

DAVIS COUNTY
INDEPENDENT AUDITORS' REPORT ON
STATE AND LEGAL COMPLIANCE
DECEMBER 31, 2009



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

Independent Auditors' Report on State and Legal Compliance

Honorable County Commissioners
Davis County
Farmington, 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, Utah (the County) for the year ended December 31, 2009, and have issued our report thereon dated May 28, 2010, 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. As part of our audit, we have audited the County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2009. The County received the following major State assistance programs from the State of Utah.

Mental Health (Department of Human Services)
Substance Abuse (Department of Human Services)
Drug Court Grant (Department of Human Services)
Senior Citizen Programs (Department of Human Services)
DORA (Department of Human Services)
Children's Justice Center (Attorney General's Office)

The County also received the following non-major grants which are not required to be audited for specific compliance requirements. (However, these programs were subject to test work as part of the audit of the County's general purpose financial statements.):

EMS Grants (Department of Health)
DEQ Funding (Department of Environmental Quality)
Weatherization Programs (Department of Community and Culture)
Tobacco Prevention and Control (Department of Health)
Minimum Performance Standards (Department of Health)
Medicaid Waiver Program (Department of Human Services)
Local Health Department Environmental Services (Department of Environmental Health)
Public Library Development (State Library Division)
Library Lending (State Library Division)
Tobacco Community Collaboration (Department of Health)
Community Library Enhancement Fund (State Library Division)
Disease Outbreak and Response (Department of Health)
Radio Alert System (Department of Public Safety)
Drug Board (Department of Human Services)
Family Resource Facilitator (Department of Human Services)
Alcohol/Drug Training (Department of Public Safety)

Our audit also included test work of the County's compliance with the following general compliance requirements identified in the State of Utah Legal Compliance Audit Guide:

Public Debt
Cash Management

Purchasing Requirements
Budgetary Compliance
Truth in Taxation and Property Tax Limitations
Liquor Law Enforcement
Justice Courts Compliance
B & C Road Funds
Other General Compliance Issues
Department of Commerce - Uniform Building Standards
Statement of Taxes Charged, Collected, and Disbursed
Assessing and Collecting of Property Taxes
Transient Room Tax
Utah Retirement System Compliance

The management of Davis County is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Davis County complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2009.

Crane, Christensen & Ambrose P.C.

DAVIS COUNTY

Schedule of Findings and Questioned Costs

Year Ended December 31, 2009

PROGRAM: JUSTICE COURTS COMPLIANCE

- FINDING:** On one of the sample cases selected, a delinquency enhancement on a moving violation was charged but the computer system did not calculate the 35% surcharge on that amount.
- QUESTIONED COSTS:** None
- RECOMMENDATION:** The County should make sure the system is properly calculating the appropriate surcharge on all applicable amounts received in the system.
- COUNTY'S REPLY:** This is a State system. The County will forward the issue to the State for further analysis and correction.

PROGRAM: CLASS B AND C ROAD FUND COMPLIANCE

- FINDING:** The advertisement for bids on a Class B project was not published for three consecutive weeks in accordance with Utah Code Section 72-6-108.
- QUESTIONED COSTS:** None
- RECOMMENDATION:** The County should publish its advertisements for bids at least once a week for three consecutive weeks in accordance with State Code.
- COUNTY'S REPLY:** Public Works has been informed and will be more diligent in its request for bid advertisement to comply with State law.

PROGRAM: UNIFORM BUILDING CODE STANDARDS

- FINDING:** The report for the quarter ended June 30, 2009 was not filed within 30 days (by July 31, 2009).
- QUESTIONED COSTS:** None
- RECOMMENDATION:** The County should submit each quarterly report within 30 days of the end of each quarter.
- COUNTY'S REPLY:** Economic Development has been informed and will strive to meet the 30 day deadline for report filings in the future.

DAVIS COUNTY

Schedule of Expenditures of Tourism Tax Revenues

For the Year Ended December 31, 2009

TRANSIENT ROOM TAX

Establishing and promoting:	
Recreation	\$ -
Tourism	1,013,570
Film production	-
Conventions	-
Acquiring, leasing, construction, furnishing, or operating:	
Convention meeting rooms	-
Exhibit halls	-
Visitor information centers	-
Museums	-
Related facilities	-
Acquiring or leasing land required for or related to:	
Convention meeting rooms	-
Exhibit halls	-
Visitor information centers	-
Museums	-
Related facilities	-
Payment of principal, interest, premiums, and reserves on bonds	-
Total expenditures	<u>\$ 1,013,570</u>

TOURISM, RECREATION, CULTURE, AND CONVENTION FACILITIES TAXES

Financing tourism, promotion	\$ 7,977
Development, operation, and maintenance of:	
Tourist facilities	1,633,900
Recreation facilities	238,765
Cultural facilities	1,296,260
Pledges as security for evidence of indebtedness	-
Reserves and pledges:	
Reserves on bonds related to TRT funds	-
Pledges as security for evidences of indebtedness related to TRCC	-
Total expenditures	<u>\$ 3,176,902</u>