563	75,185
Total	35,816,751	10,492,376	2,920,626	4,098,984
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	8,147,603	(1,535,291)	1,736,431	674,890
OTHER FINANCING SOURCES (USES):				
Transfers in	646,800	2,015,832	6,000	-
Transfers out	(7,443,702)	(6,000)	(816,184)	-
Total	(6,796,902)	2,009,832	(810,184)	-
NET CHANGE IN FUND BALANCES	1,350,701	474,541	926,247	674,890
FUND BALANCES, BEGINNING OF YEAR	4,413,042	530,706	1,976,987	745,867
FUND BALANCES, END OF YEAR	$ 5,763,743	$ 1,005,247	$ 2,903,234	$ 1,420,757

See notes to financial statements.

EXHIBIT E

Aging Services Fund	G/O Debt Fund	Conf. Ctr. Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 1,903,239	$ -	$ 790,330	$ 38,730,101
-	-	-	-	208,119
1,842,567	-	-	1,005,465	11,054,806
315,558	-	-	944,846	12,720,646
-	-	-	-	1,925,534
-	30,278	79,796	76,459	284,699
104,472	-	-	496,266	5,017,741
2,262,597	1,933,517	79,796	3,313,366	69,941,646
2,855,453	-	99,529	489,332	27,049,891
-	-	-	1,668,271	19,732,326
-	-	-	-	10,468,495
-	-	-	3,005,474	3,335,276
-	1,600,000	-	477,000	2,077,000
-	150,980	-	442,845	593,825
34,685	-	8,527,876	1,947,343	11,370,712
2,890,138	1,750,980	8,627,405	8,030,265	74,627,525
(627,541)	182,537	(8,547,609)	(4,716,899)	(4,685,879)
750,000	-	816,184	5,109,561	9,344,377
-	-	-	(884,625)	(9,150,511)
750,000	-	816,184	4,224,936	193,866
122,459	182,537	(7,731,425)	(491,963)	(4,492,013)
-	3,296,051	7,731,425	4,917,154	23,611,232
$ 122,459	$ 3,478,588	$ -	$ 4,425,191	$ 19,119,219

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -- GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

Net change in fund balance -- total governmental funds	$	(4,492,013)
Amount reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital purchases ($11,370,712) exceeded depreciation ($5,028,694) during the current period.		6,342,018
Accrued interest on long term debt is not reported as an expenditure for the current period in the fund statement but is recorded as an expense in the statement of activities		(178,497)
The long-term portion of the liability for compensated absences is not recorded in the fund level, but is reported in the statement of net assets. This is the current year change in the liability, reported as an expense in the statement of activities		(65,918)
Repayment of debt is reported in the statement of revenues, expenses, and changes in fund balances but not reported as an expense in the statement of activities.		2,219,682
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with governemental activities.		172,610
Changes in net assets of governmental activities	$	3,997,882

See notes to financial statements.

Proprietary Fund Financial Statements

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

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

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

DAVIS COUNTY **EXHIBIT G**

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2004

	Major Enterprise Golf Courses	Nonmajor Enterprise Commissary	Total Enterprise Funds	Internal Service Funds
ASSETS				
CASH AND INVESTMENTS	$ 700	$ 51,624	$ 52,324	$ 1,593,846
ACCOUNTS RECEIVABLE	4,730	256	4,986	24,371
INVENTORIES AND OTHER ASSETS	-	16,166	16,166	85,873
CAPITAL ASSETS				
Land	754,258	-	754,258	-
Buildings	1,442,688	-	1,442,688	-
Improvements other than buildings	2,525,410	-	2,525,410	-
Furnishings, fixtures, and equipment	1,912,219	-	1,912,219	686,111
Less accumulated depreciation	(1,961,197)	-	(1,961,197)	(634,312)
TOTAL ASSETS	4,678,808	68,046	4,746,854	1,755,889
LIABILITIES				
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	29,330	68,046	97,376	74,993
DUE TO OTHER FUNDS	359,289	-	359,289	-
COMPENSATED ABSENCES	104,287	-	104,287	15,222
TOTAL LIABILITIES	492,906	68,046	560,952	90,215
NET ASSETS				
INVESTED IN CAPITAL ASSETS	4,471,715	-	4,471,715	180,837
UNRESTRICTED	(285,813)	-	(285,813)	1,484,837
TOTAL NET ASSETS	$ 4,185,902	$ -	$ 4,185,902	$ 1,665,674

See notes to financial statements.

DAVIS COUNTY **EXHIBIT H**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Major Enterprise Golf Courses	Nonmajor Enterprise Fund Commissary	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:				
Commissary sales	$ -	$ 614,810	$ 614,810	$ -
Golf Course green fees	1,526,220	-	1,526,220	-
Rent	36,527	-	36,527	-
Charges to other funds	-	-	-	2,636,332
Other	132,394	-	132,394	20,436
Total	1,695,141	614,810	2,309,951	2,656,768
EXPENSES:				
Salaries, wages, and benefits	1,067,892	76,278	1,144,170	852,985
Cost of goods sold	-	138,488	138,488	-
Operations	456,365	243,194	699,559	1,585,748
Depreciation	145,467	-	145,467	70,002
Total	1,669,724	457,960	2,127,684	2,508,735
OPERATING INCOME	25,417	156,850	182,267	148,033
NONOPERATING REVENUE:				
Interest revenue	7,500	3,017	10,517	24,577
NET INCOME BEFORE TRANSFERS	32,917	159,867	192,784	172,610
TRANSFERS IN	-	-	-	-
TRANSFERS OUT	(34,000)	(159,867)	(193,867)	-
NET CHANGE IN ASSETS	(1,083)	-	(1,083)	172,610
NET ASSETS, BEGINNING OF YEAR	4,186,985	-	4,186,985	1,493,065
NET ASSETS, END OF YEAR	$ 4,185,902	$ -	$ 4,185,902	$ 1,665,675

See notes to financial statements.

DAVIS COUNTY **EXHIBIT I**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Major Proprietary Golf Courses	Nonmajor Proprietary Fund Commissary	Proprietary Funds Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	$ 1,526,220	$ 614,810	$ 2,141,030	$ 2,636,332
Cash received from other activities	168,921	-	168,921	20,436
Cash payments for payroll and benefits	(1,058,309)	76,278	(982,031)	(852,985)
Cash payments for goods and services	(491,453)	(491,727)	(983,180)	(1,697,422)
Net cash provided by operating activities	145,379	199,361	344,740	106,361
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earned on cash deposits	7,500	3,017	10,517	24,577
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in				
Transfers out	(34,000)	(159,867)	(193,867)	-
Net cash provided by (used in) noncapital financing activities	(34,000)	(159,867)	(193,867)	-
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:				
Cash received for property and equipment sales	-	-	-	-
Cash payments for property and equipment purchases	(943,558)	-	(943,558)	(24,407)
Net cash provided by (used in) noncapital financing activities	(943,558)	-	(943,558)	(24,407)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(824,679)	42,511	(782,168)	106,531
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	466,090	9,113	475,203	1,487,315
CASH AND CASH EQUIVALENTS - END OF YEAR	$ (358,589)	$ 51,624	$ (306,965)	$ 1,593,846
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	$ 25,417	$ 156,850	$ 182,267	$ 148,033
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	145,467	-	145,467	70,002
Change in assets and liabilities:	-	-	-	-
(Increase) decrease in accounts receivable	(3,740)	394	(3,346)	(8,348)
(Increase) decrease in inventories and other assets		1,467	1,467	(85,873)
Increase (decrease) in accounts payable and accrued liabilities	(31,349)	40,650	9,301	(18,483)
Increase (decrease) in compensated absences	9,584	-	9,584	1,030
Total adjustments	119,962	42,511	162,473	(41,672)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 145,379	$ 199,361	$ 344,740	$ 106,361

See notes to financial statements.

Fiduciary Fund Financial Statements

Agency Funds
These funds accounts for assets held by the County as an agent for other governments or organizations . These funds are custodial in nature and do not involve measuring the results of operations. Individual agency funds are presented in Supplemental Schedule 14 beginning on page 98.

STATEMENT OF FIDUCIARY NET ASSETS
AS OF DECEMBER 31, 2004

	Agency Funds
ASSETS	
CASH AND INVESTMENTS	$ 10,152,268
RESTRICTED ASSETS - Cash and investments	23,634,183
ACCOUNTS RECEIVABLE	1,306,918
TOTAL ASSETS	$ 35,093,369
LIABILITIES	
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	$ 7,600,805
DUE TO OTHER FUNDS	3,580,238
DUE TO OTHER GOVERNMENTAL ENTITIES	23,912,326
TOTAL LIABILITIES	$ 35,093,369

See notes to financial statements.

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

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Davis County (the County) conform in all material respects to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. As discussed in Note 2, the County implemented significant new financial reporting standards for the year ended December 31, 2003, which affects this report's comparability with prior years' reports.

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

A. Reporting Entity

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

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

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

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

The Municipal Building Authority is considered to be a blended component units 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 2004 were $735,000 and pass through grants were $4,205,513. Related party items at December 31, 2004 consisted of $526,264 accounts payable from the County to DBH.

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

Wasatch Integrated Waste Management District (WIWMD) – In July 1, 2004, Wasatch Energy changed its name from Davis County Solid Waste Management Recovery Special Service District, d.b.a. Wasatch Energy System to Wasatch Integrated Waste Management District as required by Utah law to remove the word "County" from the name. WIWMD is a regional refuse incinerator. It services the entire area of Davis County except Bountiful City and also all of 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 W/E as a component unit is that WIWMD is fiscally dependent on the County. The County Commission created WIWMD and has the authority to dissolve the entity. Separate financial statements for WIWMD may be obtained from Wasatch Integrated Waste Management District, 650 East Highway 193, Layton, Utah 84041.

The presentations for Davis Behavioral Health and also Wasatch Integrated Waste Management District are as of their fiscal year-ends, June 30, 2004.

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

B. Government-wide And Fund Financial Statements

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

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

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

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

The County reports the following major governmental funds:

- **General Fund** – This fund is the principal operating fund of the County. It is used to account for all financial resources not required to be accounted for in another fund.
- **Health Fund** – This special revenue fund accounts for all activities of the County Health Department.
- **Tourism Fund** – This special revenue fund accounts for operations funded by the County levied tourism taxes
- **Library Fund** – This special revenue fund accounts for the operations of the County's main library and three branches.
- **Aging Services Fund** – This special revenue fund accounts for all activities of the Aging Services Department. It includes services provided for senior citizens and also for the Tri-County weatherization projects managed by the County.
- **General Obligation Debt Service Fund** – This fund accounts for the accumulation of property taxes for the payment of principal, interest, and related costs on the County's general obligation bonds.
- **Capital Projects Fund / Conference Center Fund** – This fund accounts for the construction of the Davis County Conference Center which was funded by a $9,000,000 revenue bond issued in 2003.

Davis County's nonmajor governmental funds accounts for specific revenue sources that are legally restricted to expenditures for specific purposes. Funds included are Flood Control, Strike Force, Dispatch, Municipal Building Authority Operations, Special Service Area (unincorporated municipal services), Municipal Building Authority Debt Service, Capital Projects / Revolving funds. The nonmajor funds are grouped together in a single column in the basic financial statements, and they are displayed individually in the combining statements.

The County reports the following proprietary funds:

- **Golf Courses Fund** – This fund accounts for the operations of the County owned golf courses.
- **Commissary Fund** – This fund accounts for the sale of items available to inmate 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, telephone systems, and buildings and grounds operations. Internal service funds are reported in a single column on the proprietary fund statements and are combined with governmental activities on the government-wide statements. They are also displayed individually in the combining statements.

The County reports the following fiduciary funds:

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

C. Measurement Focus And Basis Of Accounting

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

The proprietary and fiduciary fund statements are also prepared using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues generally result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating items, such as interest expense and investment earnings, result from non-exchange transactions or ancillary activities.

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

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

D. Assets, Liabilities, And Fund Balances/ Net Assets

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

Cash and Investments
Cash and cash equivalents consist primarily of demand deposits with financial institutions and short-term investments with original maturities of three months or less from the purchase date. Investments include non-pooled investments and certificates of deposit with original maturities greater than three months. All cash equivalents and investments are stated at fair value.

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

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

Inventories and other assets
Inventories are valued at cost using the FIFO method and are accounted for under the consumption method. Inventories in governmental funds are offset by a fund balance reserve that indicates they do not constitute "available spendable resources," even though they are a component of net current assets.

Amounts paid to vendors for goods and services applicable to future accounting periods are recorded as other assets.

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

Capital assets purchased by governmental funds are recorded as expenditures in the governmental fund statements. Interest expense for capital asset construction related to governmental activities is not capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Infrastructure improvements, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

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

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

Compensated Absences and Post-employment Benefits
County employees accrue vacation leave up to a maximum of 360 hours according to the following schedule:

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

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

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

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

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

Expenditures for post-employment healthcare are recognized as premiums are paid. During 2004 Davis County incurred $108,827 in such expenditures for 23 former employees, 18 of whom were still eligible for post-employment benefits as of December 31, 2004.

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

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

Net Assets/Fund Balances
The difference between assets and liabilities is n*et assets* on the government-wide, proprietary fund, and fiduciary fund statements, and *fund balance* on the governmental fund statements.

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

E. Revenues and Expenditures

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

Revenue Availability
Under the modified accrual basis of accounting, revenues are considered to be available when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. Davis County considers property tax revenues to be

"available" if they are collected by the Treasurer's Tax Collection Agency Fund before year-end. Grants and similar items are recognized as revenue when all eligibility requirements have been met. All other revenues, including sales taxes, are considered to be available if they are collected within 60 days after year-end.

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

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

F. Interfund Activity and Balances

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

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

G. Budgeting and Budgetary Control

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

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

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

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

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

Modifying the Adopted Budget
Transfers of unexpended appropriations from one expenditure account to another in the same department can be made by consent of the department heads. Transfers of unexpended appropriations from one department to another department, as well as budget reductions for any department, may be made with consent of the Commission. Expenditure appropriations of the General Fund may be increased by resolution only after a public hearing. Any other fund appropriation may be increased after giving public notice that the County Commission will consider such a matter. Notice must be published seven days in advance of the meeting to consider the action. During 2004, the County modified various budgets using the above procedure.

NOTE 2. ACCOUNTING CHANGES AND RESTATEMENTS

A. Strike Force Fund

Responsibility for the management of The Davis County Metro Strike Force (Strike Force Fund) changed on December 31, 2003. Layton City has taken over the responsibility to manage that operation. On April 1, 2004, the County forwarded the remaining balance of $223,585 in the Strike Force Fund to Layton City. No results of operations, except the transfer of funds to Layton City are shown in the County's 2004 CAFR. In future years, the County does not expect to report any activity in the Strike Force Fund.

B. South Davis Recreation District

On August 17, 2004, the citizens of Bountiful City, Centerville City, City of North Salt Lake, West Bountiful City, Woods Cross City, and unincorporated areas of southern Davis County voted on the approval of a Bond to replace the Bountiful City Swimming Pool and Ice Rink ("the Bubble") with a new recreational facility. The South Davis Recreation District was created through an inter-local governmental agreement among various municipalities in Southern Davis County. The District exists to provide administration and other services to those entities involved in the agreement for the project. The District is governed by a 7-member board consisting of representatives from each of the cities and two representatives from the County. The Board is responsible for directing all activities of the District including approving an annual budget.

The District will have taxing authority and will receive its funding from an annual property tax assessment paid by the citizens in the District. The assessment is anticipated to begin in the 2005 calendar year. In future years, the Treasurer's Schedule of Taxes Charged, Collected, and Distributed will include the District's activities for that year.

C. Paramedic Fund

On September 1, 2004, Davis County entered into an inter-local agreement with Layton City and the South Davis Metro Fire District to fund an additional 4 paramedic units for services to parts of the County. Under the terms of the agreement, starting in 2005, the 8 paramedic units, which include the County's 4 existing units, will be funded $250,000 each from property tax collection. The county will forward the amount due to Layton City and the South Davis Metro Fire District at the end of each year. Not required for the year ended December 31, 2004, the Paramedic Fund will be reflected in future Davis County CAFRs.

D. Capital Asset Depreciation Calculation

During 2004, Davis County adopted a depreciation policy to incur one year's of depreciation in the year an asset is placed into service. The effect of this change in accounting methodology resulted in a net increase of depreciation for 2004 of $1,569,537 before recording the current year's depreciation expense and disposals.

NOTE 3. DEPOSITS AND INVESTMENTS

A. Deposits

Utah statutes do not require deposits to be collateralized. The County follows the requirements of the Utah Money Management Act (the Act) in handling its depository transactions. The Act requires all deposits of County funds to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. The County's deposits are categorized by level of credit risk as follows:

Category 1 (the least amount of risk) includes deposits with financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC).

Category 2 includes uninsured deposits collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.

Category 3 (the most amount of risk) includes uninsured or uncollateralized funds held by the pledging financial institution, or by its trust department or agent, but not in the County's name, that could be lost if the financial institution fails.

At December 31, 2004, the carrying amount of deposits was $12,755,608 and the bank balance was $16,951,163. Of the bank balance, $200,000 and $16,751,163 were included in categories 1 and 3, respectively. The County does not have any deposits in Category 2.

B. Investments

As required by the Act, investment transactions are to be conducted through qualified depositories or primary reporting dealers. Permitted investments include deposits of qualified depositories, repurchase agreements, commercial paper rated P-1 by Moody's or A-1 by Standard and Poors, Inc., bankers acceptances, obligations of the U.S. Treasury, and certain tax anticipation and general obligation bonds. The County is also authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), a pooled investment fund managed by the State Treasurer and subject to the Utah Money Management Act requirements. Investments are categorized by level of credit risk similar to deposits.

Category 1 includes investments that are insured or registered or for which the securities are held by the County or the County's agent in the County's name.

Category 2 includes insured and unregistered investments for which securities are held by the counterparty's trust department or agent in the County's name.

Category 3 includes uninsured and unregistered investments for which securities are held by the counterparty, or by its trust department or agent, but not in the County's name.

Investment held in a pooled fund requires no risk categorization. All County investments are held in the Utah Public Treasurer's Investment Fund (the Fund), a pooled investment fund managed by the Utah State Treasurer and are thus not categorized.

The Fund is part of the public funds regulated by the Utah Money Management Act described above. Investments in the Fund have an average original maturity of less than three months and are considered cash equivalents; thus, the value of the pool shares in the same as the fair value of the position in the pool as allowed by GASB 31 fair value disclosure requirements. The county does not have any assets that qualifies as investments.

NOTE 4. INTERFUND BALANCES AND LOANS

Interfund balances result from time lags between the dates that property taxes are collected in the Treasurer's Tax Collection Agency Fund and the date of distributing those taxes to the individual County funds. Interfund balances also 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, 2004 consisted of the following amounts:

Major Funds:	
General Fund	$ 2,381,258
Tourism	732,469
Library	753,390
Debt Service G/O Bonds	390,379
Non-Major Funds:	
Special Service Area	55,241
Total Due From Other Funds	$ 4,312,737
Major Funds - Aging Services	359,013
Nonmajor Funds:	
Emergency 911	14,167
Treasurer's Tax Collection Agency Fund	3,580,268
Enterprise - Golf Course	359,289
Total due to other funds	$ 4,312,737

The amount owed from the Enterprise - Golf Course Fund to the Tourism Fund is shown as an internal balance in the entity wide Statement of Net Assets (Exhibit A).

NOTE 5. INTERFUND TRANSFERS

Transfers between funds occur primarily to finance programs accounted for in one fund with resources collected in other funds in accordance with budgetary authorizations. For Davis County, transfers from the General Fund are made as the County's general taxing commitment to state and federal Aging Services and Health programs and also to county dispatch and flood control programs. The transfers from the Golf Courses Fund to the Capital Projects / Revolving Fund are made to repay the monies used in 2002 for the Golf Course to expand the clubhouse at Davis Park. Interfund transfers for the year ended December 31, 2004 are shown in the following table.

	Transfer In		Transfer Out	
Major Funds:				
General Fund	$ 646,800	a, e, g	$ 7,443,702	b
Health Fund	2,015,832	b	6,000	h
Tourism Fund	6,000	h	816,184	c
Aging Services Fund	750,000	b		
Capital Project Conf. Ctr. Fund	816,184	c		
Golf Course Fund			34,000	e
Commissary Fund			159,867	a
Nonmajor Funds:				
Flood Control Fund	2,388,304	b	107,225	d, k
B-Road Fund	101,460	d, l	103,343	i, j
E911Dispatch Fund	1,201,572	b	452,933	g
MBA Operating Fund			220,989	f
Conf. Ctr. Debt Service Fund	698,856	b		
Special Service Area Fund	76,605	j, k	134	l
MBA Debt Service Fund	220,989	f		
Capital Projects / Revolving Fund	421,775	b, i		
Total Transfers In and Transfers Out	$ 9,344,377		$ 9,344,377	

a) The General Fund received the net revenues of the Commissary fund to support the jail general operations.

b) The General Fund transferred general tax monies of the County to support Aging Services, Health programs, Flood Control, Aging Services and Dispatch. The General Fund also transferred $421,775 to the Capital Projects / Revolving Fund for projects. The General Fund transferred $698,856 to the Conference Center Debt Service Fund to make the 2004 debt paymentproject

c) The Tourism Fund transferred $816,184 to the Capital Project Conference Center Fund to cover construction costs not planned for in the bond proceeds.

d) The Flood Control Fund transferred $101,326 to the B-Road Fund rent heavy equipment used in road projects.

e) The Golf Courses Fund transferred $34,000 to the General Fund to pay for administrative expenses.

f) The MBA Operating Fund transferred $220,989 to the MBA Debt Service Fund to make the 2004 debt payments.

g) The E911 Dispatch Fund transferred its net revenues of $452,933 back to the General Fund at year end.

h) The Health Fund transferred $6,000 to the Tourism Fund for a recreational park path.

i) The B-Road Fund transferred $32,637 to the Capital Project Fund for the construction of the Public Works Building.

j) The B-Road Fund transferred $70,706 to the Special Service Area Fund to rent heavy equipment used in flood projects.

k) The Flood Control Fund transferred $5,899 to Special Service Area Fund to rent equipment.

l) The Special Service Area transferred $134 to B Road Fund to rent heavy equipment.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2004 was as follows:

	Capital Assets				
	Beginning Balance	Additions	Deletions	Ending Balance	
Governmental Activities:					
Capital assets not being depreciated:					
Land and land improvements	$ 8,382,443	$ 45,290	$ -	$ 8,427,733	
Infrastructure	19,455,284	220,760	-	19,676,044	
Construction in Process	3,210,500	885	1,620,407	1,590,978	
Total	31,048,227	266,935	1,620,407	29,694,755	
Capital assets being depreciated:					
Buildings and Improvements	$ 43,450,975	$ 10,506,371	$ 138,065	$ 53,819,281	
Equipment	9,599,539	1,677,703	1,303,569	9,973,673	
Infrastructure	17,342,105	540,110	478,078	17,404,137	
Total	70,392,619	12,724,184	1,919,712	81,197,091	
Less Accumulated Depreciation for:					
Buildings and Improvements	$ 12,411,019	$ 2,431,427	$ 138,065	$ 14,704,381	
Equipment	7,285,300	1,532,983	1,303,569	7,514,714	
Infrastructure	7,460,386	1,064,284	478,078	8,046,592	
Total	27,156,705	5,028,694	1,919,712	30,265,687	
Capital assets being depreciated, net	43,235,914	7,695,490	-	50,931,404	
Governmental Activity Capital Assets, Net	$ 74,284,141	$ 7,962,425	1,620,407	$ 80,626,159	***
Business-type Activities:					
Capital assets not being depreciated:					
Land and land improvements	$ 2,471,675	$ 807,992	$ -	$ 3,279,667	
Capital assets being depreciated:					
Buildings and Improvements	$ 1,414,821	$ 27,866	$ -	$ 1,442,687	
Equipment	1,804,521	107,699	-	1,912,220	
Total	3,219,342	135,565	-	3,354,907	
Less Accumulated Depreciation for:					
Buildings and Improvements	$ 609,258	$ 50,050	$ -	$ 659,308	
Equipment	1,206,472	95,417	-	1,301,889	
Total	1,815,730	145,467	-	1,961,197	
Capital assets being depreciated, net	1,403,612	(9,902)	-	1,393,710	
Business-type Activities Capital Assets, Net	$ 3,875,287	$ 798,090	$ -	$ 4,673,377	

*** Capital Assets in the Statement of Net Assets also includes the Buildings, Equipment, and other Depreciable Assets, net of Accumulated Depreciation, for the Internal Service Funds of 51,799.

Depreciation expense of governmental activities was charged to functions as follows:

General Government ……	$ 1,359,593
Public Safety …….	1,950,669
Public Health and Welfare ……	210,589
Public Works …….	1,507,843
Depreciation on capital assets of the County's internal service funds is charged to the various functions based on their usage of assets …….	70,002
Total ……	$ 5,098,696

NOTE 7. SHORT-TERM DEBT

On June 8, 2004, Davis County issued $10 million of tax anticipation notes at 2.25 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 $117,500, and total principal and interest on the notes was paid in full on December 30, 2004.

NOTE 8. LONG-TERM LIABILITIES

A. Changes in Long-term Liabilities

Changes in long-term liabilities for the year ended December 31, 2004 were as follows:

	Long-term Liabilities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year *
Governmental Activities:					
General Obligation Bonds ……	$ 6,500,000	$ —	$ 1,600,000	$ 3,380,000	$ 1,645,000
Revenue Bonds	9,000,000	—	345,000	8,655,000	330,000
Municipal Building Revenue Bonds ……	1,629,000	—	132,000	1,497,000	134,000
Lease/Purchase line of credit	3,514,320	—	274,683	3,239,637	289,911
Compensated Absences	2,097,443	1,450,471	1,384,553	2,163,361	216,336
Total Governmental Long-term Liabilities.	$ 22,740,763	$ 1,450,471	$ 3,736,236	$18,934,998	$ 2,615,247

The compensated absence liability of governmental activities is liquidated in the General Fund, special revenue fund, or internal service fund where the related employing department operates.

* The total Due Within One Year portion of the Long-term Debt differ from that reported in the Statement of Net Asset by the short-term portion of compensated absences for the Internal Service Fund of $1,522.

Business-type Activities:
(There is no debt associated with the Business-type Activities of Davis County.)

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

B. General Obligation Bonds

During 2001, the County issued $6.645 million of Series 2001 general obligation bonds to refund a portion of the Series 1992 general obligation bonds. General Obligation Bonds Payable at December 31, 2004 consists of the following:

	General Obligation Bonds Payable				
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance December 31, 2004
2001 Refunding Bonds	12/01/01	12/01/06	3.60%	$ 6,645,000	$ 3,380,000
Total General Obligation Bonds Payable, net ……					$ 3,380,000

General Obligation Bonds – Debt Service Requirement to Maturity

	Series 2001	
Year	Principal	Interest
2005	1,645,000	92,070
2006	1,735,000	31,230
Total	$ 3,380,000	$ 123,300

C. Sales Tax Revenue Bonds

During 2003, the County issued $9,000,000 in revenue bonds to finance the construction of the Davis Conference Center. Revenue Bonds Payable at December 31, 2004 consists of the following:

	Sales Tax Revenue Bonds Payable				
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance December 31, 2004
2003 Conference Center A (taxable) ……..	10/23/03	10/23/06	2.00% to 2.80%	$ 750,000	$ 405,000
2003 Conference Center B (non-taxable)...	10/23/03	10/01/23	2.00% to 5.25%	8,250,000	8,250,000
Total Sales Tax Revenue Bonds Payable……..					$ 8,655,000

Sales Tax Revenue Bonds – Debt Service Requirement to Maturity

	Series 2003A (taxable)		Series 2003B (non-taxable)		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2005 ……..	330,000	9,030	—	357,763	330,000	366,793
2006 ……..	75,000	2,100	265,000	357,763	340,000	359,863
2007 ……..	—	—	345,000	352,463	345,000	352,463
2008 ……..	—	—	355,000	345,045	355,000	345,045
2009 ……..	—	—	360,000	335,993	360,000	335,993
2010 – 2014 ...	—	—	2,005,000	1,492,611	2,005,000	1,492,611
2015 – 2019 ...	—	—	2,455,000	1,036,749	2,455,000	1,036,749
2020 – 2023 ...	—	—	2,465,000	331,802	2,465,000	331,802
Total ……..	$ 405,000	$ 11,130	$ 8,250,000	$ 4,610,189	$ 8,655,000	$ 4,621,319

D. Lease Revenue Bonds

During 2004, the Municipal Building Authority did not issue any new lease revenue bonds. Lease Revenue Bonds Payable at December 31, 2004 consists of the following:

	Lease Revenue Bonds Payable				
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance December 31, 2004
1994 Head Start	6/15/94	06/15/09	2.00% to 2.08%	$ 1,165,000	$ 465,000
2001 Wasatch Front Regional Council	9/04/01	09/04/19	2.00% to 5.25%	1,153,000	1,032,000
Total Lease Revenue Bonds Payable……..					$ 1,497,000

Lease Revenue Bonds – Debt Service Requirement to Maturity

	Series 1994		Series 2001		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2005 ……...	90,000	27,243	44,000	49,847	134,000	77,090
2006 ……	100,000	21,680	46,000	47,771	146,000	69,451
2007 ……...	105,000	15,605	48,000	45,510	153,000	61,115
2008 ……	110,000	8,966	50,000	43,127	160,000	52,093
2009 ……	60,000	1,905	53,000	40,621	113,000	42,526
2010 – 2014 ……..	—	—	307,000	160,173	307,000	160,173
2015 – 2019 ……..	—	—	484,000	76,634	484,000	76,634
Total ……	$ 465,000	$ 75,399	$ 1,032,000	$ 463,683	$ 1,497,000	$ 539,082

E. Lease / Purchase line of credit

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

The balance of the line of credit at 12/31/2004 is $3,239,637. In the November 2004 general election, Davis County citizens approved a $24.8 million bond for the jail expansion project. It is anticipated that the line of credit will be made part of the requested bond amount and this debt will be paid off from the proceeds of the long-term general obligation borrowing early in 2005.

NOTE 9. FUND BALANCES

Reserved

Davis County's reserved fund balances represent amounts that are legally restricted for specific purposes by external contracts, bond agreements, or county ordinances. Fund balances are also reserved for encumbrances, inventories, and interfund loans as these amounts are not available for future appropriation or expenditure. The purposes for the reservations are noted on the face of the statements.

NOTE 10. RETIREMENT PLANS

A. Pension Plans

Davis County contributes to the Local Government Noncontributory Retirement System, and the Public Safety Retirement System, and the Public Service Contributory Retirement System, (collectively, the Systems), all of which are cost-sharing multiple-employer defined benefit pension plans. The Systems are administered by Utah Retirement Systems (URS) under the direction of the URS Board, which consists of the State Treasurer and six members appointed by the governor. URS is established under and governed by Title 49 of *Utah Code Annotated, 1953*, as amended (UCA). URS publishes an annual financial report that includes financial statements and required supplementary information for all retirement systems and deferred compensation plans administered by it. Copies of the report may be obtained by writing to Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102; by calling 1-800-365-8772; or by visiting www.urs.org.

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

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

	General Government	Public Safety System	
	Noncontributory System	**Contributory System**	**Noncontributory System**
Highest Average Salary	Highest 3 Years	Highest 3 Years	
Years of Service and Age of Eligibility	30 years any age 25 years any age (a) 20 years age 60 (a) 10 years age 62 (a) 4 years age 65	20 years any age 10 years age 60 4 years age 65	
Benefit Percent per Year of Service	2.00% per year	2.50% per year up to 20 years 2.00% per year over 20 years Benefit cannot exceed 70% of final average salary.	
Annual Cost of Living Adjustment	up to 4.00%	up to 2.50%	
2004 Rates as Percent of Covered Payroll:			
Employer	11.09%	19.08%	
Member	0.00%	0.91%	
Actual County Contributions Made, by year:			
2004	$ 1,837,943	$ 42,684	$ 1,263,350
2003	$ 1,476,172	$ 40,121	$ 995,261
2002	$ 1,465,806	$ 40,532	$ 974,514

(a) Requires full actuarial reductions

B. Deferred Compensation Plans

The County participates in a 401(k) Plan and a 457 Plan (collectively, the Plans), both of which are defined contribution plans administered by URS. The Plans are in addition to the retirement benefits outlined above. Voluntary contributions may be made to the Plans subject to URS and Internal Revenue Service limitations. The County contributes a matching amount up to 4.0 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, 2004, Davis County contributed $967,778 to employees' 401(k) Plans.

NOTE 11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County purchases commercial insurance through the Utah Counties Insurance Pool to mitigate the costs of these risks. The County's responsibility extends only to payment of premiums, and deductibles are $500 for general liability claims and $1,000 for auto physical damage. The amount of settlements has not exceeded insurance coverage since the inception of commercial insurance coverage in 1998. The County also purchases a $10,000,000 excessive policy from States Insurance.

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

NOTE 12. LITIGATION AND CONTINGENCIES

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

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

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

In 2004, the South Davis Fire District was dissolved and replaced with the South Davis Metro Fire District. The South Davis Metro Fire District was created through an inter-local governmental agreement among various municipalities in southern Davis County. In addition to the members of the South Davis Fire District, Bountiful Fire Department is now included in the new fire district. The District exists to provide fire protection and ambulance services to those entities involved in the agreement. The District is governed by a 7-member board consisting of representatives from each of the cities and also two from the County. The Board is responsible for directing all activities of the District including approving an annual budget and appointing the Chief. Separate financial information can be obtained from South Davis Metro Fire District, 255 South 100 West, Bountiful, Utah 84011.

Th South Davis Fire District receives its funding from an annual assessment paid by each participant. The assessment is allocated based on taxable value of each participating entity. In 2004, the County participates 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 2004 was $121,751. It represents only 6.51% of the total operating costs of the District.

NOTE 14. SUBSEQUENT EVENTS

A. Jail Expansion Bond

On January 10, 2005, the County issued a General Obligation Bond in the amount of $24.8 million for the expansion of the Davis County Jail ("Jail Expansion Bond"). The Bonds were rated "Aaa" by Moody's Investors Services. The Bond principal and interest payments are due and payable semi-annually in February and August of each year. Principal payments on the 20-year bond will begin in February, 2006. The interest rates on the bond range from 3.00% in 2005 to 4.75% in 2025. The "True Interest Rate" of the Bond is 4.18% with the first interest payment due and payable on August 1, 2005.

Required supplemental information

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 all of the County's major funds. Budgetary comparison schedules for the County's nonmajor funds are included as Supplementary Information. Original budgets represents the revenue estimates and spending authority 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 unexpected balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

DAVIS COUNTY **EXHIBIT L**

(Page 1 of 4)

GENERAL FUND

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

FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES:				
Taxes:				
Current property taxes	$ 17,350,000	$ 17,350,000	$ 16,616,067	$ (733,933)
Delinquent prior years' taxes	587,000	587,000	643,871	56,871
Penalties and interest	491,000	491,000	365,825	(125,175)
Fee-in-lieu	2,520,000	2,520,000	2,758,173	238,173
Sales tax	8,200,000	8,200,000	8,370,640	170,640
Total	29,148,000	29,148,000	28,754,576	(393,424)
Licenses and permits:				
Marriage licenses	23,500	23,500	20,880	(2,620)
Animal licenses	250,000	250,000	187,239	(62,761)
Total	273,500	273,500	208,119	(65,381)
Intergovernmental revenues:				
Federal - emergency services	933,526	1,306,358	1,300,107	(6,251)
Federal payment in lieu of taxes	25,000	25,000	43,334	18,334
I.N.S. grant	110,000	110,000	151,106	41,106
State grants:				
State forest service	7,500	7,500	7,500	-
Victim services	262,000	262,000	252,898	(9,102)
EMS per capita	28,101	28,101	28,101	-
Children's Justice Centers	171,165	171,165	154,914	(16,251)
RSAT grant	119,582	119,582	107,882	(11,700)
Drug Court grant	291,637	291,637	247,028	(44,609)
DUI grant	55,000	55,000	103,927	48,927
Miscellaneous Contracts	63,301	80,778	61,090	(19,688)
Total	2,066,812	2,457,121	2,457,887	766

DAVIS COUNTY **EXHIBIT L**

(Page 2 of 4)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Charges for services:				
Clerk fees	$ 145,000	$ 145,000	$ 84,714	$ (60,286)
Recorder fees	1,900,000	1,900,000	1,848,151	(51,849)
A.L.S. fees	220,000	220,000	342,782	122,782
Sheriff fees	913,873	932,561	966,368	33,807
Jail fees	3,249,616	3,249,616	3,738,402	488,786
Drug court particpation fees	-	-	23,129	23,129
Microfilming fees	50,000	71,000	94,595	23,595
Surveyor filing fees	500	500	1,392	892
Wellness program fees	1,300	1,300	2,395	1,095
Animal shelter fees	596,900	596,900	445,241	(151,659)
Causeway user fees	120,000	120,000	110,799	(9,201)
Miscellaneous fees	10,100	10,100	137,576	127,476
Total	7,207,289	7,246,977	7,795,544	548,567
Fines and forfeitures:				
Justice court	1,500,000	1,500,000	1,718,797	218,797
Other court	40,000	40,000	34,787	(5,213)
Total	1,540,000	1,540,000	1,753,584	213,584
Interest	120,000	120,000	57,087	(62,913)
Miscellaneous:				
Sale of fixed assets	1,600,000	1,600,000	2,237,822	637,822
Rent	185,000	185,000	205,423	20,423
Sundry:				
Public defender	140,000	140,000	113,475	(26,525)
Information systems	112,000	112,000	152,812	40,812
Clerk/Auditor	15,200	15,200	23,611	8,411
Attorney	2,000	2,000	16,015	14,015
Personnel	8,000	8,000	37,920	29,920
Children's Justice Center	-	-	1,857	1,857

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Miscellaneous (continued):				
Treasurer	$ 5,000	$ 5,000	$ 5,792	$ 792
Surveyor	2,000	2,000	5,055	3,055
Jail	100	100	184	84
S.S. revenues	2,000	2,000	2,200	200
Sundry	52,000	52,000	135,391	83,391
Total	2,123,300	2,123,300	2,937,557	814,257
TOTAL REVENUES	42,478,901	42,908,898	43,964,354	1,032,327
EXPENDITURES:				
General government:				
Commissioners	549,021	549,021	532,583	16,438
Justice court	494,063	494,063	469,990	24,073
Public defender	867,000	867,000	935,846	(68,846)
Personnel	618,965	618,965	577,645	41,320
Information systems	4,604,795	4,604,795	3,854,512	750,283
Clerk/Auditor	1,642,963	1,642,963	1,551,920	91,043
Treasurer	473,521	473,521	452,395	21,126
Recorder	946,034	946,034	955,228	(9,194)
Attorney	2,502,907	2,502,907	2,497,184	5,723
Assessor	1,903,566	1,903,566	1,874,124	29,442
Surveyor	477,952	477,952	479,768	(1,816)
Victim services	496,297	496,297	454,539	41,758
Children's Justice Center	208,270	208,270	207,327	943
Non-departmental	2,885,124	2,740,324	1,940,011	800,313
Total	18,670,478	18,525,678	16,783,072	1,742,606

DAVIS COUNTY **EXHIBIT L**

(Page 4 of 4)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Public safety:				
Sheriff	$ 8,525,497	$ 8,902,743	$ 8,918,299	$ (15,556)
State forest fire protection	48,000	48,000	29,103	18,897
Jail	8,114,781	8,114,781	7,931,775	183,006
Animal control	1,236,935	1,236,935	1,156,521	80,414
Total	17,925,213	18,302,459	18,035,698	266,761
Public health - poor and indigent	1,800	2,800	2,593	207
Public works - vehicle maintenance	319,253	319,253	329,802	(10,549)
Capital outlay	604,344	549,396	665,586	(116,190)
TOTAL EXPENDITURES	37,521,088	37,699,586	35,816,751	1,882,835
EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	4,957,813	5,209,312	8,147,603	2,938,291
OTHER FINANCING SOURCES (USES):				
Transfers in	299,294	299,294	646,800	347,506
Transfers out	(5,217,399)	(6,788,798)	(7,443,702)	(654,904)
Appropriation of fund balance				
Total	(4,918,105)	(6,489,504)	(6,796,902)	(307,398)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	39,708	(1,280,192)	1,350,701	2,630,893
FUND BALANCE, BEGINNING OF YEAR	3,600,606	3,600,606	4,413,042	812,436
FUND BALANCE, END OF YEAR	$ 3,640,314	$ 2,320,414	$ 5,763,743	$ 3,443,329

DAVIS COUNTY **EXHIBIT M**

HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES:				
Intergovernmental revenues	$ 6,028,653	$ 6,112,727	$ 5,672,425	$ (440,302)
Charges for services	4,643,431	4,643,431	3,280,173	(1,363,258)
Miscellaneous	-	-	4,487	4,487
Total	10,672,084	10,756,158	8,957,085	(1,799,073)
EXPENDITURES:				
Public health:				
Salaries and benefits	6,334,501	6,342,751	6,027,690	315,061
Operating expenditures	2,124,618	2,157,530	1,825,326	332,204
Food vouchers	2,585,000	2,585,000	2,612,886	(27,886)
Capital outlay	20,000	62,942	26,474	36,468
Total	11,064,119	11,148,223	10,492,376	655,847
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(392,035)	(392,065)	(1,535,291)	(1,143,226)
OTHER FINANCING SOURCES (USES):				
Transfers in	2,015,831	2,015,831	2,015,832	1
Transfers out	-	-	(6,000)	(6,000)
Appropriation of fund balance	-	-	-	-
Total	2,015,831	2,015,831	2,009,832	(5,999)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	1,623,796	1,623,766	474,541	(1,149,225)
FUND BALANCE, BEGINNING OF YEAR	405,065	405,065	530,706	125,641
FUND BALANCE, END OF YEAR	$ 2,028,861	$ 2,028,831	$ 1,005,247	$ (1,023,584)

DAVIS COUNTY **EXHIBIT N**

TOURISM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUE:				
Taxes	$ 2,840,000	$ 2,840,000	$ 2,778,144	$ (61,856)
Charges for services	413,200	419,200	393,640	(25,560)
Sale of fixed asset	1,800,000	1,800,000	1,418,628	(381,372)
Interest	5,000	5,000	36,627	31,627
Miscellaneous	20,000	20,000	30,018	10,018
Total	5,078,200	5,084,200	4,657,057	(427,143)
EXPENDITURES:				
General government:				
Salaries and benefits	985,376	991,376	929,217	62,159
Operating expenditures	2,346,076	2,346,076	1,897,846	448,230
Capital outlay	25,000	25,000	93,563	(68,563)
Total	3,356,452	3,362,452	2,920,626	441,826
EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	1,721,748	1,721,748	1,736,431	14,683
OTHER FINANCING SOURCES (USES):				
Transfer in	-	-	6,000	6,000
Transfer out	(1,162,857)	(1,701,073)	(816,184)	884,889
Appropriation of fund balance	-	-	-	-
Total	(1,162,857)	(1,701,073)	(810,184)	890,889
EXCESS OF REVENUES AND OTHER FINANCING SOURCES				-
OVER EXPENDITURES AND OTHER FINANCING USES	558,891	20,675	926,247	905,572
	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	2,046,842	1,449,424	1,976,987	527,563
	-	-	-	-
APPROPRIATION OF FUND BALANCE	-	-	-	-
	-	-	-	-
FUND BALANCE, END OF YEAR	$ 2,605,733	$ 1,470,099	$ 2,903,234	$ 1,433,135

DAVIS COUNTY **EXHIBIT O**

LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ 4,515,920	$ 4,515,920	$ 4,503,812	$ (12,108)
Intergovernmental revenues	35,000	49,800	65,270	15,470
Charges for services	400	-	2,077	2,077
Fines and forfeitures	150,000	150,000	171,950	21,950
Interest	1,000	1,000	-	(1,000)
Miscellaneous	8,000	23,000	30,765	7,765
Total	4,710,320	4,739,720	4,773,874	34,154
EXPENDITURES:				
General government:				
Salaries and benefits	2,678,674	2,703,674	2,569,530	134,144
Operating expenditures	1,369,416	1,349,416	1,454,269	(104,853)
Capital outlay	321,378	221,378	75,185	146,193
Total	4,369,468	4,274,468	4,098,984	175,484
EXCESS OF REVENUES OVER EXPENDITURES	340,852	465,252	674,890	209,638
FUND BALANCE, BEGINNING OF YEAR	727,674	727,674	745,867	18,193
	-	-	-	-
FUND BALANCE, END OF YEAR	$ 1,068,526	$ 1,192,926	$ 1,420,757	$ 227,831

DAVIS COUNTY **EXHIBIT P**

AGING SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES:				
Intergovernmental revenues	$ 2,093,361	$ 2,093,361	$ 1,842,567	$ (250,794)
Charges for services	270,000	270,000	315,558	45,558
Miscellaneous	-	-	104,472	104,472
Total	2,363,361	2,363,361	2,262,597	(100,764)
EXPENDITURES:				
General government:				
Salaries and benefits	1,412,385	1,477,707	1,362,603	115,104
Operating expenditures	1,559,954	1,585,969	1,492,850	93,119
Capital outlay	15,000	49,685	34,685	15,000
Total	2,987,339	3,113,361	2,890,138	223,223
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(623,978)	(750,000)	(627,541)	122,459
OTHER FINANCING SOURCES (USES):				
Transfers in	750,000	750,000	750,000	-
Transfers out	-	-	-	-
Appropriation of fund balance	-	-	-	-
Total	750,000	750,000	750,000	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	126,022	-	122,459	122,459
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ 126,022	$ -	$ 122,459	$ 122,459

DAVIS COUNTY **EXHIBIT Q**

GENERAL OBLIGATION DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES:				
Property Taxes	$ 1,730,000	$ 1,730,000	$ 1,903,239	$ 173,239
Intergovernmental revenue	-	-	-	-
Miscellaneous	21,480	21,480	30,278	8,798
Total	1,751,480	1,751,480	1,933,517	182,037
EXPENDITURES:				
Bond Principal	1,600,000	1,600,000	1,600,000	-
Interest	150,480	150,480	150,480	-
Miscellaneous	1,000	1,000	500	500
Total expenditures	1,751,480	1,751,480	1,750,980	500
DEFICIENCY OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	-	-	182,537	182,537
OTHER FINANCING SOURCES (USES):				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Appropriation of fund balance	-	-	-	-
Total	-	-	-	-
			-	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	182,537	182,537
FUND BALANCE, BEGINNING OF YEAR	2,971,805	2,971,805	3,296,051	324,246
FUND BALANCE, END OF YEAR	$ 2,971,805	$ 2,971,805	$ 3,478,588	$ 324,246

DAVIS COUNTY **EXHIBIT R**

CONFERENCE CENTER CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES:				
Interest Earnings	$ 20,000	$ 20,000	$ 79,796	$ 59,796
Miscellaneous	-	-	-	-
Total	20,000	20,000	79,796	59,796
EXPENDITURES:				
Capital outlay	7,000,000	8,656,216	8,527,876	128,340
Miscellaneous costs	100,000	100,000	99,529	471
Total expenditures	7,100,000	8,756,216	8,627,405	128,811
DEFICIENCY OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(7,080,000)	(8,736,216)	(8,547,609)	188,607
OTHER FINANCING SOURCES (USES):				
Transfer in	460,000	1,264,800	816,184	(448,616)
Transfer out	-	-	-	-
Appropriation of fund balance	-	-	-	-
Total	460,000	1,264,800	816,184	(448,616)
			-	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(6,620,000)	(7,471,416)	(7,731,425)	(260,009)
FUND BALANCE, BEGINNING OF YEAR	7,731,425	7,731,425	7,731,425	-
FUND BALANCE, END OF YEAR	$ 1,111,425	$ 260,009	$ -	$ -

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Supplemental information

Nonmajor Governmental Funds

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

Strike Force Fund
This fund accounts for revenues and expenditures related to the Davis Metro Narcotics Strike Force.

Emergency 911 Dispatch Funds
This fund accounts for revenues and expenditures related to the 911 emergency number.

Municipal Building Authority Fund
This fund accounts for monies received by the County related to the rental of County buildings.

Special Service Area Fund
This fund accounts for monies received and expenditures related to providing municipal type services for the unincorporated areas of the County.

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.

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, 2004

	Flood Control Fund	Strike Force Fund	Emergency 911 Fund	Municipal Building Authority Fund
ASSETS				
Cash and investments	$ 14,721	$ -	$ -	$ 149,805
Restricted Assets - Cash and investments	-	-	-	-
Accounts Receivable	42,267	-	83,930	-
Taxes Receivable	-	-	-	-
Due from other funds	-	-	-	-
Other Assets	-	-	-	-
TOTAL ASSETS	56,988	-	83,930	149,805
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and accrued liabilities	56,988	-	69,763	-
Due to other funds	-	-	14,167	-
Deferred revenue	-	-	-	-
Total liabilities	56,988	-	83,930	-
FUND BALANCES:				
Reserved:				
Class "B" road funds	-	-	-	-
Undesignated	-	-	-	149,805
Total fund balances	-	-	-	149,805
TOTAL LIABILITIES AND FUND BALANCES	56,988	-	83,930	149,805

Special Service Area Fund	M.B.A. Debt Service Fund	Conf. Ctr. Debt Service Fund	Capital Projects Fund	Total
$ 746,908	$ -	$ -	$ 1,855,822	$ 2,767,256
1,507,234	-	-	-	1,507,234
337,363	-	-	-	463,560
12,974	-	-	-	12,974
55,241	-	-	-	55,241
29,436	-	-	-	29,436
2,689,156	-	-	1,855,822	4,835,701
225,722	-	-	30,897	383,370
-	-	-	-	14,167
12,973	-	-	-	12,973
238,695	-	-	30,897	410,510
1,558,978	-	-	-	1,558,978
891,483	-	-	1,824,925	2,866,213
2,450,461	-	-	1,824,925	4,425,191
2,689,156	-	-	1,855,822	4,835,701

DAVIS COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Flood Control Fund	Strike Force Fund	Emergency 911 Fund	Municipal Building Authority Fund
REVENUES:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental revenues	76,571	-	-	-
Charges for services	-	-	881,015	-
Fines and forfeitures	-	-	-	-
Interest	-	-	2,727	2,273
Miscellaneous	126,033	-	24,823	205,369
Total	202,604	-	908,565	207,642
EXPENDITURES:				
Current:				
General government	-	-	-	7
Public safety	-	223,585	1,444,686	-
Public health	-	-	-	-
Public works	2,042,163	-	-	-
Debt Service	-	-	-	-
Capital outlay	441,520	-	212,518	-
Total	2,483,683	223,585	1,657,204	7
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(2,281,079)	(223,585)	(748,639)	207,635
OTHER FINANCING SOURCES (USES):				
Transfers in	2,388,304	-	1,201,572	-
Transfers out	(107,225)	-	(452,933)	(220,989)
Total	2,281,079	-	748,639	(220,989)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	(223,585)	-	(13,354)
FUND BALANCES, BEGINNING OF YEAR	-	223,585	-	163,159
FUND BALANCES, END OF YEAR	$ -	$ -	$ -	$ 149,805

Special Service Area Fund	M.B.A. Debt Service Fund	Conf. Ctr. Debt Service Fund	Capital Projects Fund	Total
$ 790,330	$ -	$ -	$ -	$ 790,330
928,894	-	-	-	1,005,465
63,831	-	-	-	944,846
36,778		-	34,681	76,459
105,911	-	-	34,130	496,266
1,925,744	-	-	68,811	3,313,366
281,945	-	-	207,380	489,332
-	-	-	-	1,668,271
963,311	-	-	-	3,005,474
-	220,989	698,856	-	919,845
821,454	-	-	471,851	1,947,343
2,066,710	220,989	698,856	679,231	8,030,265
(140,966)	(220,989)	(698,856)	(610,420)	(4,716,899)
178,065	220,989	698,856	421,775	5,109,561
(103,478)	-	-	-	(884,625)
74,587	220,989	698,856	421,775	4,224,936
(66,379)	-	-	(188,645)	(491,963)
2,516,840	-	-	2,013,570	4,917,154
$ 2,450,461	$ -	$ -	$ 1,824,925	$ 4,425,191

FLOOD CONTROL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUE:				
Intergovernmental revenues	$ -	$ -	$ 76,571	$ 76,571
Miscellaneous	88,438	88,438	126,033	37,595
Total	88,438	88,438	202,604	114,166
EXPENDITURES:				
Public works:				
Salaries and benefits	-	-	869,382	(869,382)
Operating expenditures	-	-	1,172,781	(1,172,781)
Capital outlay	-	-	441,520	(441,520)
Total	-	-	2,483,683	(2,483,683)
DEFICIENCY OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES	88,438	88,438	(2,281,079)	(2,369,517)
OTHER FINANCING SOURCES:				
Transfers in	2,591,000	2,591,000	2,388,304	(202,696)
Transfers out	-	-	(107,225)	(107,225)
Total	2,591,000	2,591,000	2,281,079	(309,921)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	2,679,438	2,679,438	-	(2,679,438)
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
APPROPRIATION OF FUND BALANCE	-	-	-	-
FUND BALANCE, END OF YEAR	$ 2,679,438	$ 2,679,438	$ -	$ (2,679,438)

STRIKE FORCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUE:				
State grants	$ -	$ -	$ -	$ -
Participant assessments	-	-	-	-
Forfeited seizures	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total	-	-	-	-
EXPENDITURES:				
Public safety:				
Salaries and benefits	-	-	-	-
Operating expenditures	-	-	223,585	(223,585)
Capital outlay	-	-	-	-
Total	-	-	223,585	(223,585)
EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	-	-	(223,585)	(223,585)
OTHER FINANCING SOURCES (USES):				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total	-	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	(223,585)	(223,585)
FUND BALANCE, BEGINNING OF YEAR	223,585	223,585	223,585	-
APPROPRIATION OF FUND BALANCE	-	-	-	-
FUND BALANCE, END OF YEAR	$ 223,585	$ 223,585	$ -	$ (223,585)

EMERGENCY 911 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUE:				
Charges for services	$ -	$ -	$ 881,015	$ 881,015
Interest	-	-	2,727	2,727
Miscellaneous	-	-	24,823	24,823
Total	-	-	908,565	908,565
EXPENDITURES:				
Public safety:				
Salaries and benefits	-	-	1,124,963	(1,124,963)
Operating expenditures	-	411,411	319,723	91,688
Capital outlay	-	-	212,518	(212,518)
Total	-	411,411	1,657,204	(1,245,793)
DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-	-	-
BEFORE OTHER FINANCING SOURCES	-	(411,411)	(748,639)	(337,228)
OTHER FINANCING SOURCES:				
Transfers in	1,201,568	1,233,368	1,201,572	(31,796)
Transfers out	-	-	(452,933)	(452,933)
Total	1,201,568	1,233,368	748,639	(484,729)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	1,201,568	821,957	-	(821,957)
FUND BALANCE, BEGINNING OF YEAR	163,945	-	-	-
APPROPRIATION OF FUND BALANCE	-	-	-	-
FUND BALANCE, END OF YEAR	$ 1,365,513	$ 821,957	$ -	$ (821,957)

MUNICIPAL BUILDING AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES:				
Interest	$ 2,100	$ 2,100	$ 2,273	$ 173
Miscellaneous	220,249	220,249	205,369	(14,880)
Total	222,349	222,349	207,642	(14,707)
			-	
EXPENDITURES:				
General government	100	100	7	93
Capital Outlay	-	-	-	-
Total	100	100	7	93
EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING USES	$ 222,249	$ 222,249	207,635	$ (14,614)
OTHER FINANCING SOURCES (USES):				
Transfers out	$ (222,249)	$ (222,249)	(220,989)	$ 1,260
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	$ -	$ -	- (13,354)	$ (13,354)
FUND BALANCE, BEGINNING OF YEAR	164,468	164,468	- 163,159	(1,309)
FUND BALANCE, END OF YEAR	$ 164,468	$ 164,468	$ 149,805	$ (14,663)

SPECIAL SERVICE AREA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ 236,000	$ 236,000	$ 250,520	$ 14,520
Sales taxes	500,000	500,000	539,810	39,810
Grants	-	-	8,445	8,445
Intergovernmental revenues	900,000	900,000	920,449	20,449
Charges for services	47,500	47,500	63,831	16,331
Interest	21,000	21,000	36,778	15,778
Miscellaneous	96,000	96,000	105,911	9,911
Total	1,800,500	1,800,500	1,925,744	125,244
EXPENDITURES:				
General government:				
Salaries and benefits	50,026	50,026	50,651	(625)
Operating expenditures	240,025	240,025	231,294	8,731
Public works:				
Salaries and benefits	454,245	454,245	416,000	38,245
Operating expenditures	526,882	484,328	547,311	(62,983)
Capital outlay	569,000	916,810	821,454	95,356
Total expenditures	1,840,178	2,145,434	2,066,710	78,724
EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(39,678)	(344,934)	(140,966)	203,968
OTHER FINANCING SOURCES (USES):				
Transfers in	50,000	50,000	178,065	128,065
Transfers out	(90,000)	90,000	(103,478)	(193,478)
Appropriation of fund balance	-	-	-	-
Total	(40,000)	140,000	74,587	(65,413)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(79,678)	(204,934)	(66,379)	138,555
FUND BALANCE, BEGINNING OF YEAR	1,165,251	1,165,251	2,516,840	-
APPROPRIATION OF FUND BALANCE	-	-	-	-
FUND BALANCE, END OF YEAR	$ 1,085,573	$ 960,317	$ 2,450,461	$ 138,555

MUNICIPAL BUILDING AUTHORITY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES:				
HEADSTART DEBT				
Principal retirement	90,000	90,000	90,000	-
Interest and other	35,541	35,541	36,781	(1,240)
WASATCH FRONT DEBT				
Principal retirement	42,000	42,000	42,000	
Interest and other	54,708	54,708	52,208	2,500
Total	222,249	222,249	220,989	1,260
DEFICIENCY OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES	(222,249)	(222,249)	(220,989)	1,260
OTHER FINANCING SOURCES - Transfers in	222,249	222,249	220,989	(1,260)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	-	-	-	(1,260)
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ (1,260)

CONFERENCE CENTER DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES:				
Miscellaneous	$ -	$ -	$ -	$ -
Total	-	-	-	-
EXPENDITURES:				
CONFERENCE CENTER A (taxable)				
Principal retirement	345,000	345,000	345,000	-
Interest and other	17,957	17,957	17,957	-
Total	362,957	362,957	362,957	-
CONFERENCE CENTER B (taxable)				
Principal retirement	-	-	-	-
Interest and other	339,900	339,900	335,899	4,001
Total	339,900	339,900	335,899	4,001
DEFICIENCY OF REVENUE OVER EXPENDITURES	(702,857)	(702,857)	(698,856)	(4,001)
OTHER FINANCING SOURCES (USES):				
Transfers in	702,857	702,857	698,856	(4,001)
Total	702,857	702,857	698,856	(4,001)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -

CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES:				
Interest	$ -	$ -	$ 34,681	$ 34,681
Miscellaneous	-	-	34,130	34,130
Total	-	-	68,811	68,811
EXPENDITURES:				
General government	500,000	328,850	207,380	121,470
Capital outlay	850,640	1,271,414	471,851	799,563
Total	1,350,640	1,600,264	679,231	921,033
DEFICIENCY OF REVENUE OVER EXPENDITURES	(1,350,640)	(1,600,264)	(610,420)	989,844
OTHER FINANCING SOURCES (USES):				
Transfers in	215,000	364,138	421,775	57,637
Transfers out	(150,660)	(150,660)	-	150,660
Total	64,340	213,478	421,775	208,297
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(1,286,300)	(1,386,786)	(188,645)	1,198,141
FUND BALANCE, BEGINNING OF YEAR	1,336,300	1,336,300	2,013,570	677,270
FUND BALANCE, END OF YEAR	$ 50,000	$ (50,486)	$ 1,824,925	$ 1,875,411

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Internal Service Funds

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

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

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

INTERNAL SERVICE FUNDS - COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2004

ASSETS	Insurance	Telephone	Buildings and Grounds	Total
CASH AND INVESTMENTS	$ 967,382	$ 241,995	$ 384,469	$ 1,593,846
ACCOUNTS RECEIVABLE	6,863	9,968	7,540	24,371
INTEREST RECEIVABLE	-	-	-	-
INVENTORIES AND OTHER ASSETS	85,873	-	-	85,873
EQUIPMENT - Net	-	51,799	-	51,799
TOTAL ASSETS	$ 1,060,118	$ 303,762	$ 392,009	$ 1,755,889
LIABILITIES AND NET ASSETS				
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	$ 478	$ 8,920	$ 65,595	$ 74,993
COMPENSATED ABSENCES	-	-	15,222	15,222
TOTAL LIABILITIES	478	8,920	80,817	90,215
NET ASSETS:				
Investment in Capital Assets	-	180,837	-	180,837
Unrestricted Net Assets	1,059,640	114,005	311,192	1,484,837
TOTAL NET ASSETS	1,059,640	294,842	311,192	1,665,674
TOTAL LIABILITIES AND NET ASSETS	$ 1,060,118	$ 303,762	$ 392,009	$ 1,755,889

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Insurance	Telephone	Buildings and Grounds	Total
OPERATING REVENUES:				
Charges for services	$ 685,464	$ 269,192	$ 1,681,676	$ 2,636,332
Other	20,436	-	-	20,436
Total	705,900	269,192	1,681,676	2,656,768
EXPENSES:				
Salaries, wages, and benefits	86,365	60,631	705,989	852,985
Operations	-	-	915,104	915,104
Insurance premiums	496,970	-	-	496,970
Line charges	-	80,910	-	80,910
Other	23,961	68,803	-	92,764
Total	607,296	210,344	1,621,093	2,438,733
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	98,604	58,848	60,583	218,035
DEPRECIATION	-	(70,002)	-	(70,002)
OPERATING INCOME (LOSS)	98,604	(11,154)	60,583	148,033
NONOPERATING REVENUES - Interest revenue	13,688	3,785	7,104	24,577
CHANGES IN NET ASSETS	112,292	(7,369)	67,687	172,610
	-	-	-	-
NET ASSETS, BEGINNING OF YEAR	947,348	302,212	243,505	1,493,065
NET ASSETS, END OF YEAR	$ 1,059,640	$ 294,843	$ 311,192	$ 1,665,675

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 13

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Insurance	Telephone	Buildings and Grounds	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	685,464	269,192	1,681,676	2,636,332
Cash received from other activities	20,436	-	-	20,436
Cash payments for payroll and benefits	(86,365)	(60,631)	(705,988)	(852,984)
Cash payments for goods and services	(609,397)	(141,852)	(946,174)	(1,697,423)
Net cash provided by operating activities	10,138	66,709	29,514	106,361
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earned on cash deposits	13,688	3,785	7,104	24,577
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Purchase of assets	-	(24,407)	-	(24,407)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net cash provided by (used in) noncapital financing activities	-	(24,407)	-	(24,407)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES -				
Cash payments for property and equipment purchases	-	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	23,826	46,087	36,618	106,531
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	943,556	195,908	347,851	1,487,315
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 967,382	$ 241,995	$ 384,469	$ 1,593,846
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	$ 98,604	$ (11,154)	$ 60,583	$ 148,033
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	-	70,002	-	70,002
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	-	(4,342)	(4,006)	(8,348)
(Increase) decrease in inventories and other assets	(85,873)	-	-	(85,873)
Increase (decrease) in accounts payable and accrued liabilities	(2,593)	12,203	(28,093)	(18,483)
Increase (decrease) in compensated absences	-	-	1,030	1,030
Total adjustments	(88,466)	77,863	(31,069)	(41,672)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 10,138	$ 66,709	$ 29,514	$ 106,361

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 for outside parties related to construction and development costs.

Treasurer Tax Collection Fund
This fund accounts for the receipts and disbursements of property taxes for the taxing entities of Davis County.

Employee Benefits Funds
These funds account for monies collected from County employees in accordance with Internal Revenue Code sections related to deferred compensation plans.

COMBINING STATEMENT OF AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	County Agency	Treasurer's Tax Collection	Employee Benefits	Total
ASSETS				
CASH AND INVESTMENTS	$ 662,916	$ 7,771,794	$ 1,717,558	$ 10,152,268
RESTRICTED ASSETS - Cash & Investments	-	23,634,183	-	23,634,183
ACCOUNTS RECEIVABLE	1,028,800	278,043	75	1,306,918
TOTAL ASSETS	$ 1,691,716	$ 31,684,020	$ 1,717,633	$ 35,093,369
LIABILITIES				
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	$ 1,691,716	$ 4,191,456	$ 1,717,633	$ 7,600,805
DUE TO OTHER FUNDS		3,580,238	-	3,580,238
DUE TO OTHER GOVERNMENT ENTITIES	-	23,912,326	-	23,912,326
TOTAL LIABILITIES	$ 1,691,716	$ 31,684,020	$ 1,717,633	$ 35,093,369

See notes to financial statements

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Balance 31-Dec-03	Additions	Deductions	Balance 31-Dec-04
COUNTY AGENCY FUND				
ASSETS				
Cash	579,835	10,243,472	(10,160,391)	662,916
Restricted Assets - Cash & Investment	-	-	-	-
Accounts Receivables	1,261,019	6,698,869	(6,931,088)	1,028,800
Total Assets	1,840,854	16,942,341	(17,091,479)	1,691,716
LIABILITIES				
Accounts Payable & Accrued Liabilities	1,840,854	17,366,224	(17,515,362)	1,691,716
Due to Other Funds	-	-	-	-
Due to Other Government Funds	-	-	-	-
Total Liabilities	1,840,854	17,366,224	(17,515,362)	1,691,716
TREASURER TAX COLLECTION FUND				
ASSETS				
Cash	6,339,404	28,962,297	(27,529,907)	7,771,794
Restricted Assets - Cash & Investment	33,504,081	27,847,669	(37,717,567)	23,634,183
Accounts Receivables	243,618	278,043	(243,618)	278,043
Total Assets	40,087,103	57,088,009	(65,491,092)	31,684,020
LIABILITIES				
Accounts Payable & Accrued Liabilities	2,682,306	2,920,550	(1,411,400)	4,191,456
Due to Other Funds	3,900,716	26,041,647	(25,362,125)	3,580,238
Due to Other Government Funds	33,504,081	27,847,669	(37,717,567)	23,912,326
Total Liabilities	33,504,081	56,809,866	(64,491,092)	31,684,020
EMPLOYEE BENEFITS FUND				
ASSETS				
Cash	41,965	42,130,322	(40,454,729)	1,717,558
Restricted Assets - Cash & Investment	-	-	-	-
Accounts Receivables	24,940	-	(24,865)	75
Total Assets	66,905	42,130,322	(40,479,594)	1,717,633
LIABILITIES				
Accounts Payable & Accrued Liabilities	66,905	74,018,984	(72,368,256)	1,717,633
Due to Other Funds	-	-	-	-
Due to Other Government Funds	-	-	-	-
Total Liabilities	66,905	74,018,984	(72,368,256)	1,717,633

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Other Schedules

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

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

DAVIS COUNTY

TREASURER'S TAX COLLECTION FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - TREASURER'S COLLECTION ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2004

	Treasurer's Balance 1/1/04	Receipts	Apportionments		
			Current Taxes	Delinquent Taxes	Other Collections
Current 2004 taxes		123,767,069	$ (123,767,069)		
Prior year redemptions and rollbacks		5,407,361		$ (5,407,361)	
Other taxes - "Class D"		2,064,278			$ (2,064,278)
Interest received		501,698			(501,698)
Fee in lieu		18,018,143			(18,018,143)
Miscellaneous collections		953,223			(953,223)
Taxes held for refund & prepayments	2,682,306	375,893			
Total	2,682,306	151,087,665	(123,767,069)	(5,407,361)	(21,537,342)
Davis County:					
County funds	3,152,849		18,231,802	806,333	3,249,181
County library	676,085		3,738,140	173,882	591,789
Special service area	71,782		226,631	15,307	8,582
Total Davis County	3,900,716		22,196,573	995,522	3,849,552
Davis County School District	22,729,154		73,207,446	3,294,977	11,784,037
Cities and towns:					
Bountiful	647,471		1,914,635	81,891	336,209
Centerville	216,946		779,287	25,629	149,087
Clearfield	686,640		2,586,365	160,090	298,973
Clinton	208,958		886,847	44,696	177,087
Farmington	420,573		1,280,295	66,343	214,109
Fruit Heights	87,224		292,915	12,771	61,958
Kaysville	356,538		1,129,601	41,060	220,346
Layton	1,650,044		4,609,212	147,673	711,490
North Salt Lake	418,747		1,197,881	84,458	111,948
South Weber	61,790		192,799	11,114	37,690
Sunset	36,297		125,147	6,041	25,078
Syracuse	117,374		500,188	24,293	121,617
West Bountiful	74,543		289,433	13,118	44,352
West Point	74,069.01		281,009	11,400	62,974
Woods Cross	87,925		309,604	14,498	46,775
Total cities and towns	5,145,139		16,375,216	745,073	2,619,693

SUPPLEMENTAL SCHEDULE 16

(Page 1 of 2)

Totals	Disbursements	Treasurer's Balance 12/31/04
3,058,199	(1,411,400)	4,469,599
3,058,199	(1,411,400)	4,469,599
25,440,165	22,668,558	2,771,607
5,179,896	4,426,506	753,390
322,302	267,061	55,241
30,942,363	26,362,125	3,580,238
111,015,614	95,822,456	15,193,158
2,980,206	2,542,076	438,130
1,170,949	1,023,657	147,293
3,732,068	3,455,539	276,529
1,317,587	1,149,856	167,731
1,981,319	1,744,241	237,078
454,868	385,117	69,751
1,747,545	1,484,062	263,483
7,118,419	6,091,233	1,027,186
1,813,033	1,499,260	313,773
303,392	267,569	35,823
192,563	146,206	46,357
763,472	665,342	98,129
421,446	366,333	55,113
429,451	369,913	59,539
458,802	425,125	33,677
24,885,121	21,615,528	3,269,593

(BOTTOM OF SCHEDULE 14 IS CONTINUED ON THE NEXT 2 PAGES)

DAVIS COUNTY

TREASURER'S TAX COLLECTION FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - TREASURER'S COLLECTION ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2004

	Treasurer's Balance 1/1/04	Receipts	Apportionments		
			Current Taxes	Delinquent Taxes	Other Collections
Other taxing districts:					
Bountiful water	$ 63,667		$ 197,614	$ 7,491	$ 1,006,853
Central Davis sewer	111,267		352,063	16,384	37,768
Farmington irrigation	82,501		286,443	13,324	16,549
Hooper water	12,007		22,866	1,855	907
Mosquito abatement	314,796		870,272	36,786	139,873
North Davis sewer	1,018,410		3,356,612	140,636	506,615
South Davis sewer	403,182		1,268,493	62,549	233,003
South Davis water	45,014		86,526	2,776	3,545
Weber Basin water	583,988		1,853,159	83,399	1,295,980
Central Weber sewer	30,092		88,716	5,373	17,495
South Weber water	17,529			1,216	25,472
Total other taxing districts	2,682,453		8,382,763	371,789	3,284,060
Redevelopment agencies:					
Bountiful	132,921		522,537		
Woods Cross	408,188		427,579		
Sunset	65,734		50,639		
Clearfield	915,426		922,236		
Clearfield EDA	282,102		398,638		
Farmington	216,719		282,795		
West Bountiful	216,408		220,657		
Centerville	513,803		570,680		
North Salt Lake	37,556		37,219		
Woods Cross/West Bountiful	132,738		146,666		
Clinton	25,740		25,425		
Total redevelopment agencies	2,947,335		3,605,071		
GRAND TOTAL	$ 40,087,103	$ 150,809,522	$ 0	$ 0	$ (0)

SUPPLEMENTAL SCHEDULE 16

(Page 2 of 2)

Totals	Disbursements	Treasurer's Balance 12/31/04
$ 1,275,625	$ 1,138,393	$ 137,232
517,482	444,170	73,312
398,817	348,804	50,013
37,635	32,476	5,159
1,361,727	1,185,731	175,996
5,022,273	4,367,500	654,773
1,967,227	1,693,354	273,873
137,860	114,800	23,060
3,816,526	3,268,476	548,050
141,677	118,481	23,196
44,217	42,520	1,697
14,721,065	12,754,704	1,966,361
655,458	532,921	122,537
835,767	408,188	427,579
116,373	65,734	50,639
1,837,662	915,426	922,236
680,740	282,102	398,638
499,514	216,719	282,795
437,065	216,408	220,657
1,084,483	513,803	570,680
74,775	37,556	37,219
279,404	132,738	146,666
51,165	25,740	25,425
6,552,406	3,347,335	3,205,071
$ 190,896,626	$ 158,490,748	$ 31,684,020

DAVIS COUNTY

SCHEDULE OF TAXES CHARGED, COLLECTED, AND DISTRIBUTED
FOR THE YEAR ENDED DECEMBER 31, 2004

	YEAR-END REAL PROPERTY & CENTRALLY ASSESSED VALUES			
ENTITY	Real Property	Centrally Assessed	Redevelopment Reductions	Total
Davis School District	9,189,582,207	291,289,246	252,998,030	9,227,873,423
Statewide School	9,189,582,207	291,289,246	252,998,030	9,227,873,423
Davis County	9,189,582,207	291,289,246	252,998,030	9,227,873,423
Bountiful City	1,605,052,780	26,407,293	46,928,004	1,584,532,069
Centerville City	564,380,080	15,659,152	44,983,058	535,056,174
Clearfield City	798,296,480	38,668,506	66,809,189	770,155,797
Clinton City	419,612,750	9,062,439	1,859,512	426,815,677
Farmington City	538,129,740	12,930,333	19,836,307	531,223,766
Fruit Heights City	149,045,590	5,134,189	0	154,179,779
Kaysville City	708,219,979	12,746,778	0	720,966,757
Layton City	2,165,008,660	55,150,134	0	2,220,158,794
North Salt Lake City	618,717,500	34,590,030	2,366,255	650,941,275
Sunset City	153,734,540	11,505,855	0	165,240,395
South Weber City	110,201,670	4,595,801	3,859,931	110,937,540
Syracuse City	482,063,898	10,150,691	0	492,214,589
West Bountiful City	212,797,610	6,892,793	14,411,495	205,278,908
West Point City	188,084,200	3,427,358	0	191,511,558
Woods Cross City	352,649,250	8,975,965	39,715,946	321,909,269
County Library	8,481,362,228	278,542,468	251,717,955	8,508,186,741
Weber Basin Water	9,188,698,737	291,287,728	252,998,030	9,226,988,435
Mosquito Abatement	9,188,698,737	291,287,728	252,998,030	9,226,988,435
North Davis Sewer	4,301,579,968	133,055,534	89,161,384	4,345,474,118
Bountiful Water SubCon	1,337,411,220	26,504,740	67,876,238	1,296,039,722
South Davis Water	286,365,060	4,690,578	7,460,996	283,594,642
Special Serv Area	122,679,020	35,039,951	0	157,718,971
Central Davis Sewer	1,305,549,979	37,378,471	20,003,793	1,322,924,657
South Davis Sewer	3,402,858,780	99,033,172	141,545,952	3,360,346,000
Farmington Press Wtr	555,587,090	14,175,476	17,052,313	552,710,253
Sunset Weber Bsn Wtr	110,201,670	4,595,801	3,860,050	110,937,421
Hooper Water Improv	44,405,450	776,089	0	45,181,539
South Weber Water Imp	96,492,020	9,423,419	0	105,915,439
Central Weber Sewer	154,093,940	11,511,974	0	165,605,914
County Assess & Coll	9,189,582,207	291,289,246	252,998,030	9,227,873,423
State Assess & Coll	9,189,582,207	291,289,246	252,998,030	9,227,873,423
Total				

YEAR-END PERSONAL PROPERTY VALUES			PROPERTY TAX CALCULATION					
Personal Property	Redevelopment Reductions	Total	ENTITY TOTAL ADJUSTED VALUE	Current Year Tax Rate	Prior Year Tax Rate (Personal)	Real Property & Cent'ly Assessed Tax Charged	Pers. Prop. Tax Charged	Total Taxes Charged
773,550,267	24,319,068	749,231,199	9,977,104,622	.006021	.005906	55,561,026	4,424,959	59,985,985
773,550,267	24,319,068	749,231,199	9,977,104,622	.001800	.001825	16,610,172	1,367,347	17,977,519
773,550,267	24,319,068	749,231,199	9,977,104,622	.001695	.001700	15,641,245	1,273,693	16,914,938
46,273,487	1,412,974	44,860,513	1,629,392,582	.001231	.001223	1,950,559	54,864	2,005,423
30,315,661	1,349,620	28,966,041	564,022,215	.001459	.001470	780,647	42,580	823,227
207,249,079	25,981,351	181,267,728	951,423,525	.002980	.002916	2,295,064	528,577	2,823,641
7,960,156	35,342	7,924,814	434,740,491	.002163	.002250	923,202	17,831	941,033
23,316,167	908,157	22,408,010	553,631,776	.002426	.002443	1,288,749	54,743	1,343,492
2,377,966	0	2,377,966	156,557,745	.001989	.001918	306,664	4,561	311,225
23,108,566	0	23,108,566	744,075,323	.001600	.001626	1,153,547	37,575	1,191,121
136,042,153	0	136,042,153	2,356,200,947	.002092	.002161	4,644,572	293,987	4,938,559
133,098,486	608,902	132,489,584	783,430,859	.001652	.001627	1,075,355	215,561	1,290,916
4,465,235	0	4,465,235	169,705,630	.001201	.001189	198,454	5,309	203,763
3,658,072	131,780	3,526,292	114,463,832	.001174	.001158	130,241	4,083	134,324
11,408,092	0	11,408,092	503,622,681	.001043	.001047	513,380	11,944	525,324
20,111,469	1,578,726	18,532,743	223,811,651	.001475	.001372	302,786	25,427	328,213
815,661	0	815,661	192,327,219	.001555	.001548	297,800	1,263	299,063
32,560,828	4,540,549	28,020,279	349,929,548	.000949	.000966	305,492	27,068	332,559
750,441,701	25,599,143	724,842,558	9,233,029,299	.000432	.000434	3,675,537	314,582	3,990,118
773,550,267	24,319,068	749,231,199	9,976,219,634	.000198	.000196	1,826,944	146,849	1,973,793
773,550,267	24,319,068	749,231,199	9,976,219,634	.000093	.000094	858,110	70,428	928,538
372,288,054	9,515,722	362,772,332	4,708,246,450	.000763	.000763	3,315,597	276,795	3,592,392
55,233,032	3,028,823	52,204,209	1,348,243,931	.000153	.000152	198,294	7,935	206,229
8,102,024	219,597	7,882,427	291,477,069	.000318	.000318	90,183	2,507	92,690
90,789,189	0	90,789,189	248,508,160	.000972	.000843	153,303	76,535	229,838
47,289,419	740,671	46,548,748	1,369,473,405	.000271	.000275	358,513	12,801	371,313
346,661,322	16,349,576	330,311,746	3,690,657,746	.000366	.000364	1,229,887	120,233	1,350,120
21,840,682	699,897	21,140,785	573,851,038	.000518	.000527	286,304	11,141	297,445
3,658,072	131,661	3,526,411	114,463,832	.000257	.000254	28,511	896	29,407
475,796	0	475,796	45,657,335	.000547	.000469	24,714	223	24,937
0	0	0	105,915,439	.000000	.000597	0	0	0
4,464,325	0	4,464,325	170,070,239	.000552	.000574	91,414	2,563	93,977
773,550,267	24,319,068	749,231,199	9,977,104,622	.000073	.000073	673,635	54,694	728,329
773,550,267	24,319,068	749,231,199	9,977,104,622	.000180	.000181	1,661,017	135,611	1,796,628
						118,450,917	9,625,164	128,076,081

(SCHEDULE 15 IS CONTINUED ON THE NEXT 2 PAGES)

DAVIS COUNTY

SCHEDULE OF TAXES CHARGED, COLLECTED, AND DISTRIBUTED
FOR THE YEAR ENDED DECEMBER 31, 2004

ENTITY	TAXES CHARGED	TREASURER'S RELIEF			
		Unpaid Taxes	Abatements	Other	Total
Davis School District	59,985,985	2,990,610	509,415	123,643	3,623,668
Statewide School	17,977,519	898,647	152,291	81,453	1,132,391
Davis County	16,914,938	844,792	143,408	62,809	1,051,009
Bountiful City	2,005,423	71,851	18,857	80	90,789
Centerville City	823,227	37,584	5,701	655	43,940
Clearfield City	2,823,641	172,332	29,570	301	202,203
Clinton City	941,033	40,503	12,857	826	54,186
Farmington City	1,343,492	55,509	4,934	2,754	63,197
Fruit Heights City	311,225	16,389	1,965	(44)	18,310
Kaysville City	1,191,121	52,280	8,344	896	61,520
Layton City	4,938,559	257,654	52,550	19,143	329,347
North Salt Lake City	1,290,916	90,658	2,869	(492)	93,035
Sunset City	203,763	9,289	1,650	25	10,964
South Weber City	134,324	6,076	3,015	86	9,177
Syracuse City	525,324	21,112	3,849	176	25,136
West Bountiful City	328,213	28,219	1,863	8,699	38,781
West Point City	299,063	12,505	4,684	866	18,054
Woods Cross City	332,559	19,503	1,384	2,068	22,956
County Library	3,990,118	201,262	34,297	16,419	251,978
Weber Basin Water	1,973,793	98,482	16,752	5,401	120,635
Mosquito Abatement	928,538	46,407	7,869	3,990	58,266
North Davis Sewer	3,592,392	180,293	39,054	16,433	235,780
Bountiful Water SubCon	206,229	6,545	1,921	149	8,615
South Davis Water	92,690	5,001	1,143	20	6,164
Special Serv Area	229,838	12,974	1,024	(10,791)	3,207
Central Davis Sewer	371,313	16,721	2,009	520	19,250
South Davis Sewer	1,350,120	69,093	8,884	3,651	81,627
Farmington Press Wtr	297,445	9,257	1,053	692	11,002
Sunset Weber Bsn Wtr	29,407	1,328	660	(3)	1,985
Hooper Water Improv	24,937	1,777	329	(35)	2,071
South Weber Water Imp	0	0	0	0	0
Central Weber Sewer	93,977	4,304	759	198	5,261
County Assess & Coll	728,329	36,366	6,176	2,544	45,086
State Assess & Coll	1,796,628	89,748	15,229	7,021	111,999
Total	128,076,081	6,405,071	1,096,366	350,150	7,851,587

TAXES COLLECTED	PERCENTAGE COLLECTED	OTHER COLLECTIONS			
		Fee-in-lieu Age-based	Miscellaneous Collections	Delinquent Redemptions	Interest/ Penalty
56,362,318	94.0%	8,541,620.29	440,385.09	2,514,960.08	86,802.92
16,845,128	93.7%	2,553,549.41	134,486.79	780,017.32	27,192.53
15,863,930	93.8%	2,404,591.76	124,588.36	697,142.23	338,192.36
1,914,635	95.5%	321,212.93	11,448.37	81,891.01	3,277.99
779,287	94.7%	139,735.37	8,585.50	25,628.61	766.58
2,621,438	92.8%	282,086.58	12,866.91	160,089.57	4,019.92
886,847	94.2%	169,233.80	5,337.39	44,695.52	1,777.14
1,280,295	95.3%	188,036.28	23,771.82	66,343.14	2,300.63
292,915	94.1%	58,886.70	2,602.35	12,771.06	468.83
1,129,601	94.8%	212,502.16	6,650.38	41,060.16	1,193.38
4,609,212	93.3%	658,872.96	45,113.76	147,672.71	7,197.04
1,197,881	92.8%	99,674.14	9,782.51	84,457.81	2,491.34
192,799	94.6%	36,138.14	1,260.28	11,113.69	291.40
125,147	93.2%	23,946.04	937.26	6,041.15	194.77
500,188	95.2%	105,234.89	2,805.78	24,292.95	802.12
289,433	88.2%	42,495.50	1,536.19	13,118.29	320.47
281,009	94.0%	61,206.01	1,354.83	11,400.01	412.76
309,604	93.1%	44,666.91	1,596.38	14,497.70	511.40
3,738,140	93.7%	555,476.40	30,317.86	173,882.43	5,994.52
1,853,159	93.9%	280,890.87	14,567.04	83,399.34	2,860.15
870,272	93.7%	131,934.01	6,800.35	36,786.26	1,138.87
3,356,612	93.4%	475,662.35	25,309.93	140,636.45	5,299.04
197,614	95.8%	15,974.47	1,207.57	7,490.80	287.03
86,526	93.3%	1,686.49	475.48	2,776.10	198.47
226,631	98.6%	6,987.89	1,244.66	15,307.37	348.98
352,063	94.8%	33,190.45	4,001.47	16,384.00	575.80
1,268,493	94.0%	180,409.71	9,007.92	62,549.42	2,038.54
286,443	96.3%	10,800.61	5,203.45	13,824.38	544.85
27,422	93.3%	5,242.13	137.42	1,322.89	42.73
22,866	91.7%	672.34	159.22	1,854.54	75.78
0	0.0%	0.00	160.47	1,216.04	53.83
88,716	94.4%	16,609.81	744.86	5,373.05	140.69
683,243	93.8%	103,559.91	5,405.87	31,180.54	1,086.28
1,684,629	93.8%	255,355.35	13,369.31	78,009.81	2,798.99
120,224,494		18,018,142.66	953,222.83	5,409,186.43	501,698.13

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III. Statistical Section

Davis County Courthouses through the years

Upper left: First Davis County Courthouse, 1862.

Upper center: Second Davis County Courthouse, 1890.

Upper right: The second Davis County Courthouse, remodeled 1932.

Left: The Courthouse today.

DAVIS COUNTY

GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year	Taxes 1		Licenses and Permits		Intergovernmental and Grant Revenues		Charges for Services		Fines and Forfeitures		Interest, Rents and Concessions		Miscellaneous		Total
2004	$38,730,102	55.4%	208,119	.3%	$11,054,806	15.8%	$14,854,299	18.2%	$1,925,534	2.7%	$284,699	.4%	$5,017,741	7.2%	$69,941,646
2003	37,561,589	59.1	210,321	.3	9,788,853	15.4	12,029,343	19.0	1,689,499	2.7	108,766	.2	2,090,425	3.3	63,478,796
2002	32,790,489	59.1	216,750	.3	8,801,497	15.8	10,324,941	18.6	1,682,917	3.0	155,467	.3	1,550,708	2.8	55,522,769
2001	31,353,860	57.5	201,759	.4	8,326,282	15.3	10,394,732	19.0	1,634,230	3.0	570,381	1.0	2,078,537	3.8	54,559,781
2000	30,233,131	57.0	212,136	.4	8,290,644	15.6	10,257,593	19.4	1,539,056	2.9	569,027	1.1	1,929,226	3.6	53,030,813
1999	28,344,778	55.6	202,590	.4	9,185,391	18.0	9,725,546	19.1	1,347,577	2.7	454,909	.9	1,702,192	3.3	50,962,983
1998	27,249,886	55.0	190,175	.4	10,516,080	21.2	8,316,784	16.8	1,140,526	2.3	477,129	1.0	1,613,805	3.3	49,504,385
1997	25,546,645	59.1	165,229	.4	8,070,132	18.7	6,461,683	14.9	1,033,144	2.4	459,082	1.1	1,466,987	3.4	43,202,902
1996	23,718,787	58.2	152,493	.4	7,682,937	18.8	5,986,025	14.7	841,679	2.1	563,714	1.4	1,778,317	4.4	40,723,952
1995	21,866,299	59.7	135,680	.4	7,159,522	19.5	5,374,699	14.7	654,994	1.8	468,831	1.3	958,078	2.6	36,618,073

1 Taxes include: Property taxes, Auto related fees and taxes, Sales taxes, and Tourism taxes

DAVIS COUNTY

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Public Safety		Public Health		Public Works	
2004	$27,049,891	36.2%	$19,732,326	26.4%	$10,468,495	14.0%	$3,335,276	4.5%
2003	21,734,986	36.2	17,968,775	30.0	12,492,436	20.8	1,954,701	3.3
2002	20,418,937	29.5	17,869,709	25.8	12,450,725	18.0	2,125,444	3.0
2001	20,782,345	35.4	16,919,168	28.8	11,980,037	20.4	828,726	1.4
2000	20,085,518	37.7	15,718,736	29.6	11,092,928	20.9	791,018	.3
1999	17,536,367	35.9	14,613,233	29.9	11,013,196	22.5	398,984	.8
1998	16,378,420	34.6	12,708,955	26.8	10,231,061	21.6	681,616	1.4
1997	14,975,958	33.7	11,073,986	24.9	9,537,609	21.5	675,906	1.5
1996	14,073,214	36.3	9,897,749	25.5	8,367,956	21.6	606,283	1.5
1995	13,419,685	37.2	9,197,238	25.5	7,439,255	20.6	525,670	1.5

Principal Retirement		Interest and Other		Capital Outlay		Total
$2,077,000	2.8%	$593,825	0.8%	$11,370,612	15.2%	$74,627,525
1,640,000	2.7	302,557	.5	3,880,010	6.5	59,973,465
8,109,000	11.7	476,242	.7	7,796,221	11.3	69,246,278
1,370,000	2.3	521,998	.9	6,386,976	10.8	58,789,250
1,300,000	2.4	591,199	1.1	3,596,846	6.8	53,176,245
1,210,000	2.5	654,827	1.3	3,481,725	7.1	48,908,332
1,215,000	2.6	721,978	1.5	5,432,133	11.5	47,369,163
1,270,000	2.9	803,948	1.8	6,602,903	13.7	44,400,310
2,762,517	7.1	971,171	2.5	2,125,375	5.5	38,804,265
2,624,270	7.3	1,116,380	3.1	1,749,013	4.8	36,071,511

DAVIS COUNTY

TAXABLE AND ESTIMATED ACTUAL MARKET VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Year	Taxable Valuation 1,2	Estimated Actual Market Value 1,2	Percent Adjusted Taxable Valuation to Estimated Actual Market Value
2004	$10,254,421,720	15,667,356,241	65.5%
2003	9,786,712,158	14,509,725,213	67.5
2002	9,400,550,644	14,205,806,672	66.2
2001	9,116,550,644	13,920,405,974	65.5
2000	8,203,417,609	12,789,345,628	64.1
1999	7,673,534,335	12,092,070,432	63.5
1998	7,222,549,359	11,406,243,914	63.3
1997	6,502,812,841	10,477,371,981	60.9
1996	5,649,097,249	9,347,487,432	60.4
1995	5,022,272,712	8,058,662,174	62.3

1 Taxable and market valuations do not include certain motor vehicles and motor homes excluded through Utah State tax legislation. These items are taxed with a "fee-in-lieu" of property tax. These "fee-in-lieu" tax dollars are part of the total property tax dollars presented.

2 The value of tax exempt properties are not included in this presentation.

DAVIS COUNTY

SCHEDULE OF TAXABLE VALUATION AND TAXES ASSESSED AND COLLECTED
LAST TEN FISCAL YEARS

Year	Adjusted Taxable Valuation 1,2	County Tax Rate 3	Property Taxes Assessed	Current Year Property Taxes Collected	Percent of Current Year Taxes Collected
2004	$10,254,421,720	.001948	$16,894,857	$15,863,930	93.90%
2003	9,516,641,348	.001954	15,936,413	15,072,659	94.60
2002	9,169,083,257	.001650	15,140,121	14,305,865	94.49
2001	8,844,013,853	.001664	14,753,694	13,799,696	93.53
2000	8,004,186,597	.001710	13,687,159	12,916,457	94.37
1999	7,510,677,463	.001769	13,286,388	12,620,094	94.99
1998	7,079,958,326	.001833	12,977,564	12,341,439	95.10
1997	6,377,252,992	.002648	15,432,952	14,730,752	95.45
1996	5,649,097,249	.002848	12,975,976	12,513,972	96.44
1995	5,022,272,712	.003013	12,123,767	11,832,183	97.59
TEN YEAR AVERAGE	$7,742,760,552	.002104	$14,320,889	$13,599,705	95.05%

1 Taxable valuations reflected do not include certain motor vehicles and motor homes excluded through Utah State tax legislation.

2 The valuations have been reduced by the amount of value that is identified to redevelopment projects through out the County.

3 The County Tax Rate includes the County and State Assessing and Collecting rates.

DAVIS COUNTY

PRINCIPAL TAXPAYERS WITHIN THE COUNTY (property tax) 1
DECEMBER 31, 2004

Taxpayer	Type of Business	2004 Taxable Valuation	Percent of Total Taxable Valuation of $10,254,421,720
Freeport Center Associates	Distribution/Warehouse	$143,926,225	1.4%
Chevron U.S.A. Inc	Petroleum refinery	98,583,892	1.0
Layton Hills L L C	Real Estate (Mall)	85,478,056	0.8
Qwest Communications	Communication	77,934,901	0.8
PacifiCorp	Electrical distribution	70,827,969	0.7
Smith's Food and Drug	Distribution/Retail sales	60,385,306	0.6
Big West Oil	Petroleum distribution	56,126,189	0.5
Albertson's	Distribution/Retail sales	55,915,157	0.5
Lifetime Products	Manufacturing	44,161,350	0.4
Questar Gas	Natural Gas Utility	40,362,019	0.4

1 There may be other groups or families that own more than $40 million in properties listed under multiple names.

DAVIS COUNTY

RATIO OF NET GENERAL BONDED DEBT TO TAXABLE VALUATION, ESTIMATED MARKET VALUE, AND NET BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS

Year	Estimated Population	Taxable Valuation 1	Estimated Market Value 1	Net Bonded Debt	Ratio of Net Bonded Debt to Taxable Valuation	Ratio of Net Bonded Debt to Estimated Market Value	Net Bonded Debt Per Capita
2004	269,000	$10,254,421,720	$15,667,356,241	$13,532,000	0.13%	0.09%	$50.23
2003	256,000	9,786,712,158	14,509,725,213	15,609,000 2	0.16	0.11	60.97
2002	248,000	9,400,728,423	14,205,806,672	8,249,000 3	0.09	0.06	33.26
2001	244,000	9,116,550,644	13,920,405,974	16,358,000 4	0.18	0.12	68.16
2000	238,994	8,203,417,609	12,789,345,628	9,140,000	0.11	0.07	38.24
1999	237,000	7,673,534,335	12,092,070,432	10,370,000	0.14	0.09	43.76
1998	230,000	7,222,549,359	11,406,243,914	11,510,000	0.16	0.10	50.04
1997	223,319	6,502,812,841	10,447,371,981	12,665,000	0.19	0.12	56.71
1996	219,644	5,649,097,249	9,347,487,432	13,735,000	0.24	0.15	62.53
1995	216,633	5,022,272,712	8,058,662,174	16,240,000	0.32	0.20	74.97

1 Taxable and market valuations do not include certain motor vehicles and motor homes excluded through Utah State tax legislation.

2 Includes $9,000,000 of Sales Tax revenue bonds for the construction of the Davis Conference Center as of December 31, 2003.

3 Does not include lease purchase line of credit balance of $3,817,000 as of December 31, 2002.

4 Includes $6,465,000 of bonds waiting to be used for refunding of G/O debt on the call date of February 1, 2002.

DAVIS COUNTY

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES LAST TEN FISCAL YEARS

Year	Total Debt Service Expenditures 1	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures	
2004	$2,670,825	$74,627,525	3.58%	
2003	1,942,557	59,973,465	3.24	
2002	8,585,242	69,246,278	12.40	Total with bond refund
2002	2,120,242	62,781,278	3.38	Total without bond refund
2001	1,891,998	58,789,250	3.22	
2000	1,891,199	53,176,245	3.56	
1999	1,864,827	48,908,332	3.81	
1998	1,936,978	47,369,163	4.09	
1997	2,073,948	44,400,310	4.67	
1996	3,733,688	38,804,265	9.62	
1995	3,740,650	36,071,511	10.37	

1 On February 1, 2002 $6,465,000 of 1992 G/O debt was refunded at the call date.

DAVIS COUNTY

COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2004

Estimated 2004 "Fair Market Value" [1]		**$16,868,565,774**
"Fair Market Value" x 2% = "Debt Limit"		**337,731,315**
Less:	**Outstanding General Obligation Debt**	**(3,380,000)**
	Outstanding Lease Revenue Bonded Debt	**(1,497,000)**
	Outstanding Sales Tax Revenue Bonded Debt	**(8,655,000)**
ADDITIONAL DEBT INCURRING CAPACITY		**$324,199,315**

In computing "Fair Market Value" the estimated value ($1,201,209,533) of all tax equivalent property related to motor vehicles and motor homes on which uniform fees are collected in lieu of property tax has been included. This value is only included for calculating debt incurring capacity.

DAVIS COUNTY

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT
YEAR ENDED DECEMBER 31, 2004

Taxing Entity	2004 Year-End Taxable Valuation 1	County's Portion of Taxable Valuation	County's Percentage	Entity's Outstanding G.O. Debt	Davis County Overlapping G.O. Debt
Overlapping:					
State of Utah	$123,433,932,853	$10,284,340,448	8.3%	$1,514,510,000	$ 125,704,330
Davis County School District	10,254,421,720	10,254,421,720	100.0	210,890,000	210,890,000
Total Overlapping G.O. Debt					$336,594,330
Underlying:					
Weber Basin Water Conservatory District 2, 3	25,843,934,691	10,253,536,732	39.8	36,603,445	13,370,810
Clearfield City 3	1,044,214,065	1,044,214,065	100.0	12,090,,000	0
Clinton City 3	436,635,345	436,635,345	100.0	769,000	0
Farmington City	574,376,240	574,376,240	100.0	2,885,000	2,885,000
South Davis Recreation District 4	3,713,280,530	3,713,280,530	100.0	18,400,000	18,400,000
South Weber City 3	169,705,630	169,705,630	100.0	263,000	0
West Bountiful City 3	239,801,872	239,801,872	100.0	2,136,000	0
North Davis County Sewer District	5,811,304,851	4,806,923,556	83.2	33,595,000	27,951,040
South Weber Water Improvement District 3	207,939,933	207,939,933	100.0	110,595	0
Total Underlying					62,606,850
Total Overlapping & Underlying G.O. Debt					399,201,180
Total Overlapping G.O. Debt (Excluding the State) 5					$210,704,330
Total Direct General Obligation					3,380,000
Total Direct and Overlapping G.O. Debt (Excluding the State) 5					$214,084,330
Total Underlying General Obligation Debt					$62606,850
Total Direct General Obligation Bonded Indebtness					$3,380,000
Total Direct and Underlying G.O. Debt					$66,986,850
Total Overlapping & Underlying G.O. Debt (Excluding the State) 5					$273,496,850
Total Direct General Obligation Bonded Indebtness					$3,380,000
Total Direct, Overlapping and Underlying G.O. Debt (Excl. the State) 5					$276,876,850

1 2004 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, and West Bountiful.

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

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER $1.00 OF TAXABLE VALUATION)
LAST TEN FISCAL YEARS

Calendar Year	County Funds	County Library	Davis County Schools	Average Cities and Towns	Average Miscellaneous Taxing Districts
2004	.001948	.000432	.007821	.001666	.000800
2003	.001954	.000434	.007731	.001661	.000818
2002	.001650	.000431	.007610	.001579	.000835
2001	.001664	.000431	.007600	.001481	.001059
2000	.001710	.000435	.007513	.001562	.000831
1999	.001769	.000285	.007370	.001548	.000788
1998	.001833	.000287	.007393	.001633	.000584
1997	.002648	.000298	.007604	.001679	.000412
1996	.002848	.000321	.007408	.001881	.000455
1995	.003013	.000335	.008339	.001853	.000422

DAVIS COUNTY

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population 1	Births 2	Deaths 2	Per Capita Income 3	Non-Agricultural Average Monthly Wage 4	Annualized % Unemployment Rate 4	Total Public School Enrollment 5
2004	269,000	2,974	1,666	$27,525	$2,650	4.4	60,614
2003	256,000	2,890	1,072	26,943	2,584	5.2	60,025
2002	248,000	2,840	1,038	25,947	2,497	5.2	58,900
2001	244,000	2,967	963	25,430	2,415	3.9	58,754
2000	238,994	2,781	943	25,064	2,290	3.0	58,867
1999	237,000	2,755	910	23,405	2,154	3.5	58,562
1998	230,000	2,647	866	22,650	2,086	3.5	58,767
1997	223,319	2,635	809	21,599	2,002	2.9	58,835
1996	219,644	2,693	783	20,091	1,979	3.2	58,268
1995	216,633	2,687	737	18,885	1,921	3.4	58,188

1 Source: Davis County Department of Community & Economic Development

2 Source: Davis County Health Department - Vital Statistics

3 Source: U.S. Bureau of Economic Analysis – 2004 per capita figure is preliminary.

4 Source: Utah Department of Workforce Services – Labor Information Division

5 Source: Davis County School District

DAVIS COUNTY

MISCELLANEOUS STATISTICAL DATA - INSURANCE SUMMARY
DECEMBER 31, 2004

CARRIER	POLICY #	TERM	COVERAGE	COMMENTS	
UTAH COUNTIES INSURANCE POOL	UCIP-04.100-6	1/1/04–12/31/04	General Liability	Limit per occurrence: Aggregate coverage	$2,250,000 $3,250,000
Same	Same	Same	Public Officials E & O	Per Occurrence Aggregate per member	$2,250,000 $2,250,000
Same	Same	Same	Automobile Liability	Per occurance Comprehensive deductible - collision	$2,250,000 $1,000
Same	Same	Same	Law Enforcement	Same as general liability	
Same	Same	Same	Professional Liability (Health Department)	Same (Does not include doctor and/or hospital professional liability)	
Same	Same	Same	Blanket Property	Blanket Limit of insurance: (includes replacement cost of property) Flood aggregate Earthquake aggregate	 $250,150,000 $25,150,000 $5,150,000
Same	Same	Same	Inland Marine Contractor's Equipment	Same as property coverage	
TRAVELERS	04339K9387	Same	Boiler and Machinery	Property Damage Limit Interruption deductible	 $50,000,000 $1,000
STATES Self-Insurers Risk Retention Group, Inc.	SEL3001213	Same	Excess Liability	Retroactive liability coverage SIR Excess coverage over UCIP policy SIR	$10,000,000 2,250,000 6,750,000 2,250,000
State of Utah Industrial Commission	1636958	Same	Workers' Compensation	Industrial injury	Statutory
Old Republic Insurance Co. (Olympus)	PR 67406	7/1/03-6/30/04	Heliport	Combined Single Limit Bodily Injury & Property Damage	$1,000,000
Fred A. Morton Co.	841788	1/1/03 – 1/1/06	Treasurer's Bond		$2,000,000

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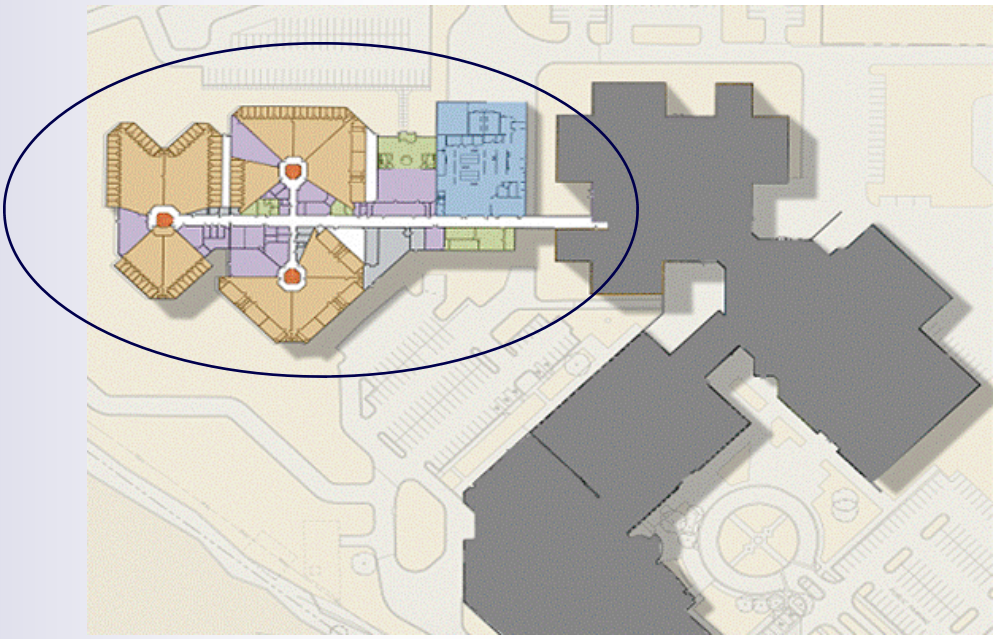
IV. Single Audit Section



Architectural Profile and Floor Layout of the proposed Davis County Jail Expansion.

CRANE, CHRISTENSEN & AMBROSE
Certified Public Accountants
A Professional Corporation

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of County Commissioners
Davis County, Utah

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Davis County as of and for the year ended December 31, 2004, which collectively comprise Davis County's basic financial statements and have issued our report thereon dated April 21, 2005, which report was modified as described below. 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. 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.

Compliance - 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 grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the County commissioners, management, federal awarding agencies, state funding agencies, and pass-through entities and is not intended to be or should not be used by anyone other than these specified parties.

Crane, Christensen & Ambrose P.C.

Ogden, Utah
April 21, 2005

298 24th Street, Suite 300 • Ogden, Utah 84401 • Telephone **(801) 627-2060** FAX **627-2182**
Member Division of CPA Firms, American Institute of Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL AWARD PROGRAM

The Board of County Commissioners
Davis County, Utah

Compliance - We have audited the compliance of Davis County (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2004. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion of the County's compliance based on our audit.

We conducted our audit 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 the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2004.

Internal Control Over Compliance - The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the County commissioners, management, federal awarding agencies, state funding agencies, and pass-through entities and is not intended to be or should not be used by anyone other than these specified parties.

Crane, Christensen & Ambrose P.C

Ogden, Utah
April 21, 2005

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DAVIS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2004

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 conditions 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, 2004 are as follows:

Program	CFDA#	Expenditures
Block Grants for Prevention and Treatment of Substance Abuse	93.959	$ 1,543,970
State Domestic Preparedness Equipment Support Program	16.007	1,085,123
Low-Income Home Energy Assistance	93.568	368,768

8. A threshold of $300,000 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.

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

II. FINANCIAL STATEMENTS FINDINGS SECTION

None

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

None

DAVIS COUNTY

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2004

Federal Grantor Agency Pass Through Grantor Program Title	Federal CFDA Number	Grant Numbers	2004 Expenditures (Modified Accrual Basis)
U.S. Department of Agriculture			
Passed through Utah State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants and Children (WIC	10.557	Noncash	$ 2,376,951
Special Supplemental Nutrition Program for Women, Infants and Children (WIC	10.557	04-1261	897,468
Summer Food Service Program for Children	10.559	04-2335	12,500
Passed through Utah State Department of Social Services:			
Food Donation	10.550	03-0256, 04-0370	88,167
Total U.S. Department of Agriculture			$ 3,375,086
U.S. Department of Education			
Passed through National Science Foundation:			
Safe and Drug-Free Schools and Communities, State Grants	84.186A	A3-0302	$ 63,301
U.S. Department of Health and Human Services			
Passed through Utah State Department of Health:			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	04-2039	5,000
Immunization Grants	93.268	Noncash	105,306
Immunization Grants	93.268	03-2182, 05-0251	81,032
Centers for Disease Control and Prevention, Investigations and Technical Assistance	93.283	04-0033, 04-1707 04-2205, 05-1640	550,148
Medical Assistance Program	93.778	04-0011, 04-0697 05-0053, 05-0408	43,745
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	03-0472	
HIV Prevention Activities, Health Department Based	93.940	04-2039	6,000
Preventive Health Services, Sexually Transmitted Diseases Control Grants	93.977	04-2039	900
Cooperative Agreements for State-Based Diabetes Control and Evaluation of Surveillance Systems	93.988	04-2205	5,250
Preventive Health and Health Services Block Grant	93.991	04-0033, 04-2205	42,028
Maternal and Child Health Services Block Grant to the States (MCH Block Grants)	93.994	04-0033, 03-2182, 04-2205, 05-0251	127,730
Arthritis, Musculoskeletal and Skin Disease Research	93.846	04-0033, 04-2205	9,432
Passed through Utah State Department of Human Services			
Consolidated Knowledge Development and Application Program	93.230	02-1366	145,146
Passed through Utah State Department of Social Services:			
Programs for the Aging:			
Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	04-0370, 04-2203	102,898
Title III, Part C, Nutrition Services	93.045	04-0370, 04-2203	186,696
Title VII, Chap. 2, Long Term Care Ombudsman Services for Older Individuals	93.042	04-0370, 04-2203	13,089
Title III, Part D, Disease Prevention and Health Promotion Services	93.043	04-0370, 04-2203	17,314
National Family Caregiver Support	93.052	04-0370, 04-2203	65,693
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	93.779	04-0370, 04-2203	9,000
Block Grants for Community Mental Health Services	93.958	03-0322	219,467
Promoting Safe and Stable Familes	93.556		
Social Services Block Grant	93.667	04-1244, 05-0276	100,648
Block Grants for Prevention and Treatment of Substance Abuse	93.959	A3-0302	1,543,970
Passed through Utah State Department of Community and Economic Development:			
Low-Income Home Energy Assistance	93.568	02-1949, 03-1590, 04-1960	368,768
Total U.S. Department of Health and Human Services			$ 3,749,260
Department of Homeland Security (Formerly FEMA			
Passed through Utah State Department of Public Safety:			
State Domestic Preparedness Equipment Support Program	97-004	DES-2004-LETP-008 DES-2004-SHSP-001	180,898
Emergency Mangement Performance Grants	97.042	SLA-2004-DES-0006	16,875
Total Department of Homeland Security			$ 197,773

See notes to supplementary schedule of federal financial assistance

DAVIS COUNTY

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2004

Federal Grantor Agency Pass Through Grantor Program Title	Federal CFDA Number	Grant Numbers	2004 Expenditures (Modified Accrual Basis)
U.S. Department of Housing and Urban Development			
Passed through Utah State Department of Community and Economic Development			
Community Development Block Grants/State's Program	14.228	03-0537, 03-0277 03-2170, 04-0312 03-2040, 04-1231	
			$ 435,979
U.S. Department of Justice			
State Criminal Alien Assistance Program	16.606	2004APBX0514	151,106
Passed through Utah State Dept. of Public Safety			
FY 2003 Homeland Security Grant	16.007	DES-2003-OPD1-01 DES-2003-OPD2-01	1,085,123
Passed through Utah State Commission on Criminal and Juvenile Justice			
Violence Against Women Formula Grants	16.588	03VAWA05, 03VAWA06	79,692
Byrne Formula Grant Program	16.579	4D75	11,781
Crime Victim Assistance	16.575	03VOCA11, 03VOCA10, 02VOCA14, 04VOCA12, 04VOCA10, 04VOCA11 04UVAA02, 03UVAA01	178,031
Local Law Enforcement Block Grants Program	16.592	B409	7,490
State Justice Statistics Program for Statistical Analysis Centers	16.550	3L08, 4L08	25,662
Residential Substance Abuse Treatment for State Prisoners	16.593	3R03, 2D75	96,101
Total U.S. Department of Justice			$ 1,634,986
U.S. Department of Labor			
Passed through Utah State Department of Social Services:			
Senior Community Service Employment Program	17.235	04-0370, 04-2203	$ 27,832
U.S. Department of Energy			
Weatherization Assistance for Low Income Persons	81.042	04-0088, 05-1022	$ 229,128
Environmental Protection Agency			
Passed through Utah State Department of Environmental Quality			
Capitalization Grants for Drinking Water State Revolving Fund	66.468	04-1000, 05-1042	6,840
Performance Partnership Grants	66.605	04-1000, 05-1042	2,400
Total Environmental Protection Agency			$ 9,240
U.S. Department of Transportation			
Passed through Utah State Department of Transportation:			
State and Community Highway Safety	20.600	CP05-02-01, CP04-02-01	23,692
Capital Assistance Program for Elderly Persons and Persons with Diabilities	20.513		
Occupant Protection	20.602		
			$ 23,692
National Foundation on the Arts and the Humanities			
Passed through Utah State Department of Community & Economic Developmen			
State Library Program	45.310	04-1894	$ 38,579
TOTAL FEDERAL FINANCIAL ASSISTANCE			$ 9,784,856

See notes to supplementary schedule of federal financial assistance

DAVIS COUNTY

NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS

1. ***General*** – The accompanying Supplementary Schedule of Expenditures of Federal Awards presents the activity of all federal awards of Davis County (The County). Federal awards received directly from federal agencies as well as awards passed-through other government agencies are included on the Supplemental Schedule of Expenditures of Federal Awards.

2. ***Basis of Accounting*** – The Accompanying Supplemental Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.

3. ***Noncash Federal Awards*** – Noncash federal awards represent commodities 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.