



# DAVIS COUNTY, UTAH

**2017 POPULAR ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

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## Welcome

We are proud to present the Davis County Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2017. This report gives readers a summary of the County's financial activities. The purpose of the PAFR is to promote transparency in government while educating the public by providing a summary of Davis County's finances, taxes, services, and useful reference material in a readable and understandable format.

Information in this report is derived from the 2017 Davis County Comprehensive Annual Financial Report (CAFR). The CAFR includes financial statements that were audited by Ulrich & Associates, P.C., an independent CPA firm. The 2017 CAFR has received an unmodified (clean) opinion. An unmodified opinion means that Ulrich & Associates examined the County's books and records and determined that the financial statements present fairly, in all material respects, the financial position, operating results, and cash flows of the County in conformity with Generally Accepted Accounting Principles (GAAP).

Although the numbers used in the PAFR come from an audited source, we have presented them in a condensed, easy to understand, non-GAAP format. GAAP reports deal with the presentation of funds as well as full disclosure of all material financial and non-financial events in the notes to the financial statements, while non-GAAP reports do not contain such notes. Readers who wish to review audited GAAP basis financial statements may refer to the Davis County CAFR, which is available on the County website at <http://www.daviscountyutah.gov/clerk-auditor/finance/cafr>.

We are honored to serve the citizens of Davis County and hope that you enjoy reviewing the 2017 PAFR. We welcome any input, questions, and comments that you may have regarding this report. You may contact the Clerk/Auditor's Office at 801-451-3420.

Curtis Koch, MBA, CGFM  
Clerk/Auditor





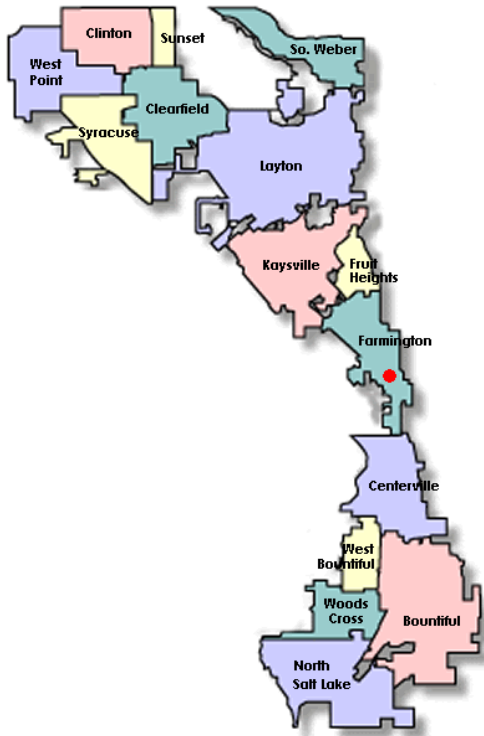
## About Davis County

Davis County lies nestled between the Wasatch Mountains and the Great Salt Lake. The County boundary includes portions of the Great Salt Lake and picturesque Antelope Island State Park. The lake accounts for roughly 335 square miles of the County, leaving only 299 square miles of land. These numbers vary from year to year, depending on the lake level. While Davis County is Utah's smallest in land area, it is the third largest county in population and is home to an estimated 347,637 residents living in the County's fifteen communities.

This area was among the first settled by members of The Church of Jesus Christ of Latter-day Saints, who arrived in the Great Salt Lake Valley in 1847. Named for pioneer leader, Daniel C. Davis, Davis County was established as a territory on October 5, 1850. The territorial legislature created Davis County in 1852 and designated the seat at Farmington, midway between boundaries at the Weber River on the north and the mouth of the Jordan River on the south.

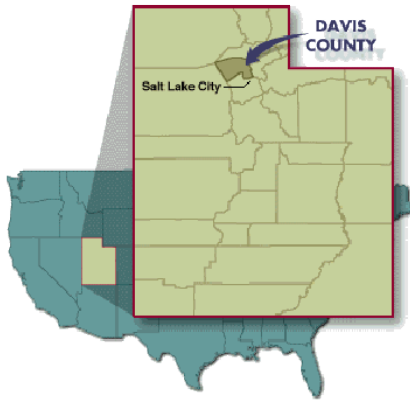


# Davis County – By the Numbers



City	Population	Date Incorporated
Bountiful	44,107	December 5, 1892
Centerville	17,657	May 5, 1915
Clearfield	31,363	July 17, 1922
Clinton	21,971	August 29, 1936
Farmington	24,066	December 15, 1892
Fruit Heights	6,215	August 3, 1939
Kaysville	31,776	March 15, 1868
Layton	76,691	December 30, 1937
North Salt Lake	20,507	September 3, 1946
South Weber	7,310	December 2, 1920
Sunset	5,286	August 27, 1938
Syracuse	29,507	September 3, 1935
West Bountiful	5,650	December 31, 1948
West Point	10,603	October 14, 1935
Woods Cross	11,362	September 4, 1930
Unincorporated	3,566	
<b>Total Population</b>	<b>347,637</b>	

(2017 Census Estimate)

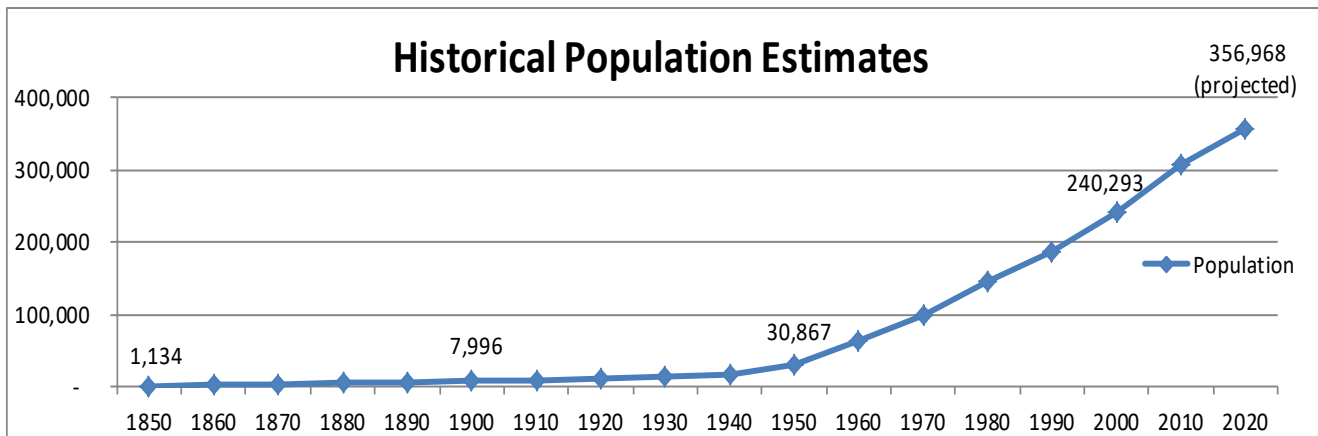


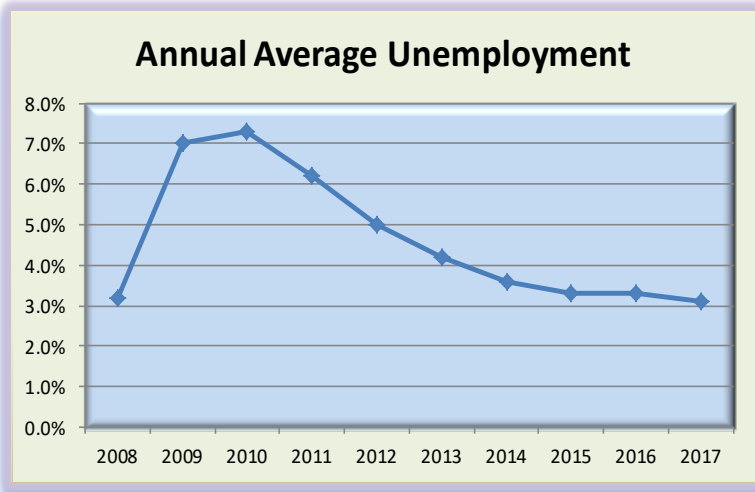
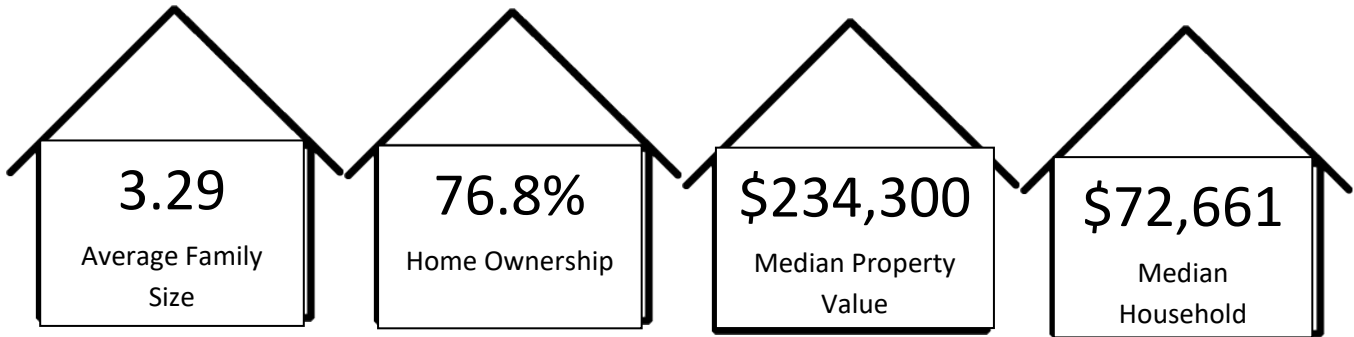
**1850**  
Year Incorporated

**634**  
Square Miles

**30.4**  
Median Age

**103,370**  
Housing Units





- ### Principal Employers
- 1) Hill Air Force Base
  - 2) Davis County School District
  - 3) Kroger Group Cooperative
  - 4) Lifetime Products
  - 5) Walmart
  - 6) Lagoon Inc.
  - 7) Utility Trailer & Manufacturing
  - 8) ATK Space Systems/Alliant
  - 9) Davis County
  - 10) Alliant

# Management Overview

## Net Position

The Net Position of the County is defined as the difference between the County's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial state of the County is improving or deteriorating.

At the close of the most recent fiscal year, the assets of the County exceeded liabilities by \$140,957,996. This is an increase of \$16,125,630 over the previous year.

	2017	2016	2015	2014	2013
GOV. ACTIVITIES	\$ 134,591,612	\$ 118,659,688	\$ 114,496,266	\$ 120,644,152	\$ 124,112,861
BUSINESS ACTIVITIES	\$ 6,366,384	\$ 6,172,678	\$ 3,758,748	\$ 3,653,580	\$ 3,366,713
TOTAL	\$ 140,957,996	\$ 124,832,366	\$ 118,255,014	\$ 124,297,732	\$ 127,479,574

The largest portion of the County's net position reflects its investment in capital assets (land, buildings, equipment, etc.). Approximately \$97 million reflects the County's investment in capital assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

## Overview of Financial Statements

The County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

The government-wide financial statements provide a broad overview of the County's finances, in a manner similar to a private-sector business. These statements distinguish between functions that are principally supported by taxes and intergovernmental revenues (governmental activities) and those that are intended to recover all or a significant portion of costs through user fees and charges (business-type activities).

This report will focus on providing a summary of the government-wide analysis, governmental activities, and business-type activities. Information on the fund financial statements and notes to the financial statements may be found in the CAFR.

GOVERNMENTAL ACTIVITIES	
General Government	Public Safety
Public Health	Public Works
Transportation	Interest on Long-Term Debt

BUSINESS-TYPE ACTIVITIES	
Golf	Inmates Commissary

## Statement of Net Position

The County's governmental activities increased by \$15.9 million in total net position which represents a 13.4% increase from the prior year's net position. The County's business-type activities increased \$0.2 million in total net position, which represents a 3.1% increase from the prior year's net position. **The County, as a whole, increased total net position by \$16.1 million, which is a 12.9% increase from the prior year.** The full, disclosed Statement of Net Position can be found in the CAFR located at <http://www.daviscountyutah.gov/clerk-auditor/finance/cafr> .

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

**Unrestricted net position** represents the available funds that the County has at a point in time to pay for emergencies, shortfalls, or other unexpected needs in both the Governmental and Business-Type Activities. Unrestricted net position allows management to track the County's financial position over time.



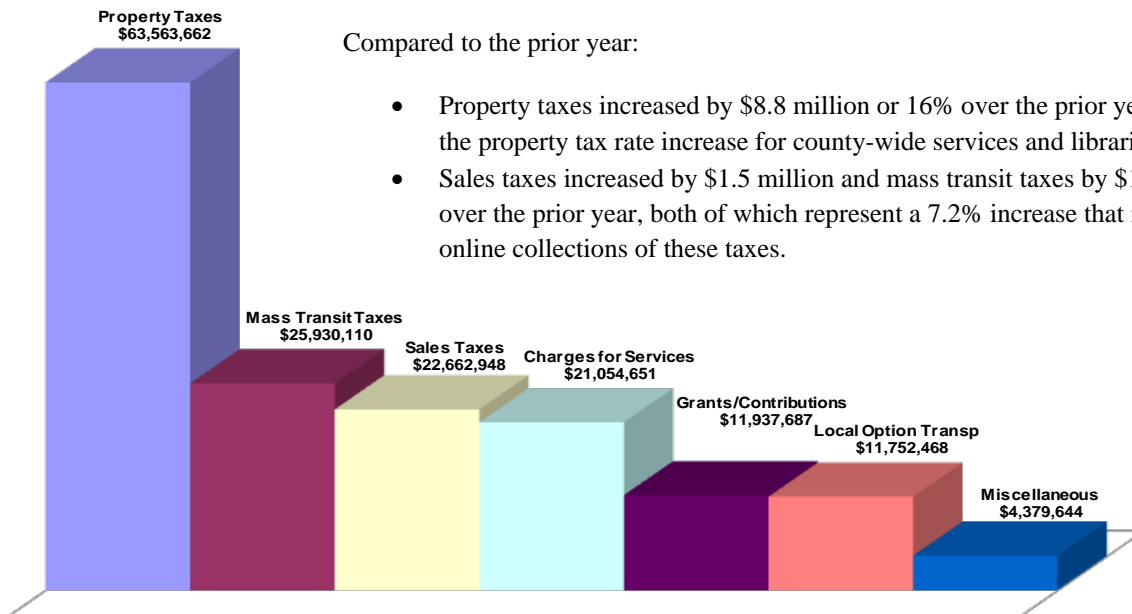
# Government-Wide Results of Operation

## Where did the County's money come from in 2017?

Revenues.

Compared to the prior year:

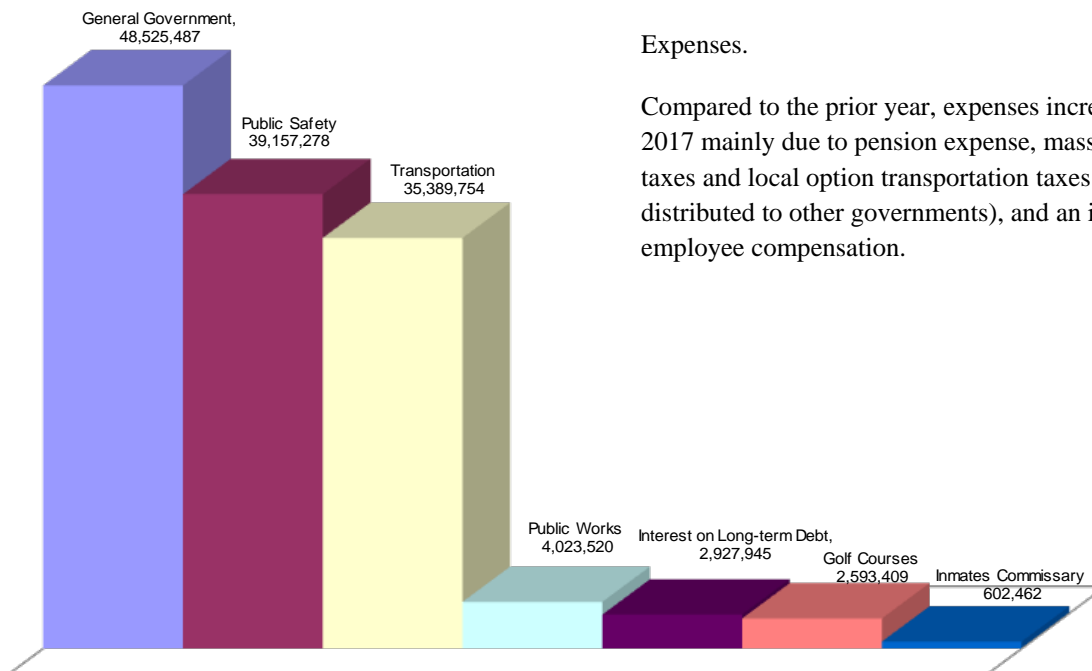
- Property taxes increased by \$8.8 million or 16% over the prior year due to the property tax rate increase for county-wide services and libraries.
- Sales taxes increased by \$1.5 million and mass transit taxes by \$1.8 million over the prior year, both of which represent a 7.2% increase that is due to online collections of these taxes.



## Where did the County's money go in 2017?

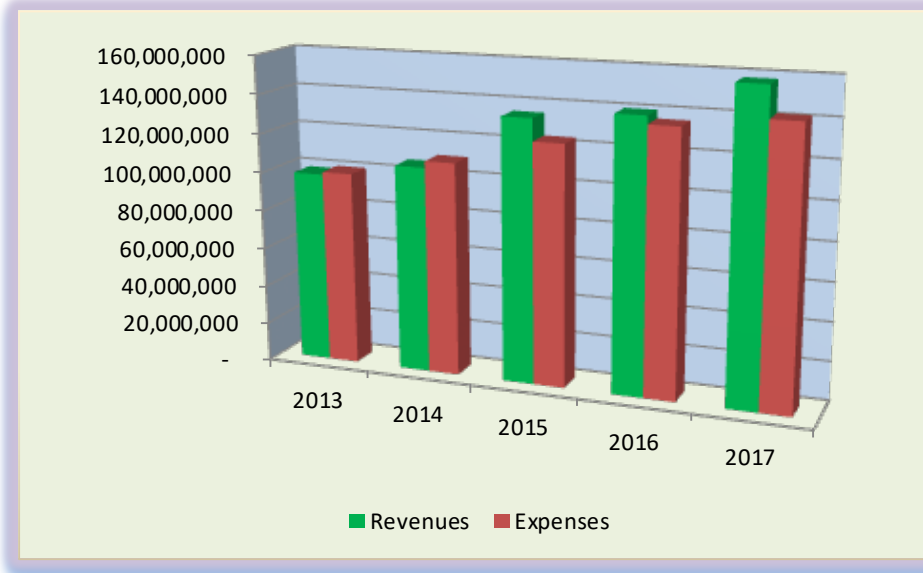
Expenses.

Compared to the prior year, expenses increased in 2017 mainly due to pension expense, mass transit taxes and local option transportation taxes (which are distributed to other governments), and an increase in employee compensation.



# Statement of Activities

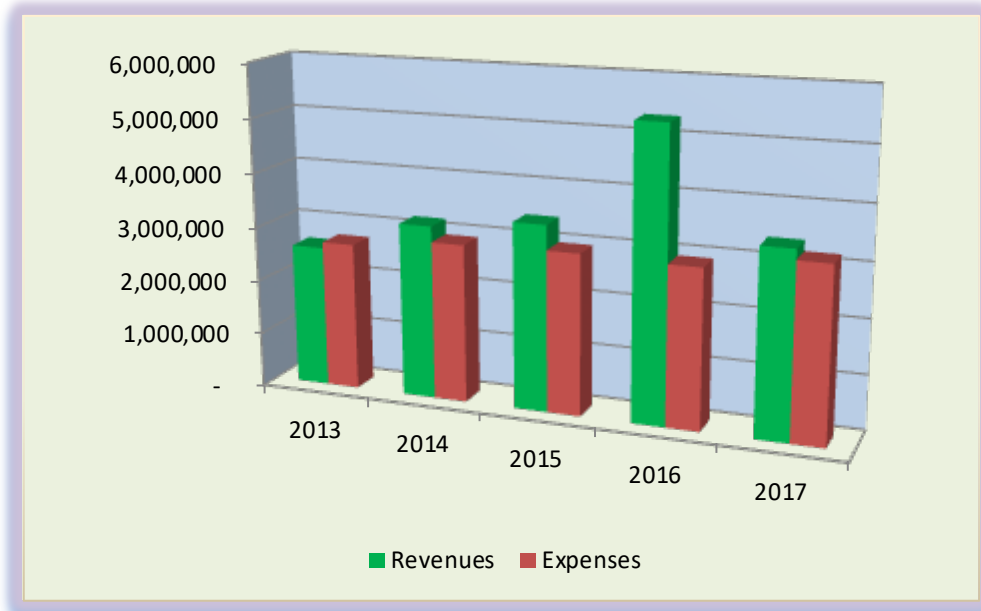
## GOVERNMENTAL ACTIVITIES



Governmental Activities. In the most recent three of the past five fiscal years, total revenues from the County’s governmental activities were greater than related expenses.

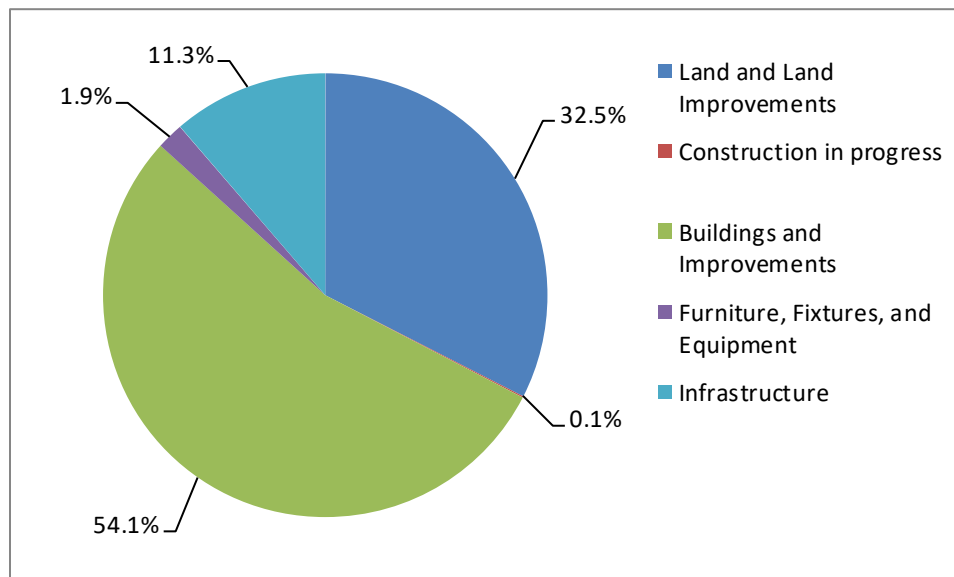
## BUSINESS-TYPE ACTIVITIES

Business-type activities. In four of the past five fiscal years, total revenues from the County’s business-type activities were greater than related expense.



## Capital Assets

This chart depicts the outstanding capital assets, net of depreciation, as of December 31, 2017 for both Governmental and Business-type activities. At December 31, 2017, the County's capital assets, net of depreciation totaled \$156.6 million. Capital assets are used to provide services to county residents. The County added approximately \$2.8 million in new capital assets during 2017. The County spent about \$885 thousand on construction of infrastructure and \$536 thousand on the purchase of County vehicles. Other general capital purchases for buildings, equipment, and improvements comprised the remaining \$1.4 million.



## Outstanding Debt

From time to time, the County has used bonds for the acquisition, construction, and expansion of major capital facilities and structures. Current outstanding bonds were originally issued to construct and improve storm drainage and flood control projects; build and expand the County's Conference Center; build a new Administration Building, Children's Justice Center, and Library; and expand the County Jail. Total bonded debt outstanding at December 31, 2017 was nearly \$60.5 million, as compared to \$65.1 million at the end of the prior year. This 7.1% decrease was the result of making required debt service payments.

<b>Outstanding Debt</b> <b>(Governmental and Business-Like Activities Combined)</b>			
	<b>2017</b>	<b>2016</b>	<b>% Change</b>
<b>General Obligation Bonds, net of premiums</b>	<b>\$ 13,297,606</b>	<b>\$ 14,780,075</b>	<b>-10.0%</b>
<b>Sales Tax Revenue Bonds, net of premiums</b>	<b>29,475,759</b>	<b>31,624,656</b>	<b>-6.8%</b>
<b>Lease Revenue Bonds</b>	<b>17,680,000</b>	<b>18,653,000</b>	<b>-5.2%</b>
<b>Capital Lease</b>	<b>65,328</b>	<b>143,720</b>	<b>-54.5%</b>
<b>Compensated Absences</b>	<b>3,805,638</b>	<b>3,626,250</b>	<b>4.9%</b>
<b>OPEB</b>	<b>22,277,431</b>	<b>20,318,974</b>	<b>9.6%</b>
<b>Net Pension Liability</b>	<b>29,366,349</b>	<b>27,698,035</b>	<b>6.0%</b>
<b>Total</b>	<b>\$ 115,968,111</b>	<b>\$ 116,844,710</b>	<b>-0.8%</b>



