



DAVIS COUNTY, UTAH

**2018 POPULAR ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

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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, 2018. 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 2018 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 2018 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 2018 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





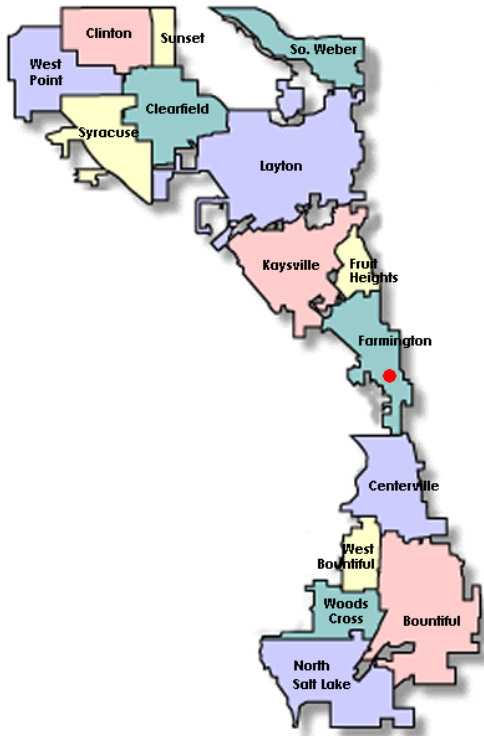
About Davis County

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 351,713 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.

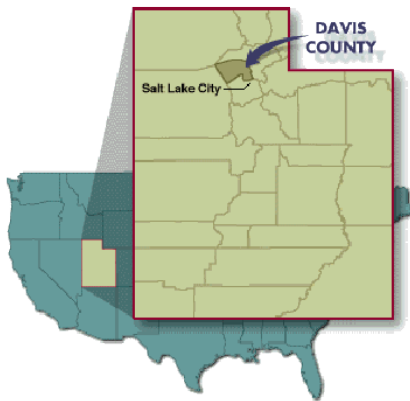


Davis County – By the Numbers



City	Population	Date Incorporated
Bountiful	44,098	December 5, 1892
Centerville	17,700	May 5, 1915
Clearfield	31,967	July 17, 1922
Clinton	22,315	August 29, 1936
Farmington	24,514	December 15, 1892
Fruit Heights	6,234	August 3, 1939
Kaysville	32,095	March 15, 1868
Layton	77,303	December 30, 1937
North Salt Lake	20,850	September 3, 1946
South Weber	7,518	December 2, 1920
Sunset	5,341	August 27, 1938
Syracuse	30,400	September 3, 1935
West Bountiful	5,731	December 31, 1948
West Point	10,753	October 14, 1935
Woods Cross	11,328	September 4, 1930
Unincorporated	3,566	
Total Population	351,713	

(July 1, 2018 Census Estimates)

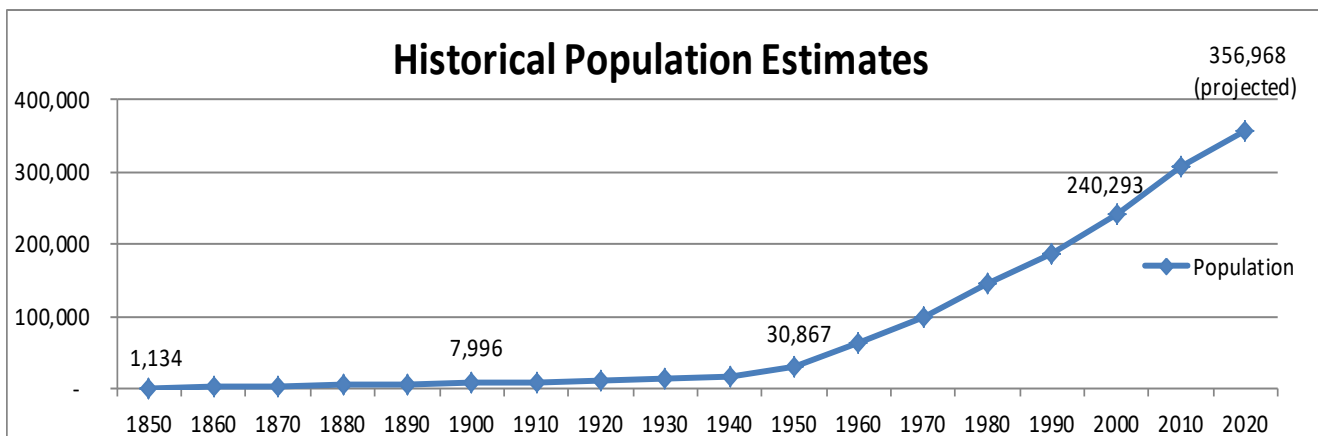


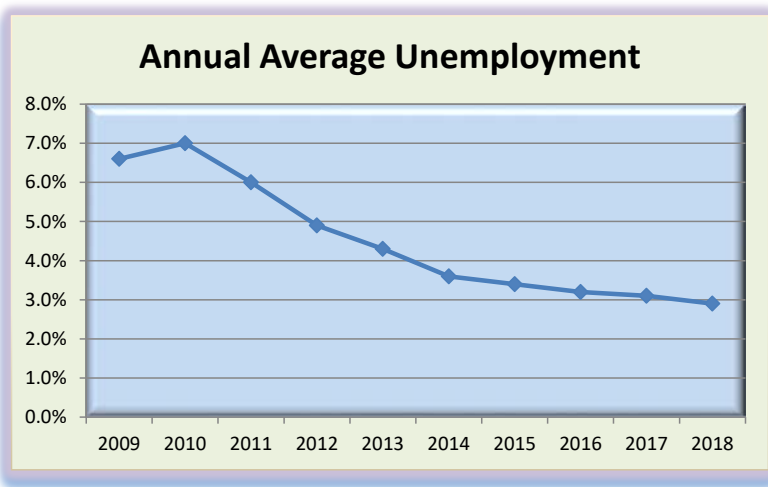
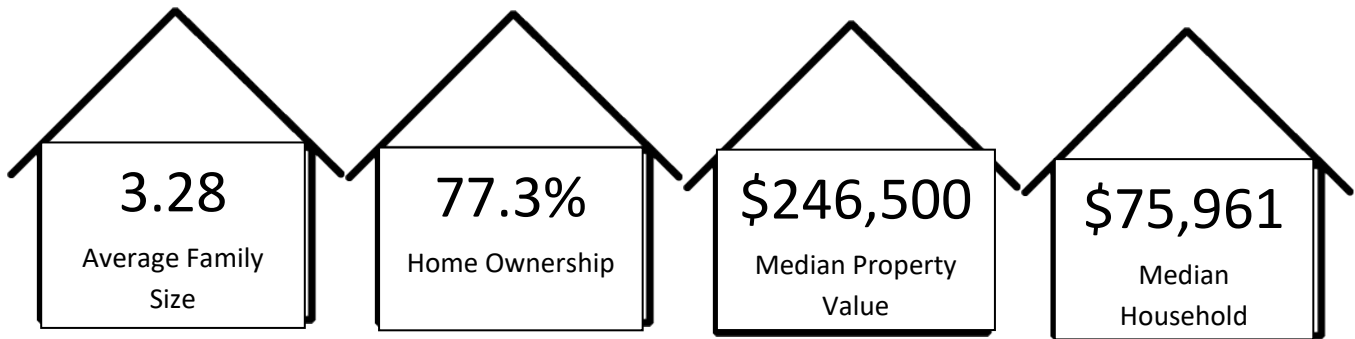
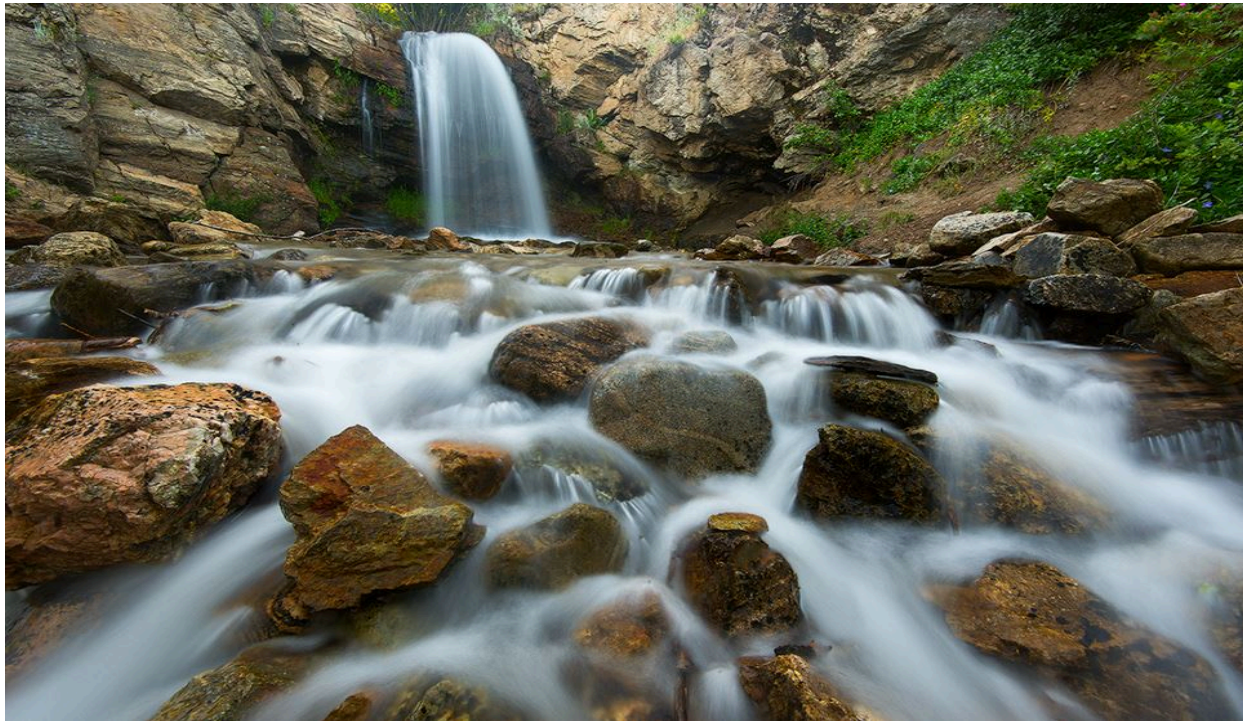
1850
Year Incorporated

634
Square Miles

31.4
Median Age

110,412
Housing Units





- ### Principal Employers
- 1) Hill Air Force Base
 - 2) Davis County School District
 - 3) ATK Launch Systems
 - 4) Kroger Group Cooperative
 - 5) Lifetime Products
 - 6) Walmart
 - 7) Ralcorp Frozen Bakery Products
 - 8) Lagoon Inc.
 - 9) Utility Trailer & Manufacturing
 - 10) Davis Hospital & Medical Center

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 \$156,670,509. This is an increase of \$18,357,645 over the previous year.

	2018	2017	2016	2015	2014
GOV. ACTIVITIES	\$ 149,629,134	\$ 131,994,791	\$ 118,659,688	\$ 114,496,266	\$ 120,644,152
BUSINESS ACTIVITIES	\$ 7,041,375	\$ 6,318,073	\$ 6,172,678	\$ 3,758,748	\$ 3,653,580
TOTAL	\$ 156,670,509	\$ 138,312,864	\$ 124,832,366	\$ 118,255,014	\$ 124,297,732

The largest portion of the County's net position reflects its investment in capital assets (land, buildings, equipment, etc.). Approximately \$108 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		BUSINESS-TYPE ACTIVITIES	
General Government	Public Safety	Golf	Inmates Commissary
Public Health	Public Works		
Tourism	Transportation		
Interest on Long-Term Debt			

Statement of Net Position

The County's governmental activities increased by \$17.6 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 \$0.7 million in total net position, which represents a 11.4% increase from the prior year's net position. **The County, as a whole, increased total net position by \$18.4 million, which is a 13.3% 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> .

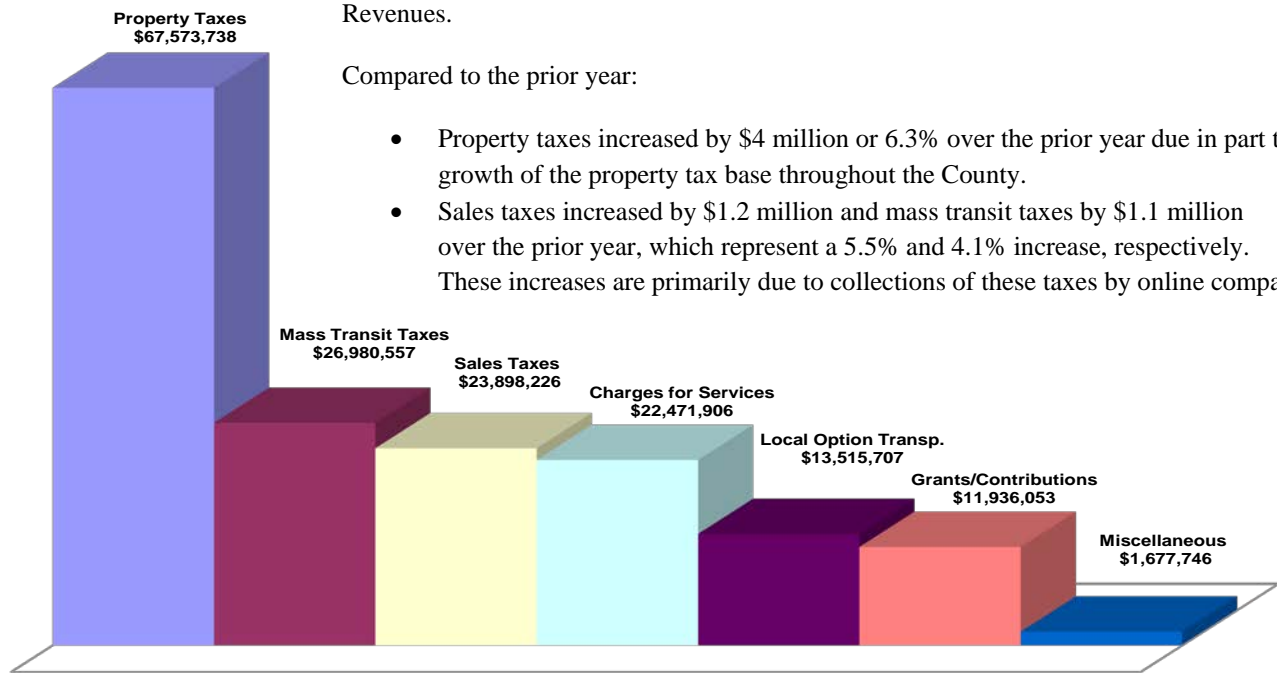
	Governmental Activities		Business-type Activities		Total Primary Government	
	Restated*		Restated*		Restated*	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 94,535,273	\$ 86,978,776	\$ 3,279,002	\$ 2,686,472	\$ 97,814,275	\$ 89,665,248
Capital Assets	151,884,831	151,702,746	4,822,989	4,912,019	156,707,820	156,614,765
Total Assets	246,420,104	238,681,522	8,101,991	7,598,491	254,522,095	246,280,013
Total deferred outflows of resources	17,085,674	20,405,077	298,761	341,872	17,384,435	20,746,949
Current and Other Liabilities	3,472,992	4,157,093	121,658	386,211	3,594,650	4,543,304
Long-term Liabilities	100,166,694	117,482,194	1,060,583	1,131,049	101,227,277	118,613,243
Total Liabilities	103,639,686	121,639,287	1,182,241	1,517,260	104,821,927	123,156,547
Total deferred inflows of resources	10,236,958	5,452,521	177,136	105,030	10,414,094	5,557,551
Net Position:						
Net investment in Capital Assets	103,238,917	92,141,359	4,822,989	4,912,019	108,061,906	97,053,378
Restricted	21,387,831	21,868,148	-	-	21,387,831	21,868,148
Unrestricted	25,002,386	17,985,284	2,218,386	1,406,054	27,220,772	19,391,338
Total Net Position	\$ 149,629,134	\$ 131,994,791	\$ 7,041,375	\$ 6,318,073	\$ 156,670,509	\$ 138,312,864
Percentage change in total Net Position from prior year	13.4%		11.4%		13.3%	

* 2017 was restated in order to be comparable with accounting and reporting changes made in 2018 to comply with GASB Statement 75.

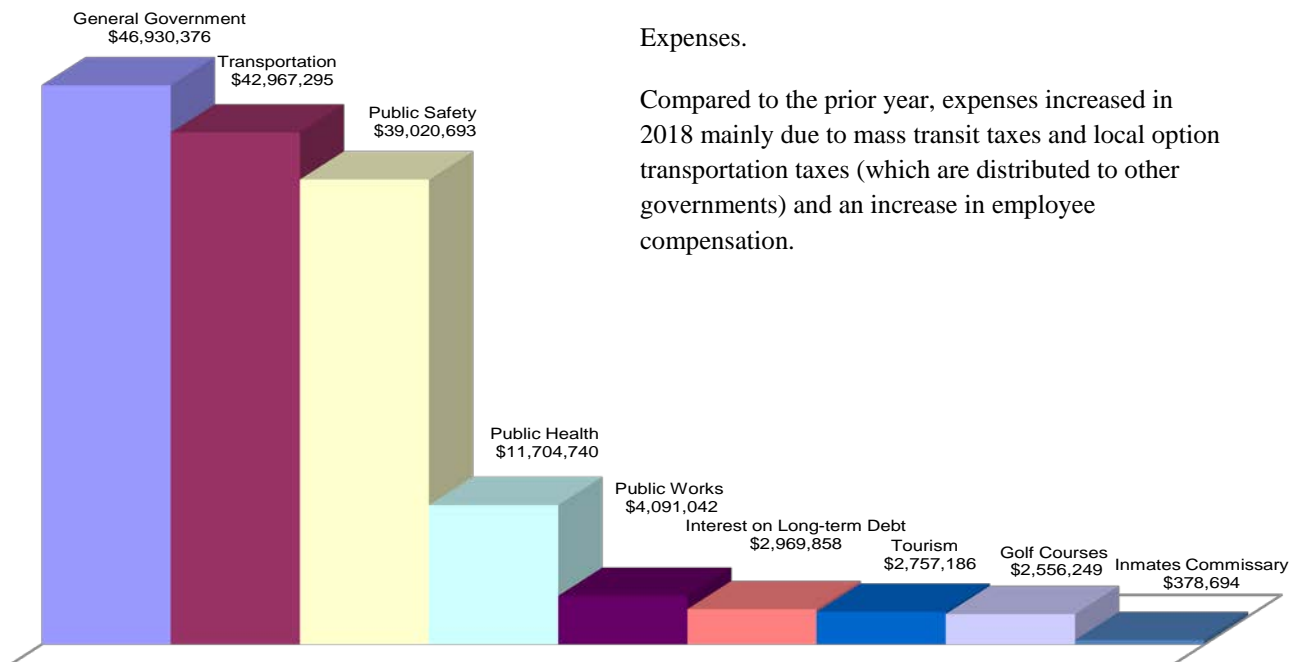
Unrestricted net position represents the available funds that the County has at a point in time to pay for emergencies, shortfalls, or other unexpected needs in both the Governmental and Business-Type Activities. Unrestricted net position allows management to track the County's financial position over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

Government-Wide Results of Operation

Where did the County's money come from in 2018?

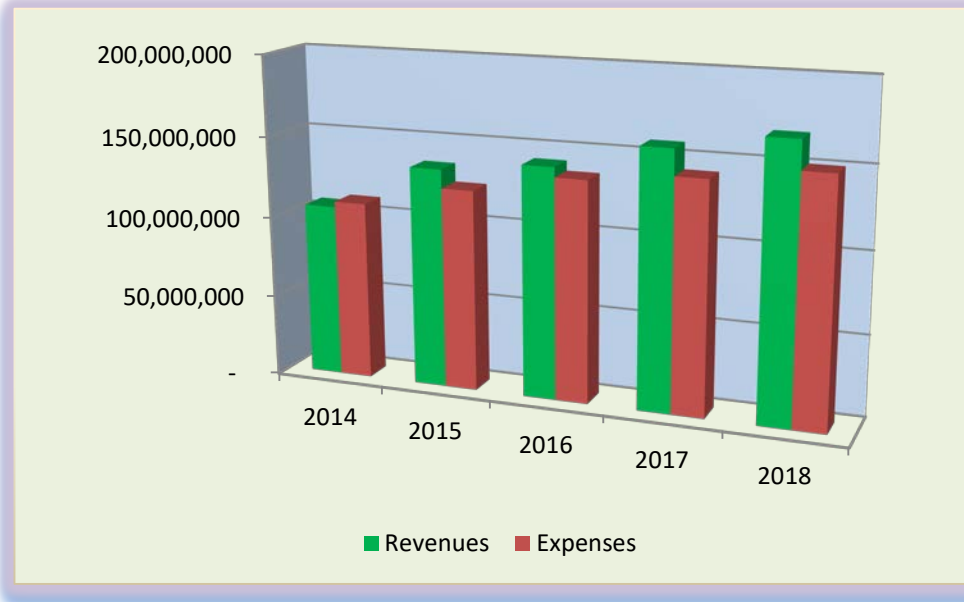


Where did the County's money go in 2018?



Statement of Activities

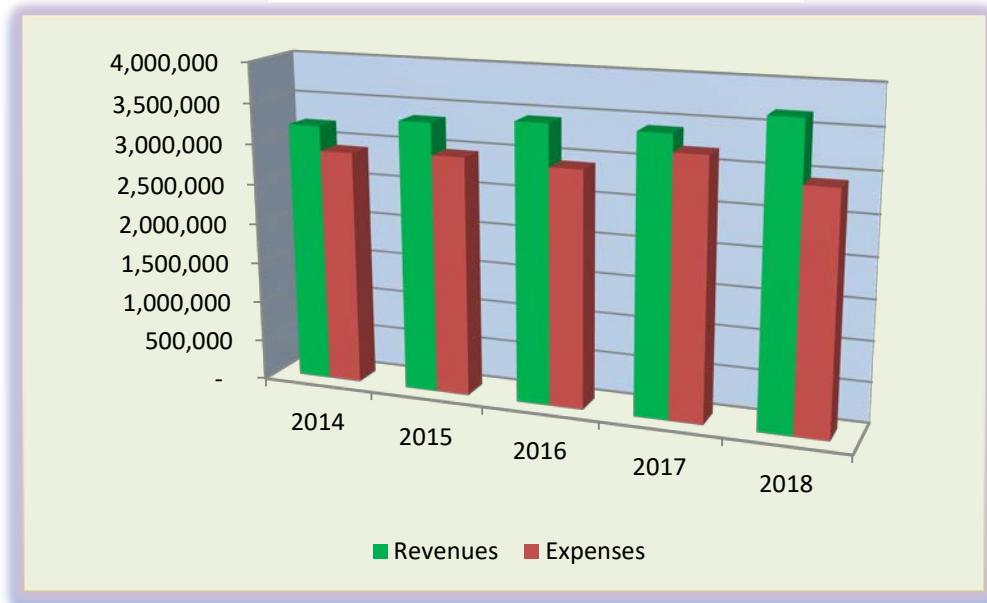
GOVERNMENTAL ACTIVITIES



Governmental Activities. In the most recent four of the past five fiscal years, total revenues from the County’s governmental activities were sufficient enough to cover related expenses.

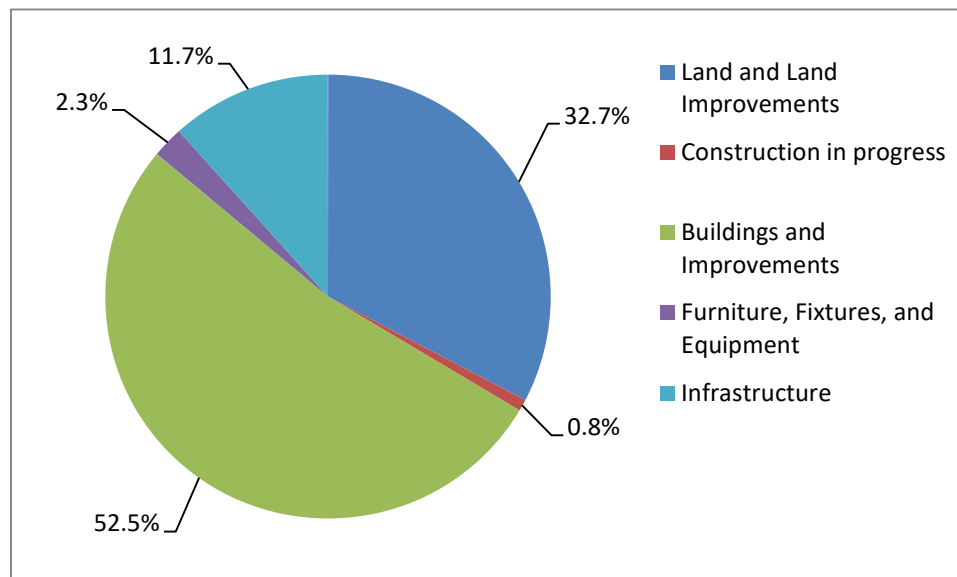
BUSINESS-TYPE ACTIVITIES

Business-type activities. In each of the past five fiscal years, total revenues from the County’s business-type activities exceeded related expenses.



Capital Assets

This chart depicts the outstanding capital assets, net of depreciation, as of December 31, 2018 for both Governmental and Business-type activities. At December 31, 2018, the County's capital assets, net of depreciation totaled \$156.7 million. Capital assets are used to provide services to county residents. The County added approximately \$6.1 million in new capital assets during 2017. The County spent about \$2.2 million on construction of infrastructure and \$1.8 million on the purchase of furniture, fixtures, vehicles, and equipment. An additional \$1.2 million was spent on remodeling and construction of County buildings. The remaining \$0.9 million was mostly spent on licensing fees and implementation costs for new software.



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, 2018 was nearly \$48.9 million, as compared to \$60.5 million at the end of the prior year. This 19% decrease was the result of making required debt service payments retiring the balance remaining on the 2015 sales tax revenue refunding bonds.

Outstanding Debt (Governmental and Business-Like Activities Combined)			
	2018	2017	% Change
General Obligation Bonds, net of premiums	\$ 11,793,165	\$ 13,297,606	-11.3%
Sales Tax Revenue Bonds, net of premiums	20,108,916	29,475,759	-31.8%
Lease Revenue Bonds	17,035,000	17,680,000	-3.6%
Capital Lease	207,293	65,328	217.3%
Compensated Absences	3,978,018	3,805,638	4.5%
Total OPEB Liability	27,003,535	24,922,563	8.3%
Net Pension Liability	21,101,350	29,366,349	-28.1%
Total	\$ 101,227,277	\$ 118,613,243	-14.7%



