

WEBER SCHOOL DISTRICT

Basic Financial Statements

Year Ended June 30, 2009

WEBER SCHOOL DISTRICT
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WEBER SCHOOL DISTRICT
5320 Adams Avenue Parkway
Ogden, Utah 84405

November 4, 2009

To President Richardson, Members of the Board of Education, and
Citizens of Weber School District:

At the close of each fiscal year, school districts are required by state law to publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP). In addition, these statements are to be audited by licensed certified public accountants 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 of the United States. Pursuant to that requirement, we hereby issue the Basic Financial Statements of the Weber School District for the fiscal year ended June 30, 2009.

Designed to meet the needs of a broad spectrum of readers of financial statements, its basic financial statements are divided into three major sections:

- Introductory section – Introduces the reader to the report and includes this transmittal letter.
- Financial section – Consists of the independent auditor’s report, management’s discussion and analysis, the basic financial statements, and combining and individual fund statements and schedules.
- Statistical section and notes – Contains substantial selected financial information, but presents tables that differ from financial statements in that they present non-accounting data.

Internal controls. This report consists of management’s representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To ensure the validity of this report, management of the District has established a comprehensive internal control framework that is designed both to protect the District’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Independent audits. Wiggins & Co., P.C. a firm of licensed certified public accountants, has audited the District’s financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2009 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District’s financial statements for the fiscal year ended June 30, 2009 are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report

The independent audit of the financial statements of the District was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements

involving the administration of federal awards. These reports are available in the District's separately issued Single Audit Report.

Management's discussion and analysis. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in connection with it. The District's MD&A can be found immediately following the report of the independent auditors.

District profile. The District is a legally separate entity enjoying all rights and privileges accorded political subdivisions in the State of Utah. The District is fiscally independent. Policymaking and legislative authority are vested in the Board of Education consisting of seven members. The Board of Education is responsible, among other things, for developing policy, adopting budgets, levying taxes, incurring bonded debt, supervising committees, and hiring both the superintendent and business administrator. The superintendent and business administrator are responsible for carrying out the policies of the Board of Education and oversee the day-to-day operations of the District. The Board of Education is elected on a non-partisan basis. Board members serve four-year staggered terms with no more than four board members elected every two years.

The major purpose of the District is to provide public education for those who reside within the boundaries of the District located in Weber County, Utah. To accomplish this purpose, for the school year 2008-2009, the District services four traditional high schools, nine junior high schools, and twenty nine elementary schools. The District also offers various special purpose programs. One of these special programs includes an alternative high school.

The District serves approximately 29,879 students.

Budgetary control. The District adopts an annual budget for its funds. This budget acts as the financial operating plan for the entire year. Revisions may be implemented during the year authorizing a larger appropriation of available resources through a public hearing and approval from the Board.

All annual appropriations lapse at fiscal year end with the exception of those indicated as a fund balance reserve. During May of each year, the District Superintendent submits to the Board a proposed operating budget for the next fiscal year commencing July 1st. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30th.

If the District does not exceed the certified tax rate, a public hearing is held prior to June 22 at which time the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate, the budget is adopted in August or September when data is available to set rates.

The level by which expenditures may not exceed appropriations has been interpreted by the State Superintendent of Public Instruction to be the total budgeted expenditures of a given fund.

The District's fiscal 2009 balances and projected revenue are sufficient to meet the fiscal 2010 budget as presented to the public in June of 2009.

Economic condition and outlook. The economic outlook of the District is dependent on state aid. The State of Utah has been able to conclude each fiscal year since fiscal 1988 with a general fund surplus. However, in the first part of this fiscal year, the state and national economy took an abrupt downturn and entered into a recession. In September and October of 2008, the financial markets plummeted along with job growth, and economic activity. In the forty-five day general session of the Utah State Legislature that is held every year from January to March, state funds for the district were cut by nearly three percent. In response to these mid-year cuts, the district aggressively slashed non-compensation spending. In addition, discretionary social security and retirement monies that were slated for certain state

programs were diverted to the shortfall. Sufficient surpluses in the affected state programs covered this deficit.

At the very end of the fiscal year (June 2009), many economists asserted that the “bottom of the recession had been reached. What is unknown is how long the recovery will take until state revenue can reach levels that existed prior to the economic downturn. In an August 5, 2009 report issued by Mr. Jeff Thredgold, chief economic consultant to Zion’s Bank (Zion’s bank is large regional bank that serves Utah and surrounding areas), the recession was declared to be over. Following is a portion of this report:

While this [the end of the recession] is good news, it *does not* mean that all of our problems with housing, foreclosures, bankruptcies, etc. are now behind us. It does not mean that impending challenges with commercial real estate valuations and financing are behind us. It does not mean that the nation’s unemployment rate and overall job losses will immediately stop rising to even more painful levels...

...but a very likely return to positive U.S. economic growth this quarter...and next quarter...and throughout 2010 is a precondition to dealing with all of the serious issues noted above.

Lastly, the United States Congress stepped in and appropriated stimulus funds for local school districts to help lessen the impact of the recession. These funds helped the state and local school districts for FY 2008-09 and they will help for FY 2009-10. The hope is that as the recovery takes hold, rising revenue will return and replace the one-time funding help from the federal government. According to the Governor’s Office of Planning and Budget, Utah is in a good position to realize a recovery. The state’s industrial structure continues to be well-balanced and diversified, with a broad base of businesses and a solid technology and transportation infrastructure. Combined with continued population growth and a young highly educated workforce, the state is positioned well for positive long-term growth.

The state increased the value of the weighted pupil unit (WPU) by 2.51 percent for 2009 from \$2,514 to \$2,577. District taxable property values in tax year 2008 increased by almost 12%. Preliminary taxable property values for tax year 2009 provided by the Weber County Clerk Auditor indicated a flat 0.49% increase. This increase is attributable to new growth because property values have declined.

Student growth and facilities. The Governor’s Office of Planning and Budget estimates that more than a 100,000 additional students will be enrolled in Utah schools over the next eight years than are currently enrolled. This growth is expected to impact Weber School District. A one to two percent growth is expected to continue for the next five years in the district. This means that over 300 to 500 students will be added to the enrollment every year.

Student growth brings additional state aid. However, student growth also adds fixed operational costs to the District. Accordingly, the District has made effective use of boundary changes and portable classroom units to manage the shifting student enrollments. In addition, on June 27, 2006, voters overwhelmingly approved a \$65 Million Bond authorization to construct new facilities and expand current space. The last of this bond authorization is being spent. Over the past five years, additional classroom space has been added to six elementary schools; two larger replacement elementary schools were also be added. In addition a larger replacement junior high school is under construction and targeted remodeling projects have occurred at various locations. All these projects are designed to provide more space for students and instruction.

As the District continues to grow, student counts will be carefully monitored so that available financing resources will have the greatest impact. Additional classroom space will be built in high growth areas and aging building will be replaced on a priority basis. Current projections indicate most of the growth in the north and west areas of the District.

Audit committee. The District’s independent auditor uses the District’s audit committee to communicate certain matters to upper management and the Board. The audit committee includes three members of the

Board, the District superintendent, and the business administrator. The three members of the Board report audit findings and other financial considerations to the Board. The Board is responsible for the oversight of the financial reporting process.

Cash management and investments. The District maintains a cash and investment pool that is available for use by all funds. This pool has deposits, repurchase agreements, and other investments with varying maturity dates. Over the last two years interest rates plummeted as did investment income. At the end of FY 2007, interest rates in the investment pool were at about 5.25%. Since that time interest rates in the pool have declined to 1.0%. In response to this situation, the Board authorized investments out-side of the state pool. Working with our investment advisor, nearly \$30 million dollars have been invested in funds approved by the Utah Money Management Act. These alternate investments have a return that averages 200 basis points more than the pool. This has helped offset the losses in investment income.

The State of Utah Money Management Act with the State Money Management Council governs the District's investment policies and provides a measure of depository protection. The Council issues a list of qualified depositories to public treasurer's each calendar quarter and monitors the maximum amount of public funds each depository is eligible to hold in accordance with the law and the rules of the Council. State law and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. If a qualified depository should become ineligible to hold public funds, the public treasurers are notified immediately.


The District considers the actions of the Utah Money Management Council to be necessary and sufficient for adequate protection of its uninsured bank deposits.

Risk management. The District is self-insured for workers' compensation. Unemployment compensation is handled on a cost of benefits reimbursement basis with the State of Utah. The District participates in the Utah State Risk Management system for property and liability insurance. This is a pooled arrangement where the participating entities pay annual premiums, which are designed to pay claims and build sufficient reserves so that the system will be able to protect the participating entities with its own capital. The pool reinsures excess losses to preserve the capital base.

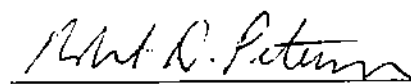
Post employment benefits. Certain employees are eligible to receive post employment healthcare benefits and early retirement incentive stipends. These are considered termination benefits by the district. Three years ago the district implemented the provisions of Governmental Accounting Standards Board (GASB) Statement 47 which relates to termination benefits. The District finances these benefits primarily as premiums and stipends are paid. The District is actively striving to fund these obligations in advance or designating fund balances to provide for this obligation.

The efficient and dedicated staff of the business and payroll departments helped accomplish the preparation of this report. We would like to express appreciation to all members of the department who assisted in the preparation of this report. We would also like to thank the members of the Board of Education for their interest and support in conducting the financial affairs of the District in a responsible and progressive manner.

Respectfully submitted,



Michael G. Jacobsen, Ph.D.
Superintendent of Schools



Robert D. Petersen, Ph.D.
Business Administrator



INDEPENDENT AUDITORS' REPORT

To the Honorable Board of Education
Weber School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Weber School District, as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Weber School District'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 the Weber School Foundation, which represents 100 percent of discretely presented component unit. The financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based on the report of the 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 amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Weber School District, as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2009 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 7 through 13 and 40 through 44 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 required 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 Weber School District's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and schedules have been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Wiggind & Co, PC

Ogden, UT
November 2, 2009

Management's Discussion and Analysis

This section of Weber School District's Basic Financial Statements presents management's discussion and analysis of the District's financial performance during the year ending June 30, 2009. Please read it in conjunction with the transmittal letter and the District's financial statements, which follow this section.

Financial Highlights

- Changes in fund balance were positive for the Maintenance and Operation Fund, Debt Service Fund and the Student Activity Fund. Fund balances for the Capital Outlay Fund and Child Nutrition Fund were down and the balance for the Recreation Fund continued to remain neutral.
- The economic recession resulted in \$12,634,772 of state revenue cuts to the district. Of these cuts, \$10,238,548 was replaced by federal stimulus funds as a result of the passage of the American Recovery and Reinvestment Act (ARRA) by congress. This resulted in an actual shortfall of \$2,396,224 of state funds.
- During the year, the combined fund balance decreased by \$11.53 million. Increases in other funds were offset by an \$18.9 million decrease in the capital outlay fund balance as funds were expended for new buildings.
- During the year, the fund balance for the Maintenance and Operation Fund increased by nearly \$6.68 million.
- District enrollment growth from October 1, 2007 to October 1, 2008 decreased by 218 or -0.72%. This decrease was a result of two new charter schools that opened and took students from the district to these schools.
- On June 27, 2006 voters approved \$65 million in General Obligation bonds for the construction of four new schools, three major remodeling projects and various other improvements. In addition, voters also approved a 75% increase in the Voted Leeway. Voted Leeway funds will provide needed resources to maintain and operate new facilities. Many of the projects from this bond were completed this year and ground was broken for a new replacement junior high school that is scheduled to open in August of 2010.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the District 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 the 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 (e.g., uncollected taxes and earned but unused vacation leave).

Fund financial statements. A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and agency funds.

- **Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general maintenance and operation fund, the debt service fund, and the capital projects fund, each of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

- **Agency fund.** The District uses an agency fund to account for resources held for student activities and groups.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$85.09 million at the close of the most recent fiscal year.

- A significant portion of the District's net assets (43.33%) reflects its investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment net of accumulated depreciation); less any related debt (general obligation bonds payable and obligations under capital leases less unspent bond proceeds) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

- An additional portion of the District's net assets (39.53%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for capital projects.
- The remaining balance of unrestricted net assets (17.14%) may be used to meet the District's obligations to students, employees, and creditors and to honor next year's budget.

At the end of the 2009 fiscal year, the District is able to report positive balances in all three categories of net assets. The same is true for the prior fiscal year.

The District's net assets increased by \$14.31 million during the current year; the following discussion and analysis on governmental activities examine this increase:

WEBER SCHOOL DISTRICT'S Net Assets

	Governmental activities		2008	Total change from prior year
	2009	% of Total		
Current and other assets	\$ 145,547,453	49.68%	\$ 152,002,867	\$ (6,455,414)
Capital Assets	147,404,239	50.32%	121,517,527	25,886,712
Total assets	292,951,692	100.00%	273,520,394	19,431,298
Current and other liabilities	95,820,433	46.10%	92,859,157	2,961,276
Long-term liabilities outstanding	112,038,326	53.90%	109,878,685	2,159,641
Total liabilities	207,858,759	100.00%	202,737,842	5,120,917
Net assets:				
Invested in capital assets, net of related debt	36,874,006	43.33%	12,788,043	24,085,963
Restricted	33,635,245	39.53%	51,321,566	(17,686,321)
Unrestricted	14,583,682	17.14%	6,672,943	7,910,739
Total net assets	\$ 85,092,933	100.00%	\$ 70,782,552	\$ 14,310,381
Net assets – beginning	\$ 70,782,552			
Change in net assets	\$ 14,310,381			

Governmental activities. Increases in overall expenses (see Financial Analysis chart below) were primarily a result of capital expenses as bond proceeds were used to complete new schools and additions to current schools. This helped propel our positive change of \$14.31 million in the District's net assets for the year ended June 30, 2009. Another factor for the increase in net assets is the districts continued emphasis on complying with the provisions of Governmental Accounting Standards Board (GASB) Statement 47. GASB 47 addresses district liabilities with regards to termination benefits. When employees retire, and if they meet certain eligibility requirements, they may receive termination benefits. With the GASB 47 mandate, the district recognized the coming year's liability for added termination benefits. Funds are being aggressively set aside to more fully fund

this liability. As the district continues to implement its funding for GASB 47 liabilities, this will increase our assets and overtime drive net assets upward. Another key factor for the increase in net assets is the issuance of \$9.5 million of bonds to further the district's capital plan. Following is a further analysis of changes in revenue and expenses over last year.

- The percent increase for the collections of local taxes (5.66%) continues to outpace inflation. This was due in large part to property value growth. Not only is the value of existing property growing, but the district has experienced significant increase in assessed property values because of growth of new construction.
- A highly significant percentage of revenue decrease occurred with state aid (7.23%). The reasons for this are twofold. First, the district experienced a decline in student growth. This decline occurred because two charter schools opened and former Weber School District students enrolled in these schools. Second, with the economic slow down, state revenues were cut.

FINANCIAL ANALYSIS OF DISTRICT FUNDS

	Governmental Funds		Total Change
	2009	2008	
Revenues:			
Property taxes	\$ 46,747,932	\$ 44,243,690	\$ 2,504,242
Earnings on investments	1,845,776	3,456,761	(1,610,985)
Other Local Sources	12,483,925	12,063,366	420,559
State Aid	134,319,156	144,788,229	(10,469,073)
Federal Aid	25,137,538	13,361,248	11,776,290
Other Financing Sources	9,068,099	32,428,767	(23,360,668)
Total revenues	<u>229,602,426</u>	<u>250,342,061</u>	<u>(20,739,635)</u>
Expenses:			
Instructional Services	126,704,303	121,209,447	5,494,856
Supporting Services			
Students	6,246,437	6,377,189	(130,752)
Instructional staff	3,507,188	3,065,472	441,716
District administration	5,911,120	5,613,457	297,663
School administration	11,115,485	10,787,292	328,193
Operation and maintenance of facilities	16,693,174	15,706,689	986,485
Transportation	6,561,513	6,472,520	88,993
Central/Other	2,841,768	3,884,496	(1,042,728)
School lunch services	12,236,023	11,654,309	581,714
Capital Outlay	38,633,027	21,339,620	17,293,407
Debt Service	10,692,111	11,239,342	(547,231)
Total expenses	<u>241,142,149</u>	<u>217,349,833</u>	<u>23,792,316</u>
Net Change in Fund Balance	(11,539,723)	32,992,228	
Fund Balances -- beginning	68,050,429	35,058,201	
Fund Balances -- ending	<u>\$ 56,510,706</u>	<u>\$ 68,050,429</u>	<u>\$ (11,539,723)</u>

- As a result of the slowing economy in the latter half of the fiscal year, interest rates and earnings on investments plummeted. This resulted in a \$1.6 million decline in earnings on investments.
- Federal revenue increased by \$11.77 million as the state passed on stimulus money it received from the federal government to the school district. The stimulus money was a result of the passage of the American Recovery and Re-investment Act (ARRA) by congress.
- Capital outlay expenditures rose sharply as bond monies acquired in the prior year were spent on various projects. On-going capital expenses actually went down over the prior year. The brakes were put on regular on-going capital needs as money is being made available for large projects associated with the district's five year capital plan. While large significant projects were underway, bonds were sold and that is why there is a considerable amount of other financing sources (\$9.06 million).
- Increases in expenses resulted from overall base salary increases and health insurance cost increases. These expense increases were countered by increased revenue as the value of the WPU went up and state funding for educator salary adjustments increased. The district continued with its funding of Health Reimbursement Accounts (HRA) for administrators and classified employees. Funds will be deposited by the district into employee HRAs to them offset future and current health related expenses.
- Funding student transportation continues to be a challenge. State policy requires that all elementary students (grades K-6) living more than 1.5 miles from their assigned school be eligible for transportation. In addition, secondary students (grades 7-12) are eligible for school transportation if they live more than two miles from their assigned school. Despite these state mandates, state funding is inadequate to accomplish the required transportation standards. As a result, over \$900,000 of district funding is required for transportation. Over the last few years, the district implemented aggressive cost cutting measures in transportation; unfortunately, these were countered by a rapid rise in diesel fuel required to operate busses and a rise in employee benefit costs.
- Cost of utilities has a significant impact on the District. Anticipating these costs, the District has continued a very aggressive energy savings program in all schools and locations.

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. As the District completed the year, its governmental funds reported a combined fund balance of \$56.51 million; \$11.53 million lower than the previous year (see chart below).

**Fund Balance Summary FY 09
Governmental Funds**

	General	Debt Service	Capital Projects	Other Govt. Funds	Total Funds
Revenues	179,979,853	11,502,835	19,660,238	18,459,500	229,602,426
Expenses	173,299,065	10,692,111	38,633,027	18,517,946	241,142,149
Net Change in Fund Balance	6,680,788	810,724	(18,972,789)	(58,446)	(11,539,723)
Fund balances - beginning	13,594,304	631,807	47,751,169	6,073,149	68,050,429
Fund balances - ending	20,275,092	1,442,531	28,778,380	6,014,703	56,510,706

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into reserved and unreserved portions. Reservations indicate the portion of the District's fund balances that are not available for appropriation. The unreserved fund balance is, in turn, subdivided between designated and undesignated portions. Designations reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. Undesignated balances in the general fund are required by state law to be appropriated in the following year's budget. Fund balances of debt service, capital projects, and other governmental funds are restricted by state law to be spent for the purpose of the fund and are not available for spending at the District's discretion. Following is a chart that outlines the Unreserved Fund Balances:

UNRESERVED FUND BALANCES

	General	Debt Service	Capital	Other Govt. Funds
<u>Designated:</u>				
Undistributed Reserve	4,000,000			
Fed. Impact Aid	253,436			
Computer Replacement			2,397,503	
Land			1,088,892	
Roof Units			950,000	
Early Ret. Health Care	7,500,000			
<u>Undesignated:</u>				
Capital Projects			4,120,771	
Debt Service		1,442,531		
Special Revenue				5,898,821
Undesignated	8,029,270			
TOTAL	19,782,706	1,442,531	8,557,166	5,898,821

- *Designation for undistributed reserve.* As allowed by state law (limited to 5% of general fund expenditures), the District has established an undistributed reserve within the general fund. This amount is set aside for contingencies or possible reductions in state funding and is not to be used in the negotiation or settlement of contract salaries. The maintenance of a sufficient reserve is a key credit consideration in the District's excellent bond rating of A1 given by Moody's Investor Service.

General Fund Budgetary Highlights

During the year, the Board revised the District's budget. Budget amendments were made to reflect changes in programs and related funding. Actual expenditures were less than final budgeted revenue amounts.

Enrollment Highlights

State and federal funding is highly dependent on enrollment. Since state and federal sources comprise the majority of total revenue, projecting enrollment growth and trends is a critical part of the budget process. Complicating this process has been the addition by the State Charter School Board of new charter schools in our district boundaries. Prior to FY 2008, District enrollment growth had been slow. However, enrollment growth from FY 2007 to FY 2008 was at a historic high of 965 students. Then two new charter schools were added and the enrolment from FY 2008 to FY 2009 dropped by 218 students. Barring the addition of charter schools, it is anticipated that strong and steady growth will continue for the next few years. Growth has been especially strong

in the elementary grades (grades k-6). Over the next few years, these large numbers of elementary students will be entering secondary grades; when this occurs, over all district growth will approach two percent.

WEBER SCHOOL DISTRICT ENROLLMENT HISTORY

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Elementary	14,771	15,022	15,347	15,839	16,504	16,399
Junior High	6,676	6,707	6,612	6,602	6,662	6,702
High School	6,457	6,436	6,497	6,454	6,696	6,544
Regular Sub-Total:	27,904	28,166	28,456	28,895	29,862	29,645
Special Schools	292	361	303	237	235	234
Total Enrollment	28,196	28,527	28,759	29,132	30,097	29,879

Capital Asset and Debt Administration

Capital Assets. The capital projects fund is used to account for costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District. On June 27, 2006 voters approved \$65 million in General Obligation bonds for the construction of four new schools, three major remodeling projects and various other improvements. In addition, voters also approved a 75% increase in the Voted Leeway. This increase will provide needed funds to maintain and operate new facilities.

Debt Administration. In April 2009, following overwhelming approval by voters of a \$65,000,000 bond authorization on June 27, 2006, the district issued \$9,500,000 of General Obligation Bonds (Series 2009). These funds have been used to fund various projects throughout the district that are part of the district’s overall Capital Plan.

The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2009 is \$519.9 million. General obligation debt at June 30, 2009 is \$108.8 million, resulting in a legal debt margin of \$411.1 million.

Although it is not unusual for governments to have a 30-year bond payoff schedule, the District maintains an aggressive schedule to retire all of its general obligation bonds by 2029.

Requests for Information

This financial report is designed to provide a general overview of the Weber School District’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Administrator, Weber School District, 5320 Adams Avenue Parkway, Ogden, UT 84405.

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WEBER SCHOOL DISTRICT
Statement of Net Assets
June 30, 2009

	Governmental Activities	Component Unit
Assets:		
Cash and investments	\$ 98,642,077	\$ 1,272,752
Receivables:		
Property taxes	39,363,100	-
Other governments	4,922,618	-
Other, net of allowance for bad debt - \$14,000	235,542	7,472
Prepays	104,317	-
Inventories	1,334,296	-
Bond issuance costs, net	876,739	-
Other assets	68,764	6,000
Capital assets:		
Land, and construction-in-progress	48,767,929	-
Other capital assets, net of depreciation	98,636,310	-
Total assets	<u>292,951,692</u>	<u>1,286,224</u>
Liabilities:		
Accounts payable	6,148,011	1,227
Accrued interest	202,866	-
Accrued liabilities	846,408	-
Accrued salaries	23,351,334	-
Termination benefits	11,171,179	-
Deferred revenue:		
Property taxes	42,722,333	-
Other governments	11,378,302	-
Noncurrent liabilities:		
Due within one year	8,577,678	-
Due in more than one year	103,460,648	-
Total liabilities	<u>207,858,759</u>	<u>1,227</u>
Net Assets:		
Invested in capital assets, net of related debt	36,874,005	-
Restricted for:		
School lunch	122,439	-
Student activity	5,892,264	-
Foundation	-	1,284,997
Debt service	1,239,666	-
Capital projects	26,380,877	-
Unrestricted	14,583,682	-
Total net assets	<u>\$ 85,092,933</u>	<u>\$ 1,284,997</u>

WEBER SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2009

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental activities:						
Instructional services	\$ 136,058,882	\$ 652,041	\$ 43,057,642	\$ 2,045,768	\$ (90,303,431)	\$ -
Supporting services:						
Students	6,163,348	-	2,282,844	-	(3,880,504)	-
Instructional staff	3,462,927	-	346,845	-	(3,116,082)	-
District administration	5,931,439	-	364,719	-	(5,566,720)	-
School administration	11,543,695	-	205,293	-	(11,338,402)	-
Operation and maintenance of facilities	16,984,940	-	1,066,610	-	(15,918,330)	-
Transportation	7,058,836	451,343	3,983,924	-	(2,623,569)	-
Central	2,992,645	-	175,420	-	(2,817,225)	-
School lunch services	12,484,271	5,184,398	6,911,047	-	(388,826)	-
Interest on long-term liabilities	4,422,963	-	-	-	(4,422,963)	-
Total school district	\$ 207,103,946	\$ 6,287,782	\$ 58,394,344	\$ 2,045,768	(140,376,052)	-
Component Unit:						
Foundation	\$ 859,179	\$ -	\$ 101,046	\$ -	-	(758,133)
General revenues:						
Property taxes levied for:						
General purposes					29,609,870	-
Transportation					1,271,318	-
Recreation					674,704	-
Debt service					7,002,676	-
Capital outlay					8,189,364	-
Federal and state aid not restricted to specific purposes					99,016,582	-
Contributions not restricted to specific programs					-	517,505
Earnings on investments					1,845,776	68,851
Revenue-donation in kind					880,000	-
Miscellaneous					6,196,143	-
Total general revenues					154,686,433	586,356
Change in net assets					14,310,381	(171,777)
Net assets - beginning					70,782,552	1,456,774
Net assets - ending					\$ 85,092,933	\$ 1,284,997

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

WEBER SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2009

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
Assets:					
Cash and investments	\$ 57,238,519	\$ 2,224,067	\$ 33,084,697	\$ 6,094,794	\$ 98,642,077
Receivables:					
Property taxes	20,982,417	9,247,554	8,451,784	681,345	39,363,100
Other governments	4,426,759	-	-	495,859	4,922,618
Other receivables, net of allowance for bad debt - \$14,000	233,432	-	1,070	1,040	235,542
Prepaid expenses	68,105	-	30,352	5,860	104,317
Inventory	822,490	-	-	511,806	1,334,296
Other assets	68,764	-	-	-	68,764
Total assets	\$ 83,840,486	\$ 11,471,621	\$ 41,567,903	\$ 7,790,704	\$ 144,670,714
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 3,462,258	\$ 58	\$ 2,677,424	\$ 8,271	\$ 6,148,011
Accrued salaries	22,319,646	-	123,738	907,950	23,351,334
Accrued liabilities	28,301	-	818,107	-	846,408
Termination benefits	3,593,137	-	-	120,483	3,713,620
Deferred revenue:					
Property taxes	22,783,750	10,029,032	9,170,254	739,297	42,722,333
Other governments	11,378,302	-	-	-	11,378,302
Total liabilities	63,565,394	10,029,090	12,789,523	1,776,001	88,160,008
Fund Balances:					
Reserved for:					
Encumbrances	492,386	-	20,221,214	115,882	20,829,482
Unreserved:					
Designated for:					
Undistributed reserve	4,000,000	-	-	-	4,000,000
Federal impact aid program	253,436	-	-	-	253,436
Computer replacement	-	-	2,397,503	-	2,397,503
Land	-	-	1,088,892	-	1,088,892
Early retirement health care	7,500,000	-	-	-	7,500,000
Roof units	-	-	950,000	-	950,000
Undesignated, reported in:					
General fund	8,029,270	-	-	-	8,029,270
Debt service fund	-	1,442,531	-	-	1,442,531
Capital projects fund	-	-	4,120,771	-	4,120,771
Special revenue funds	-	-	-	5,898,821	5,898,821
Total fund balances	20,275,092	1,442,531	28,778,380	6,014,703	56,510,706
Total liabilities and fund balances	\$ 83,840,486	\$ 11,471,621	\$ 41,567,903	\$ 7,790,704	\$ 144,670,714

WEBER SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2009

Total fund balances for governmental funds **\$ 56,510,706**

Total net assets reported for governmental activities differs from the statement of net assets as follows:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of the following:

Land	\$	14,678,588	
Construction-in-progress		34,089,341	
Buildings and improvements, net of \$115,596,866 accumulated depreciation		92,574,401	
Furniture and equipment, net of \$14,644,645 accumulated depreciation		6,061,909	147,404,239

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is \$202,865. (202,865)

Bond issuance costs are reported as expenditures in the governmental funds. The cost is \$1,062,368 and accumulated amortization is \$185,629. 876,739

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at year-end follow:

Bonds payable	\$	(108,935,000)	
Unamortized premiums		(1,467,292)	
Deferred amounts on refunding		891,773	
Accrued vacation		(1,508,092)	
Notes payable		(719,340)	
Land options payable		(300,375)	
Termination benefits		(7,457,560)	(119,495,886)

Total net assets of governmental activities **\$ 85,092,933**

WEBER SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2009

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
Revenues:					
Property taxes	\$ 24,196,209	\$ 11,502,835	\$ 10,226,645	\$ 822,243	\$ 46,747,932
Earnings on investments	1,289,036	-	554,985	1,755	1,845,776
School lunch sales	-	-	-	5,184,398	5,184,398
Other local sources	1,945,614	-	47,722	5,306,191	7,299,527
State aid	130,537,918	-	2,045,768	1,735,470	134,319,156
Federal aid	19,961,961	-	-	5,175,577	25,137,538
Total revenues	<u>177,930,738</u>	<u>11,502,835</u>	<u>12,875,120</u>	<u>18,225,634</u>	<u>220,534,327</u>
Expenditures:					
Current:					
Instructional services	120,422,380	-	-	6,281,923	126,704,303
Supporting services:					
Students	6,246,437	-	-	-	6,246,437
Instructional staff	3,507,188	-	-	-	3,507,188
District administration	5,911,120	-	-	-	5,911,120
School administration	11,115,485	-	-	-	11,115,485
Operation and maintenance					
of facilities	16,693,174	-	-	-	16,693,174
Transportation	6,561,513	-	-	-	6,561,513
Central	2,841,768	-	-	-	2,841,768
School lunch services	-	-	-	12,236,023	12,236,023
Capital outlay	-	-	38,633,027	-	38,633,027
Debt service:					
Principal retirement	-	6,150,000	-	-	6,150,000
Bond Selling Expenditures	-	-	-	-	-
Interest and fiscal charges	-	4,542,111	-	-	4,542,111
Total expenditures	<u>173,299,065</u>	<u>10,692,111</u>	<u>38,633,027</u>	<u>18,517,946</u>	<u>241,142,149</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,631,673</u>	<u>810,724</u>	<u>(25,757,907)</u>	<u>(292,312)</u>	<u>(20,607,822)</u>
Other financing sources (uses):					
Transfers	2,049,115	-	(2,282,981)	233,866	-
Bond proceeds	-	-	9,500,000	-	9,500,000
Bond premium	-	-	112,837	-	112,837
Bond issuance costs	-	-	(56,525)	-	(56,525)
Proceeds of refunding bonds	-	-	-	-	-
Bond premium on refunding bonds	-	-	-	-	-
Bond refunding issuance costs	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Note payments	-	-	(459,270)	-	(459,270)
Note interest	-	-	(31,818)	-	(31,818)
Sale of capital assets	-	-	2,875	-	2,875
Total other financing sources (uses)	<u>2,049,115</u>	<u>-</u>	<u>6,785,118</u>	<u>233,866</u>	<u>9,068,099</u>
Net change in fund balances	<u>6,680,788</u>	<u>810,724</u>	<u>(18,972,789)</u>	<u>(58,446)</u>	<u>(11,539,723)</u>
Fund balances - beginning	<u>13,594,304</u>	<u>631,807</u>	<u>47,751,169</u>	<u>6,073,149</u>	<u>68,050,429</u>
Fund balances - ending	<u>\$ 20,275,092</u>	<u>\$ 1,442,531</u>	<u>\$ 28,778,380</u>	<u>\$ 6,014,703</u>	<u>\$ 56,510,706</u>

WEBER SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Government Funds to the Statement of Activities
Year Ended June 30, 2009

Net change in fund balances-total governmental funds \$ (11,539,723)

Amounts reported for governmental activities differ from the statement of activities as follows:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for furniture and equipment and \$100,000 for buildings and improvements are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.

Capital outlays	\$ 31,239,316	
Accumulated depreciation adjustment for retired fixed assets	91,363	
Furniture and equipment retirements	(120,365)	
Depreciation expense	(5,323,601)	25,886,713

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

General obligation bond proceeds	\$ (9,500,000)	
Bond premium	(112,837)	
Bond issuance costs	56,523	
Repayment of bond principal	6,150,000	
Repayment of loan principal	748,558	
Release of obligation from land option payable	880,000	
Interest expense - general obligation bonds	117,438	
Amortization of bond deferred charges	(85,162)	
Amortization of bond issuance costs	(62,782)	
Amortization of bond premium	118,689	(1,689,573)

In the statement of activities, compensated absences (vacations), and termination benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid or to be paid in the following year). During this year, accrued vacation increased by \$358,889 and termination benefits decreased by \$2,011,853.

1,652,964

Change in net assets of governmental activities \$ 14,310,381

WEBER SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 24,110,313	\$ 24,700,000	\$ 24,196,209	\$ (503,791)
Earnings on investments	1,052,611	1,300,000	1,289,036	(10,964)
Other local sources	6,210,528	1,700,000	1,945,614	245,614
State aid	142,441,089	141,674,519	130,537,918	(11,136,601)
Federal aid	10,138,155	8,681,738	19,961,961	11,280,223
Total revenues	<u>183,952,696</u>	<u>178,056,257</u>	<u>177,930,738</u>	<u>(125,519)</u>
Expenditures:				
Current:				
Instructional services	128,658,612	125,081,882	120,422,380	4,659,502
Supporting services:				
Students	7,546,320	6,868,732	6,246,437	622,295
Instructional staff	2,768,491	3,570,760	3,507,188	63,572
District administration	6,123,859	6,087,400	5,911,120	176,280
School administration	11,723,400	11,436,766	11,115,485	321,281
Operation and maintenance of facilities	19,515,502	21,360,838	16,693,174	4,667,664
Transportation	6,798,643	6,867,164	6,561,513	305,651
Central	5,495,265	4,260,000	2,841,768	1,418,232
Total expenditures	<u>188,630,092</u>	<u>185,533,542</u>	<u>173,299,065</u>	<u>12,234,477</u>
Excess of expenditures over revenues	<u>(4,677,396)</u>	<u>(7,477,285)</u>	<u>4,631,673</u>	<u>12,108,958</u>
Other financing sources (uses):				
Transfer in (out)	<u>1,882,981</u>	<u>1,882,981</u>	<u>2,049,115</u>	<u>166,134</u>
Net change in fund balances	(2,794,415)	(5,594,304)	6,680,788	12,275,092
Fund balances - beginning	<u>13,594,304</u>	<u>13,594,304</u>	<u>13,594,304</u>	<u>-</u>
Fund balances - ending	<u>\$ 10,799,889</u>	<u>\$ 8,000,000</u>	<u>\$ 20,275,092</u>	<u>\$ 12,275,092</u>

WEBER SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Agency Fund
June 30, 2009

	<u>Student Activities Fund</u>
Assets:	
Cash and investments	\$ 106,804
Fund balances:	
Unreserved, undesignated	\$ 106,804
Total fund equity	<u>\$ 106,804</u>

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Weber School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

In June 1999, the Governmental Accounting Standards board (GASB) unanimously approved Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments. Significant changes in the Statement include the following:

- A Management's Discussion and Analysis (MD&A) providing an analysis of the District's overall financial position and results of operations.
- Financial statements prepared using full-accrual accounting for all of the District's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements.

Reporting entity – The Board of Education, comprised of seven elected individuals, is the primary governing authority for the District. As required by GAAP, these financial statements present the District and its component unit, Weber School District Foundation. The District is not a component unit of any other primary government.

- *Discrete component unit.* The Weber School District Foundation is a nonprofit organization established under Internal Revenue Service regulations as a conduit for tax-deductible donations to the District. It is governed by a Board of Directors made up of 21 individuals. The Foundation is considered to be a component unit of the District because the purpose of the Foundation is to exclusively service the District. The Foundation has an audit performed annually, separate from the District. A copy of that report can be obtained at the Foundation's administrative office located at 5320 Adams Ave Parkway, Ogden, Utah.

Government-wide and fund financial statements – The *government-wide financial statements* (the statement of net assets and the statement of changes in net assets) display information about the primary government (the District) and its discrete component unit. These statements include the financial activities of the overall government, except for fiduciary activities. The effect of interfund activity has been eliminated from the government-wide financial statements. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent they do not conflict or contradict guidance of the GASB.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instructional, school administration, operation and maintenance of facilities, and school lunch services) are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

liabilities is considered an indirect expense and is reported in the statement of activities as a separate line. Program revenues include 1) fees and charges paid by students and other recipients of goods or services offered by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

The *fund financial statements* provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *debt service fund* accounts for resources accumulated and payments made for principal and interest on general obligation school building bonds.
- The *capital projects fund* account for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the District.

Additionally, the District reports the following fund types:

- *Special Revenue*
- *Trust and Agency Fund (a fiduciary fund)* accounts for monies held on behalf of student groups.

Measurement focus, basis of accounting, and financial statement presentation – The *government-wide and fiduciary fund financial statements* are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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retirement and postemployment healthcare benefits, arbitrage rebates, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Budgetary Data – Budgets are presented on the modified accrual basis of accounting for all governmental funds. Budgets are not adopted on a District level for the Weber School District Foundation or the trust and agency fund. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- During May of each year, the District superintendent submits to the Board a proposed operating budget for the next fiscal year commencing July 1st. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30th.
- Copies of the proposed budget are made available for public inspection and review by patrons of the District.
- If the District does not exceed the certified tax rate, a public hearing is held prior to June 22nd at which time the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate, the budget is adopted in August when data is available to set the rates.
- Once adopted, the budget can be amended by subsequent Board action. The Board, upon recommendation of the superintendent, can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Utah state law, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- Certain interim adjustments in estimated revenue and expenditures during the year ended June 30, 2009, have been included in the final budget approved by the Board, as presented in the financial statements.
- Expenditures may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the undesignated fund balance. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent fiscal year. As a result, overall fund revenue variances will be negative, and overall fund expenditure variances will be positive.

Deposits and Investments – The cash balances of substantially all funds are pooled and invested by the District for the purpose of increasing earnings through investment activities and providing efficient management of temporary investments. The pooled investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. Earnings on pooled funds are apportioned and credited to the funds.

Cash and Cash Equivalents – The District considers cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Public Treasurers’ Investment Fund (PTIF) to be cash equivalents.

Inventories – Inventories are valued at cost or, if donated, at fair value when received, using the moving average method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Donated food commodities are reported in the governmental funds and are recorded as revenue when received and as an expense when consumed.

Capital Assets – Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 for land, furniture and equipment and \$100,000 for buildings and improvements and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets’ lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Building improvements and portable classrooms	20
Maintenance equipment	15
Buses	10
Furniture	10
Office equipment	10
Vehicles	8
Computer equipment	3

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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Accrued Wages Payable – Wages payable result from unpaid employee service at the balance sheet date. This amount arises from employee contracts which spread payment for nine months of service over a twelve-month period.

Compensated Absences - Under terms of association agreements, twelve-month or full-year employees earn vacation and sick leave in amounts varying with tenure and classification. In the event of termination or death, an employee is reimbursed for accumulated vacation days. Accumulated sick leave is also reimbursed to employees that retire, but is dependent on certain criteria being met. The criteria are defined in each employee groups' handbook. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. 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.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

2. DEPOSITS AND INVESTMENTS

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2009, as shown on the financial statements is as follows:

Carrying amount of cash	\$ 14,181,134
Carrying amount of investments	<u>84,460,943</u>
Total cash and investments	<u>\$ 98,642,077</u>
Governmental funds cash and investments	\$ 98,642,077
Internal service fund cash and investments	<u>-</u>
Statement of net assets cash and investment	\$ 98,642,077
Agency fund cash and investments	<u>106,804</u>
Total cash and investments	<u>\$ 98,748,881</u>

Deposits and investments for the District are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, “the Act”) and by the rules of the Utah Money Management Council (“the Council”). Following are discussions of risks related to its cash management activities.

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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Custodial Credit Risk

Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be recovered. The District's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the District 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.

As of June 30, 2009, \$9,408,375 of the District's bank balance of \$24,372,934 was uninsured and uncollateralized.

Credit Risk

Investments. Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The District's policy for limiting the credit risk is to comply with the Utah Money Management Act.

The District is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized basis. The income, gains, and losses, net of administrative fees, of the PTIF are allocated based upon the participant's average daily balances.

At June 30, 2009, the District had \$52,621,978 invested with the PTIF and \$30,446,795 invested in corporate bonds.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The local government manages its exposure to declines in fair value by investing mainly in the PTIF and by adhering to the Utah Money Management Act. The Act requires that the remaining term to maturity of the investment may not exceed the period of availability of the funds to be invested.

3. PROPERTY TAXES

The property tax revenue of the District is collected and distributed by the Weber County Treasurer as an agent of the District. Utah statutes establish the process by which taxes are levied and collected. The County Assessor is required to assess real property as of January 1 and complete the tax rolls by May 15. By July 21, the County Auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1 and August 15 for a revision of the assessed value. The County Auditor makes approved changes in assessed value by November 1 and on this same date the County Auditor is to deliver the completed assessment rolls to the county treasurer. Tax notices are mailed with a due date of November 30. Delinquent taxes are subject to a 2% penalty, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 15 of the following year, these delinquent taxes, including penalties, are subject to an interest charge at an annual rate equal to the federal discount rate plus 6%; the interest period is from January 1 until date paid.

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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Motor vehicles are subject to an “age-based” fee that is due each time a vehicle is registered. The age-based fee is for passenger type vehicles and ranges from \$10 to \$150. The revenues collected in each county from motor vehicle fees is distributed by the county to each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed. The District recognizes motor vehicle fees as revenue when the county collects them.

As of June 30, 2009, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2008. It is expected that all assessed taxes will be collected within a five-year period, after which time the County Treasurer may force sale of property to collect the delinquent portion. The property taxes receivable and property taxes deferred revenue accounts at June 30, 2009 are summarized as follows:

Fund description	Property Taxes	
	Receivable	Deferred Revenue
General	\$ 20,982,417	\$ 22,783,750
Debt service	9,247,554	10,029,032
Capital projects	8,451,784	9,170,254
Other government funds	681,345	739,297
Total	\$ 39,363,100	\$ 42,722,333

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Notes to Basic Financial Statements
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4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 14,388,808	\$ 289,780	\$ -	\$ 14,678,588
Construction in progress	<u>13,122,430</u>	<u>34,089,341</u>	<u>(13,122,430)</u>	<u>34,089,341</u>
Total capital assets, not being depreciated	<u>27,511,238</u>	<u>34,379,121</u>	<u>(13,122,430)</u>	<u>48,767,929</u>
Capital assets, being depreciated:				
Buildings and improvements	199,816,452	8,354,815	-	208,171,267
Furniture and equipment	<u>19,199,105</u>	<u>1,627,814</u>	<u>(120,365)</u>	<u>20,706,554</u>
Total capital assets, being depreciated	219,015,557	9,982,629	(120,365)	228,877,821
Accumulated depreciation for:				
Buildings and improvements	(111,541,801)	(4,055,065)	-	(115,596,866)
Furniture and equipment	<u>(13,467,472)</u>	<u>(1,268,536)</u>	<u>91,363</u>	<u>(14,644,645)</u>
Total accumulated depreciation	<u>(125,009,273)</u>	<u>(5,323,601)</u>	<u>91,363</u>	<u>(130,241,511)</u>
Total capital assets, being depreciated, net	<u>94,006,284</u>	<u>4,659,028</u>	<u>(29,002)</u>	<u>98,636,310</u>
Governmental activities capital assets, net	<u>\$ 121,517,522</u>	<u>\$ 39,038,149</u>	<u>\$ (13,151,432)</u>	<u>\$ 147,404,239</u>

For the year ended June 30, 2009, depreciation expense was charged to functions of the District as follows:

Governmental activities:	
Instructional services	\$ 3,584,027
Supporting services:	
District administration	72,734
School administration	293,328
Operation and maintenance of facilities	330,601
Transportation	556,673
Central	173,611
School lunch services	<u>312,627</u>
Total depreciation expense, governmental activities	<u>\$ 5,323,601</u>

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

The District is obligated at June 30, 2009, under construction commitments as follows:

Project	Project Authorized	Costs to Date	Costs to Complete
North Ogden Elementary	\$ 14,607,551	\$ 13,189,952	\$ 1,417,599
Valley Elementary	12,340,620	12,063,083	277,537
Country View Elementary	1,816,145	1,815,675	470
Green Acres Elementary	1,907,370	1,886,451	20,919
Kanesville Elementary	1,729,500	1,715,093	14,407
South Ogden Jr. High	19,566,597	3,419,087	16,147,510
	<u>\$ 51,967,783</u>	<u>\$ 34,089,341</u>	<u>\$ 17,878,442</u>

A reservation of fund balance for construction commitments in the capital projects fund has been established to fulfill the required costs to complete at June 30, 2009.

5. RETIREMENT PLANS

Defined Benefit Plans – The District contributes to the State and School Contributory Retirement System and State and the School Noncontributory Retirement System (collectively, the Systems) which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (URS). URS provides refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended. The Utah State Retirement Act in Chapter 49 provides for the administration of the URS and plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Plan members in the State and School Contributory Retirement System are required to contribute 1.00% of annual covered salary, and the District contributes 9.73% of annual covered salary. For employees participating in the State and School Noncontributory System, the District contributes 14.22% of annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Utah State Retirement Board.

The District's contributions to the State and School Contributory Retirement System for the years ended June 30, 2009, 2008, and 2007 are \$79,806, \$89,187, and \$85,731, respectively and for the Noncontributory Retirement System for the years ended June 30, 2009, 2008, and 2007 are \$15,074,715, \$14,382,202, and \$11,333,541, respectively. The contributions were equal to the required contributions for each year.

Defined Contribution Plans – The District also participates in a defined contribution plan under Internal Revenue Code Section 401(k) to supplement retirement benefits accrued by participants in the Systems. Employees covered by the State and School Noncontributory Retirement System have a contribution of

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

1.5% of covered salaries automatically made by the District. Employees participating in the Systems can make additional contributions to the 401(k) plan up to specified limits. Contributions and earnings may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. The employer 401(k) contributions for the years ended June 30, 2009, 2008 and 2007 are \$1,991,972, \$1,931,051, and \$1,467,463, respectively; the employee contributions for the years ending June 30, 2009, 2008 and 2007 are \$2,385,224, \$2,567,545, and \$2,083,676, respectively. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are administered and held by URS.

The District also offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. The plan, available to all full-time employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. Employee contributions to the Section 457 plan totaled \$205,785 for the year ended June 30, 2009. The assets of the plan are administered and held by URS and a third-party administrator.

6. RISK MANAGEMENT

The District also maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability up to \$10 million per occurrence through policies administered by the Utah State Risk Management Fund (Fund). The District also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the Fund. Property physical damage is insured to replacement value with a \$1,000 deductible; automobile physical damage is insured to actual value with a \$350 deductible; other liability is limited to the lesser of \$10 million or the statutory limit. The Fund is a public entity risk pool operated by the State for the benefit of the State and local governments within the State. The District pays annual premiums to the Fund; the Fund obtains independent coverage for insured events, up to \$25 million per location. This is a pooled arrangement where the participants' pay experienced rated annual premiums, which are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The pool reinsures excess losses to preserve the capital base. Insurance coverage by major category of risk has remained relatively constant as compared to the prior fiscal year. Insurance settlements have not exceeded insurance coverage for the past three years.

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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7. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2009 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 105,585,000	\$ 9,500,000	\$ (6,150,000)	\$ 108,935,000	\$ 6,585,000
Deferred amounts for issuance premium	1,473,144	112,837	(118,689)	1,467,292	-
Deferred amounts on refunding	(976,935)	-	85,162	(891,773)	-
Total bonds payable, net	<u>106,081,209</u>	<u>9,612,837</u>	<u>(6,183,527)</u>	<u>109,510,519</u>	<u>6,585,000</u>
Notes Payable	883,828	-	(164,488)	719,340	184,211
Land options payable	1,764,445	-	(1,464,070)	300,375	300,375
Accrued vacation	1,149,202	1,393,172	(1,034,282)	1,508,092	1,508,092
Total governmental activity					
long-term liabilities	<u>\$ 109,878,684</u>	<u>\$ 11,006,009</u>	<u>\$ (8,846,367)</u>	<u>\$ 112,038,326</u>	<u>\$ 8,577,678</u>
Termination benefits	<u>\$ 13,204,804</u>	<u>\$ 1,517,164</u>	<u>\$ (3,550,793)</u>	<u>\$ 11,171,175</u>	<u>\$ 3,713,620</u>

Payments on the general obligation bonds are made by the debt service fund from property taxes. The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2009, including interest payments are listed as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 6,585,000	\$ 4,642,474	\$ 11,227,474
2011	5,725,000	4,338,666	10,063,666
2012	5,415,000	4,127,459	9,542,459
2013	3,775,000	3,937,921	7,712,921
2014	4,240,000	3,793,470	8,033,470
2015 - 2019	28,550,000	15,913,992	44,463,992
2020 - 2024	36,150,000	8,791,140	44,941,140
2025 - 2029	18,495,000	1,925,320	20,420,320
	<u>\$ 108,935,000</u>	<u>\$ 47,470,442</u>	<u>\$ 156,405,442</u>

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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General Obligation Bonds – General obligation school building bonds payable at June 30, 2009, with their outstanding balance are comprised of the following individual issues:

\$10,000,000 - 2000 general obligation school building and refunding bonds, due in annual installments of \$35,000 to \$440,000, interest rate ranging from 4.80% to 5.65%	\$ 975,000
\$15,000,000 - 2001B general obligation school building bonds, due in an annual installment of \$305,000, interest rate at 4.25%	305,000
\$2,500,000 - 2002 general obligation refunding bonds, due in annual installments from \$320,000 to \$500,000, interest rate ranging from 4.35% to 4.70%	1,855,000
\$13,260,000 - 2003 general obligation school building bonds, due in annual installments of \$710,000 to \$4,050,000, interest rate ranging from 4.20% to 5.00%	9,380,000
\$7,775,000 - 2005 general obligation refunding bonds, due in annual installments of \$380,000 to \$1,340,000, interest rate ranging from 4.00% to 4.50%	5,405,000
\$22,890,000 - 2006 general obligation refunding bonds, due in annual installments of \$1,625,000 to \$3,425,000, interest rate ranging from 4.00% to 4.25%	22,300,000
\$22,500,000 - 2006 B general obligation school building bonds, due in annual installments of \$50,000 to \$2,235,000, interest rate ranging from 4.00% to 4.75%	22,055,000
\$13,480,000 - 2007 general obligation refunding bonds, due in annual installments of \$610,000 to \$2,330,000, interest rate ranging from 4.00% to 5.00%	9,265,000
\$33,000,000 - 2008 general obligation school building bonds, due in annual installments of \$100,000 to \$3,125,000, interest rate ranging from 3.125% to 4.30%	27,895,000
\$9,500,000 - 2009 general obligation school building bonds, due in annual installments of \$280,000 to \$1,750,000, interest rate ranging from 2.50% to 4.50%	9,500,000
	<u>\$ 108,935,000</u>

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2009, is \$519,987,132. General obligation debt at June 30, 2009 is \$108,935,000, resulting in a legal debt margin of \$411,052,132. On April 14, 2009, the District issued \$9,500,000 of general obligation school building bonds (Series 2009) to provide resources, for the construction of new buildings and new additions to existing buildings. The amount of defeased debt outstanding as of June 30, 2009 is \$21,965,000.

The District has a note payable with a local bank with an interest rate of 3.60 percent. The annual requirements to amortize the note payable outstanding as of June 30, 2009, including interest payments are listed as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 170,410	\$ 26,756	\$ 197,166
2011	176,545	19,971	196,516
2012	182,900	12,967	195,867
2013	189,485	6,190	195,675
	<u>\$ 719,340</u>	<u>\$ 65,884</u>	<u>\$ 785,224</u>

The District has entered into an option for the purchase of land for a future building site. This option is at 4 ½ percent interest and consists of four annual payments of \$294,815. The District's outstanding amount on this option as of June 30, 2009 is \$300,375. It is the intention of the District to fulfill this land option.

8. OPERATING LEASES

The District has entered into operating leases for computers and copy machines. The terms of the agreements range from three to six years in length. At the end of the lease, the equipment can be purchased at the fair market value. The lease expense for this fiscal year was \$788,480. The annual lease payments outstanding as of June 30, 2009 are as follows:

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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Year Ending June 30,	Lease Payments
2010	\$ 1,481,954
2011	1,380,210
2012	1,070,558
2013	208,640
2014	34,688
2015	13,585
	\$ 4,189,635

9. INTERFUND ACTIVITY

During the year ended June 30, 2009, the general fund transferred \$233,866 to the recreation fund because that fund was in a deficit position, which is not allowed by law. In addition, the capital projects fund transferred \$2,282,981 to the general fund which is allowed by State law for the purchase of supplies.

10. TERMINATION BENEFITS

RETIREE HEALTH COVERAGE

In accordance with Board of Education policy, the District provides health coverage to certain retirees who are not yet eligible for Medicare. Retirees receiving this benefit must contribute the same out-of-pocket premium percentage required by active employees. Teachers may receive up to ten years of single coverage and seven years of couple or family coverage. To receive this benefit, a teacher must have ten years of service in the District and qualify for retirement under the Utah State Retirement System. Administrators may receive family, couple, or single coverage from their retirement until they are eligible for Medicare. To receive this benefit, a retiring administrator must have ten years of service in the District and qualify for retirement under the Utah State Retirement System. Retired classified employees may also receive health benefits. Most classified employees may receive up to seven years of couple or single coverage until they become Medicare eligible. Generally speaking, a typical classified employee must be employed with Weber School District prior to age 55 and qualify to retire under the Utah State Retirement System. At June 30, 2009 there were 291 retirees eligible to receive health coverage. During the year, the District paid \$1,854,073 for retiree health coverage. The projected estimated future cost of post-employment supplemental coverage of current retirees is \$5,405,461. This figure is based on a four percent discount rate and a health care trend rate which starts at 6.6% and ratably decreases to 5.8% in the year 2013. The post-employment healthcare benefits are financed on a pay-as-you-go basis.

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Notes to Basic Financial Statements
Continued

STIPENDS

In accordance with Board of Education policy, the District provides early retirement incentive stipends to certain retirees. All employees are eligible for these stipends if they meet certain criteria. To receive a stipend an employee must have ten years of service in the District, qualify to retire under the Utah State Retirement System, and meet specified age requirements. Retirees will then receive a stipend each year up to four years based upon a percentage of final salary as it pertains to their employee classification. During the year, the District paid \$1,696,721 for retiree stipends. The projected estimated future cost of early retirement incentives of current retirees is \$4,283,423. This figure is based on a four percent discount rate used in the calculation. The early retirement incentives are financed on a pay-as-you-go basis.

11. DESIGNATED FOR UNDISTRIBUTED RESERVE

Utah state law allows for the establishment of an undistributed reserve. The Board must authorize expenditures from the undistributed reserve. This reserve is for contingencies. According to State law, the District may not use undistributed reserves in the negotiation or settlement of contract salaries for District employees. The undistributed reserve may not exceed 5% of the current fiscal year's total general fund budgeted expenditures. Use of the reserve requires a written resolution adopted by a majority vote of the Board filed with the Utah State Board of Education and State Auditor.

12. LITIGATION

There are several lawsuits pending in which the District is involved. The District's counsel and insurance carriers estimate that the potential claims against the District, not covered by insurance, resulting from such litigation would not materially effect the financial statements of the District.

13. GRANTS

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. Based on prior experience, District administration believes such disallowance, if any, would be immaterial.

14. VOLUNTARY DENTAL PROGRAM

The school district provides or makes available a variety of insurance products to benefit employees. Most of these products are fully-insured and paid in full or in-part by the district. Teachers and classified employees are given the opportunity to participate in a dental program. This program is voluntary on the employee's part and is not supported financially by the district. Currently this voluntary dental program is self funded and reserves as of June 30, 2009 are \$304,000.00. Reserves are used to help with premium adjustments. Premiums are set by the employee insurance committee.

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

15. RELEASED FROM LAND OPTION PAYMENT

In November 2008, the District was released from its land option payable to the Pleasant Valley Ranch, LLC, Anchor Land and Cattle, LLC and Risky III, LLC. This termination agreement, relieved the District of its land option obligation in the amount of \$880,000. The amount is shown on the Statement of Activities as "Revenue-donation in kind" and as a reconciling item on the "Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Government Funds to the Statement of Activities."

WEBER SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	<u>Special Revenue</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>School Lunch</u>	<u>Recreation</u>	<u>Student Activity</u>	
Assets:				
Cash and investments	\$ 66,470	\$ 136,060	\$ 5,892,264	\$ 6,094,794
Receivables:				
Property taxes	-	681,345	-	681,345
Other governments	495,859	-	-	495,859
Other receivables	1,040	-	-	1,040
Prepaid expenses	5,860	-	-	5,860
Inventory	511,806	-	-	511,806
Total assets	<u>\$ 1,081,035</u>	<u>\$ 817,405</u>	<u>\$ 5,892,264</u>	<u>\$ 7,790,704</u>
Liabilities:				
Accounts payable	\$ 8,153	\$ 118	\$ -	\$ 8,271
Accrued wages	829,960	77,990	-	907,950
Termination benefits	120,483	-	-	120,483
Deferred revenue:				
Property taxes	-	739,297	-	739,297
Total liabilities	<u>958,596</u>	<u>817,405</u>	<u>-</u>	<u>1,776,001</u>
Fund balances:				
Unreserved:				
Reserved for encumbrance	115,882	-	-	115,882
Undesignated	6,557	-	5,892,264	5,898,821
Total fund balances	<u>122,439</u>	<u>-</u>	<u>5,892,264</u>	<u>6,014,703</u>
Total liabilities and fund balances	<u>\$ 1,081,035</u>	<u>\$ 817,405</u>	<u>\$ 5,892,264</u>	<u>\$ 7,790,704</u>

WEBER SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Special Revenue			Total Nonmajor Governmental Funds
	School Lunch	Recreation	Student Activity	
Revenues:				
Property tax	\$ -	\$ 822,243	\$ -	\$ 822,243
Student fees	-	6,371	4,983,758	4,990,129
Lunch sales	5,184,398	-	-	5,184,398
Earnings on investments	1,755	-	-	1,755
Other local revenues	-	316,062	-	316,062
State aid	1,735,470	-	-	1,735,470
Federal aid	5,175,577	-	-	5,175,577
Total revenues	<u>12,097,200</u>	<u>1,144,676</u>	<u>4,983,758</u>	<u>18,225,634</u>
Expenditures:				
Instructional services	-	1,378,542	4,903,381	6,281,923
School lunch services	<u>12,236,023</u>	<u>-</u>	<u>-</u>	<u>12,236,023</u>
Total expenditures	<u>12,236,023</u>	<u>1,378,542</u>	<u>4,903,381</u>	<u>18,517,946</u>
Excess of expenditures over revenues	(138,823)	(233,866)	80,377	(292,312)
Other financing sources:				
Transfer in	<u>-</u>	<u>233,866</u>	<u>-</u>	<u>233,866</u>
Net change in fund balances	(138,823)	-	80,377	(58,446)
Fund balances - beginning, as restated	<u>261,262</u>	<u>-</u>	<u>5,811,887</u>	<u>6,073,149</u>
Fund balances - ending	<u>\$ 122,439</u>	<u>\$ -</u>	<u>\$ 5,892,264</u>	<u>\$ 6,014,703</u>

WEBER SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
School Lunch
Nonmajor Special Revenue Fund
Year Ended June 30, 2009
With Comparative Totals for 2008

	2009		Variance with Final Budget - Positive (Negative)	2008
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Local sources:				
Lunch sales	\$ 5,900,000	\$ 5,184,398	\$ (715,602)	\$ 5,001,080
Earnings on investments	-	1,755	1,755	6,660
Total local sources	<u>5,900,000</u>	<u>5,186,153</u>	<u>(713,847)</u>	<u>5,007,740</u>
State sources:				
State lunch program	<u>1,700,000</u>	<u>1,735,470</u>	<u>35,470</u>	<u>1,686,740</u>
Total state sources	<u>1,700,000</u>	<u>1,735,470</u>	<u>35,470</u>	<u>1,686,740</u>
Federal sources:				
Federal lunch program	<u>4,700,000</u>	<u>5,175,577</u>	<u>475,577</u>	<u>4,687,756</u>
Total federal sources	<u>4,700,000</u>	<u>5,175,577</u>	<u>475,577</u>	<u>4,687,756</u>
Total revenues	<u>12,300,000</u>	<u>12,097,200</u>	<u>(202,800)</u>	<u>11,382,236</u>
Expenditures:				
Current:				
Employee salaries and benefits	5,705,000	5,364,166	340,834	5,047,143
Purchased services	490,000	337,524	152,476	355,356
Supplies	225,000	227,905	(2,905)	353,054
Food	5,931,262	6,183,169	(251,907)	5,689,186
Equipment	210,000	123,259	86,741	209,560
Other	-	-	-	10
Total expenditures	<u>12,561,262</u>	<u>12,236,023</u>	<u>325,239</u>	<u>11,654,309</u>
Excess (deficiency) of revenues over (under) expenditures	(261,262)	(138,823)	122,439	(272,073)
Fund balances - beginning	<u>261,262</u>	<u>261,262</u>	<u>-</u>	<u>533,335</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 122,439</u>	<u>\$ 122,439</u>	<u>\$ 261,262</u>

WEBER SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Recreation
Nonmajor Special Revenue Fund
Year Ended June 30, 2009
With Comparative Totals for 2008

	2009		Variance with Final Budget - Positive (Negative)	2008
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Local sources:				
Property taxes	\$ 835,415	\$ 822,243	\$ (13,172)	\$ 786,415
Community school fees	-	6,371	6,371	3,234
Miscellaneous revenues	308,994	316,062	7,068	287,726
Total local sources	<u>1,144,409</u>	<u>1,144,676</u>	<u>267</u>	<u>1,077,375</u>
Total revenues	<u>1,144,409</u>	<u>1,144,676</u>	<u>267</u>	<u>1,077,375</u>
Expenditures:				
Employee salaries and benefits	1,100,000	1,031,370	68,630	893,026
Purchased services	21,000	34,143	(13,143)	20,966
Supplies	54,000	4,406	49,594	53,695
Equipment	21,000	12,530	8,470	-
Other	348,409	296,093	52,316	320,375
Total expenditures	<u>1,544,409</u>	<u>1,378,542</u>	<u>165,867</u>	<u>1,288,062</u>
Other financing sources:				
Transfer in	400,000	233,866	166,134	210,687
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WEBER SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Student Activity
Nonmajor Special Revenue Fund
Year Ended June 30, 2009

	2009		Variance with Final Budget - Positive (Negative)	2008
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Local sources:				
Student fees	\$ 8,000,000	\$ 4,983,758	\$ (3,016,242)	\$ 5,432,682
Total local sources	8,000,000	4,983,758	(3,016,242)	5,432,682
Total revenues	8,000,000	4,983,758	(3,016,242)	5,432,682
Expenditures:				
Supplies	13,811,887	4,903,381	8,908,506	4,436,187
Total expenditures	13,811,887	4,903,381	8,908,506	4,436,187
Other financing sources:				
Transfer in	-	-	-	-
Net change in fund balances	(5,811,887)	80,377	5,892,264	996,495
Fund balances - beginning	5,811,887	5,811,887	-	4,815,392
Fund balances - ending	\$ -	\$ 5,892,264	\$ 5,892,264	\$ 5,811,887

WEBER SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Major Debt Service Fund
Year Ended June 30, 2009
With Comparative Totals for 2008

	2009		Variance with Final Budget - Positive (Negative)	2008
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Property tax	\$ 11,654,356	\$ 11,502,835	\$ (151,521)	\$ 10,561,549
Earnings on investments	-	-	-	-
Total revenues	<u>11,654,356</u>	<u>11,502,835</u>	<u>(151,521)</u>	<u>10,561,549</u>
Expenditures:				
Debt service:				
Bond principal	7,000,000	6,150,000	850,000	7,265,000
Bond interest	5,036,163	4,477,493	558,670	3,863,478
Bond issuance costs	200,000	55,262	144,738	-
Paying agent fees	50,000	9,356	40,644	110,864
Total expenditures	<u>12,286,163</u>	<u>10,692,111</u>	<u>1,594,052</u>	<u>11,239,342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(631,807)</u>	<u>810,724</u>	<u>1,442,531</u>	<u>(677,793)</u>
Other financing sources (uses):				
Proceeds of refunding bonds	-	-	-	-
Bond premium	-	-	-	-
Bond refunding issuance costs	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(631,807)</u>	<u>810,724</u>	<u>1,442,531</u>	<u>(677,793)</u>
Fund balance - beginning	<u>631,807</u>	<u>631,807</u>	<u>-</u>	<u>1,309,600</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 1,442,531</u>	<u>\$ 1,442,531</u>	<u>\$ 631,807</u>

WEBER SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Major Capital Projects Fund
Year Ended June 30, 2009
With Comparative Totals for 2008

	2009		Variance with Final Budget - Positive (Negative)	2008
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Local sources:				
Property taxes	\$ 10,361,356	\$ 10,226,645	\$ (134,711)	\$ 9,822,319
Other local revenue	-	47,722	47,722	28,000
Earnings on investments	500,000	554,985	54,985	953,813
Total local sources	<u>10,861,356</u>	<u>10,829,352</u>	<u>(32,004)</u>	<u>10,804,132</u>
State sources:				
Capital outlay foundation	2,045,768	2,045,768	-	6,379,632
Total state sources	<u>2,045,768</u>	<u>2,045,768</u>	<u>-</u>	<u>6,379,632</u>
Total revenues	<u>12,907,124</u>	<u>12,875,120</u>	<u>(32,004)</u>	<u>17,183,764</u>
Expenditures:				
Land and buildings:				
Purchased services	28,000	83,438	(55,438)	2,750
Salaries and benefits	1,160,000	1,124,591	35,409	1,137,630
Land purchases	1,000,000	884,009	115,991	2,495,364
Building improvements	34,676,073	31,313,682	3,362,391	14,289,420
Total land and buildings	<u>36,864,073</u>	<u>33,405,720</u>	<u>3,458,353</u>	<u>17,925,164</u>
Equipment and Textbooks:				
Maintenance and custodial	1,010,000	523,004	486,996	98,746
Equipment support departments	2,000,000	491,654	1,508,346	770,741
Computer purchase	1,800,000	1,413,075	386,925	1,359,574
Computer software	200,000	-	200,000	-
Other instructional equipment	1,000,000	273,340	726,660	1,136
Textbooks	1,900,000	1,767,894	132,106	593,220
Buses	700,000	674,899	25,101	469,768
Other vehicles	200,000	83,441	116,559	121,271
Total equipment	<u>8,810,000</u>	<u>5,227,307</u>	<u>3,582,693</u>	<u>3,414,456</u>
Total expenditures	<u>45,674,073</u>	<u>38,633,027</u>	<u>7,041,046</u>	<u>21,339,620</u>
Excess (deficiency) of revenues over (under) expenditures	(32,766,949)	(25,757,907)	7,009,042	(4,155,856)
Other Financing Sources (Uses):				
General obligation bond proceeds	9,500,000	9,500,000	-	33,000,000
Loan payable proceeds	-	-	-	-
Bond premium	-	112,837	112,837	188,455
Bond issuance costs	(200,000)	(56,525)	143,475	(291,947)
Note payments	(200,000)	(459,270)	(259,270)	(453,587)
Note interest	(40,000)	(31,818)	8,182	(37,534)
Transfer out	(2,282,981)	(2,282,981)	-	(2,282,981)
Sale of capital assets	-	2,875	2,875	23,380
Total other financing sources (uses)	<u>6,777,019</u>	<u>6,785,118</u>	<u>8,099</u>	<u>30,145,786</u>
Net change in fund balances	(25,989,930)	(18,972,789)	7,017,141	25,989,930
Fund balance - beginning	<u>47,751,169</u>	<u>47,751,169</u>	<u>-</u>	<u>21,761,239</u>
Fund balance - ending	<u>\$ 21,761,239</u>	<u>\$ 28,778,380</u>	<u>\$ 7,017,141</u>	<u>\$ 47,751,169</u>

WEBER SCHOOL DISTRICT
Statement of Changes in Assets and Liabilities
Student Activities Agency Fund
Year Ended June 30, 2009

	<u>Net Assets at July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Net Assets at June 30, 2009</u>
Assets:				
Cash and investments	<u>\$ 80,910</u>	<u>\$ 320,493</u>	<u>\$ (294,599)</u>	<u>\$ 106,804</u>
Liabilities:				
Due to student organizations	<u>80,910</u>	<u>320,493</u>	<u>(294,599)</u>	<u>106,804</u>
Total liabilities	<u>\$ 80,910</u>	<u>\$ 320,493</u>	<u>\$ (294,599)</u>	<u>\$ 106,804</u>

**Table 1 Debt Structure
WEBER SCHOOL DISTRICT
General Obligation Bonds
Outstanding General Obligation Debt (As of June 30, 2009)**

Series	Purpose	Original Amount	Final Maturity Date	Current Balance Outstanding
2009	School Building	\$ 9,500,000	June 15, 2029	\$ 9,500,000
2008	School Building	33,000,000	June 15, 2028	27,895,000
2007	Refunding	13,480,000	June 15, 2016	9,265,000
2006B	School Building	22,500,000	June 15, 2026	22,055,000
2006A	Refunding	22,890,000	June 15, 2021	22,300,000
2005	Building	7,775,000	June 15, 2016	5,405,000
2003	Building	13,260,000	June 15, 2023	9,380,000
2002	Building	2,500,000	June 15, 2021	1,855,000
2001 B	Building	15,000,000	June 15, 2021	305,000
2000	School Building and Refunding	10,000,000	June 15, 2020	975,000
Total direct obligation bonded indebtedness				<u><u>\$ 108,935,000</u></u>

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Table 2 Debt Structure
WEBER SCHOOL DISTRICT
General Obligation Bonds
General Obligation Overlapping Indebtedness (As of June 30, 2009)

Entity	2008 Taxable Value	District's Portion of Assessment	Entity's Percent	General Obligation Debt	Overlapping Debt
Weber County	\$ 12,953,886,211	\$ 8,937,458,465	69.0%	\$ 19,000,000	\$ 13,108,940
Cities:					
Farr West City	386,593,163	386,593,163	100.0%	-	-
Harrisville	266,927,796	266,927,796	100.0%	21,000	21,000
North Ogden City	835,589,300	835,589,300	100.0%	-	-
Washington Terrace	375,937,133	375,937,133	100.0%	4,010,000	4,010,000
Other Districts:					
Weber Basin Water Conservancy District	45,021,533,553	8,937,441,073	19.85%	30,986,402	6,151,260
North Davis County Sewer District	9,550,562,947	1,408,227,851	14.7%	51,413,000	7,580,833
Hooper Water Imp. District	717,477,222	624,425,130	87.0%	-	-
West Warren Water Imp. District	36,825,583	36,825,583	100.0%	-	-
Total overlapping general obligation debt					30,872,032
Total direct general obligation bonded indebtedness					108,935,000
Total direct and overlapping general obligation debt					<u>\$ 139,807,032</u>

1 Weber Basin Water Conservancy District ("WBWCD") covers all of Morgan County, most of Davis and Weber Counties, and a portion of Box Elder and Summit Counties. Principal and interest on WBWCD bonds are paid primarily from sales of water. WBWCD bonds are shown as overlapping but are self-supporting except for a minimum 0.000200 tax rate.

2 Cities or districts marked with 100% are contained entirely within the District. Other Cities or districts contain territory partly within and partly outside the district. The percentage shown represents the portion of the District's taxable value as compared to the total taxable value of the entity.

Note: The State of Utah general obligations debt is not included in the calculation of Total Direct and Overlapping General Obligation Debt because the State currently levies no property tax for payment of general obligation bonds.

**Table 3 Debt Structure
WEBER SCHOOL DISTRICT
General Obligation Bonds
Debt Ratios**

	To 2006 Taxable Value	To Adjusted Fair Market Value	Per Capita Debt Ratio
Direct general obligation debt	1.22%	0.84%	913.06
Direct and overlapping general obligation debt	1.56%	1.08%	1,171.83

-
- 1 Based on the State of Utah's December 31, 2008 taxable value for Weber School District of: \$ 8,937,458,465
2 Based on the State of Utah's December 31, 2008 adjusted fair market value for the District of: \$ 12,999,678,302
3 Based on the U.S. Bureau of the Census estimate for Weber County of 196,533 less Ogden City's population estimate of 77,226. (Ogden City does not lie within the District's boundaries) therefore, Weber School District's 2000 population estimate is 119,307.

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**Table 4 Debt Structure
WEBER SCHOOL DISTRICT
General Obligation Bonds
Debt Service Schedule of Outstanding General Obligation Bonds**

Fiscal Year Ending 6/30	Series 2000			Series 2001 B			Series 2002			Series 2003		
	Principal (Due 6/15)	Interest (Due 6/15)	Principal (Due 6/15)	Interest (Due 6/15)	Principal (Due 6/15)	Interest (Due 6/15)	Principal (Due 6/15)	Interest (Due 6/15)	Principal (Due 6/15)	Interest (Due 6/15)	Principal (Due 6/15)	Interest (Due 6/15)
2010	\$ 440,000	\$ 50,005	\$ 305,000	\$ 12,963	\$ -	\$ -	\$ 84,543	\$ -	\$ -	\$ -	\$ 445,958	\$ 445,958
2011	35,000	28,665	-	-	-	-	84,543	-	-	-	445,958	445,958
2012	45,000	26,933	-	-	-	-	84,543	-	-	-	445,958	445,958
2013	45,000	24,683	-	-	-	-	84,543	-	-	-	445,958	445,958
2014	50,000	22,388	-	-	-	-	84,543	-	-	-	445,958	445,958
2015	50,000	19,788	-	-	-	-	84,543	-	-	-	445,958	445,958
2016	55,000	17,138	-	-	-	-	84,543	-	-	-	445,958	445,958
2017	60,000	14,195	-	-	320,000	84,543	84,543	710,000	445,958	710,000	445,958	445,958
2018	60,000	10,925	-	-	330,000	70,623	70,623	745,000	416,138	745,000	416,138	416,138
2019	65,000	7,595	-	-	345,000	55,938	55,938	-	380,750	-	380,750	380,750
2020	70,000	3,955	-	-	360,000	40,240	40,240	-	380,750	-	380,750	380,750
2021	-	-	-	-	500,000	23,500	23,500	-	380,750	-	380,750	380,750
2022	-	-	-	-	-	-	-	-	4,050,000	-	4,050,000	202,500
2023	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 975,000	\$ 226,268	\$ 305,000	\$ 12,963	\$ 1,855,000	\$ 866,641	\$ 9,380,000	\$ 5,709,298				

Fiscal Year Ending 6/30	Series 2005			Series 2006A			Series 2006B			Series 2007		
	Principal (Due 6/15)	Interest (Due 6/15)	Principal (Due 6/15)	Interest (Due 6/15)	Principal (Due 6/15)	Interest (Due 6/15)	Principal (Due 6/15)	Interest (Due 6/15)	Principal (Due 6/15)	Interest (Due 6/15)	Principal (Due 6/15)	Interest (Due 6/15)
2010	\$ 1,285,000	\$ 219,800	\$ -	\$ 938,063	\$ 50,000	\$ 985,381	\$ 2,255,000	\$ 384,300	\$ 2,330,000	\$ 294,100	\$ 2,050,000	\$ 200,900
2011	1,340,000	168,400	-	938,063	50,000	983,381	2,330,000	294,100	2,050,000	200,900	2,050,000	118,900
2012	1,160,000	114,800	-	938,063	100,000	981,381	2,050,000	200,900	2,050,000	200,900	2,050,000	118,900
2013	380,000	66,950	1,625,000	873,063	510,000	977,381	610,000	118,900	610,000	94,500	610,000	94,500
2014	400,000	51,750	1,875,000	873,063	725,000	956,981	650,000	68,500	650,000	68,500	650,000	68,500
2015	410,000	35,750	2,075,000	798,063	1,055,000	927,075	670,000	68,500	670,000	68,500	670,000	68,500
2016	430,000	19,350	2,150,000	704,688	1,400,000	882,238	700,000	35,000	700,000	35,000	700,000	35,000
2017	-	-	2,250,000	607,938	1,465,000	822,738	-	-	-	-	-	-
2018	-	-	2,350,000	517,938	1,530,000	760,475	-	-	-	-	-	-
2019	-	-	3,200,000	423,938	1,600,000	693,538	-	-	-	-	-	-
2020	-	-	3,350,000	287,938	1,675,000	621,538	-	-	-	-	-	-
2021	-	-	3,425,000	145,563	1,750,000	546,163	-	-	-	-	-	-
2022	-	-	-	-	1,840,000	467,413	-	-	-	-	-	-
2023	-	-	-	-	1,930,000	384,613	-	-	-	-	-	-
2024	-	-	-	-	2,020,000	297,763	-	-	-	-	-	-
2025	-	-	-	-	2,120,000	206,863	-	-	-	-	-	-
2026	-	-	-	-	2,235,000	106,163	-	-	-	-	-	-
TOTAL	\$ 5,405,000	\$ 676,800	\$ 22,300,000	\$ 8,111,375	\$ 22,055,000	\$ 11,601,081	\$ 9,265,000	\$ 1,196,200				

Table 4 Debt Structure
WEBER SCHOOL DISTRICT
General Obligation Bonds
Debt Service Schedule of Outstanding General Obligation Bonds

	Series 2008			Series 2009			Totals		
	Principal (Due 6/15)	Interest (Due 6/15)	Principal (Due 6/15)	Interest (Due 6/15)	Principal (Due 6/15)	Interest (Due 6/15)	Principal	Interest	Total Debt Service
2010	\$ 1,750,000	\$ 1,133,469	\$ 500,000	\$ 367,994	\$ 6,585,000	\$ 4,642,474	\$ 11,227,474		2010
2011	1,260,000	1,078,781	710,000	316,776	5,725,000	4,338,666	10,063,666		2011
2012	310,000	1,039,406	1,750,000	295,476	5,415,000	4,127,459	9,542,459		2012
2013	325,000	1,029,719	280,000	251,726	3,775,000	3,937,921	7,712,921		2013
2014	250,000	1,019,563	290,000	244,726	4,240,000	3,793,470	8,033,470		2014
2015	100,000	1,011,750	300,000	236,026	4,660,000	3,627,451	8,287,451		2015
2016	400,000	1,008,500	315,000	227,026	5,450,000	3,424,439	8,874,439		2016
2017	500,000	995,000	325,000	217,576	5,630,000	3,187,946	8,817,946		2017
2018	600,000	977,500	335,000	207,014	5,950,000	2,960,612	8,910,612		2018
2019	1,300,000	956,500	350,000	195,288	6,860,000	2,713,546	9,573,546		2019
2020	1,350,000	901,250	365,000	182,164	7,170,000	2,417,834	9,587,834		2020
2021	1,400,000	843,875	375,000	167,564	7,450,000	2,107,414	9,557,414		2021
2022	1,450,000	784,375	390,000	152,564	7,555,000	1,785,102	9,340,102		2022
2023	2,525,000	722,750	405,000	136,964	8,910,000	1,446,827	10,356,827		2023
2024	2,625,000	615,438	420,000	120,764	5,065,000	1,033,964	6,098,964		2024
2025	2,750,000	503,875	440,000	103,544	5,310,000	814,282	6,124,282		2025
2026	2,875,000	387,000	455,000	85,394	5,565,000	578,557	6,143,557		2026
2027	3,000,000	263,375	475,000	66,056	3,475,000	329,431	3,804,431		2027
2028	3,125,000	134,375	500,000	45,276	3,625,000	179,651	3,804,651		2028
2029	-	-	520,000	23,400	520,000	23,400	543,400		2029
TOTAL	\$ 27,895,000	\$ 15,406,500	\$ 9,500,000	\$ 3,663,318	\$ 108,935,000	\$ 47,470,442	\$ 156,405,442		

**Table 5 Financial Information
WEBER SCHOOL DISTRICT
Taxable and Fair Market Value**

Including Fee in Lieu Valuation

<u>Year</u>	<u>Taxable Value</u>	<u>Adjusted Fair Market Value</u>
2008	\$ 8,937,458,465	\$ 12,999,678,302
2007	\$ 7,982,506,905	\$ 11,611,143,607
2006	6,856,982,494	12,707,627,871
2005	5,975,771,673	9,671,132,777
2004	5,583,490,020	8,690,638,463

Excluding Fee in Lieu Valuation

<u>Year</u>	<u>Taxable Value</u>	<u>Adjusted Fair Market Value</u>
2008	\$ 8,212,445,717	\$ 12,274,665,554
2007	\$ 7,299,487,373	\$ 10,928,124,075
2006	6,151,656,673	12,002,302,050
2005	5,335,809,388	9,031,170,492
2004	4,949,922,036	7,474,070,479

(Source: Property Tax Division, Utah State Tax Commission)

1 - These valuation figure include the value associated with the fees in lieu of ad valorem taxes for motor vehicles and other tangible personal property.

**Table 6 Financial Information
WEBER SCHOOL DISTRICT
Significant Taxpayers in the District**

Taxpayer	Type of Business	December 31, 2008 Taxable Valuation	Percentage of Total Assessed Valuation
Pacificorp	Electric Utility	\$ 89,218,058	1.00%
Kimberly-Clark Corporation	Manufacturing	72,117,181	0.81%
Great Salt Lake Minerals	Manufacturing	60,024,404	0.67%
Associated Food Stores, Inc.	Groceries	52,508,817	0.59%
America First Credit Union	Banking	48,665,225	0.54%
Columbia Ogden Medical Center	Medical	37,164,001	0.42%
Wal-Mart, Inc	Retail	34,116,357	0.38%
Qwest Corporation	Telephone Utility	32,701,174	0.37%
Riverdale Center LC	Retail	32,276,664	0.36%
Questar Gas	Natural Gas Utility	29,717,367	0.33%
DDR Riverdale South Corp	Developer	29,608,985	0.33%
Westinghouse/W. Zirconium	Manufacturing	29,285,012	0.33%
Rocky Mountain Real Estate	Real Estate	23,116,676	0.26%
Peterson Specialized Welding	Manufacturing	17,854,298	0.20%
Union Pacific Railroad Co	Transportaion	17,140,100	0.19%
Snowbasin Resort Company	Resort	16,830,827	0.19%
Admiral Beverage Company	Distribution	15,237,995	0.17%
Boyer-Gardner Properties	Construction	14,961,610	0.17%
Parker Hannifin	Aerospace	13,711,237	0.15%
Totals		\$ 666,255,988	7.45%

1 - Based on the District's 2008 taxable value of: \$ 8,937,458,465
Source: Office of Weber County Treasurer

**Table 7 Financial Information
WEBER SCHOOL DISTRICT
Summary of Taxable Value**

	<u>2008 Taxable Value</u>	<u>Percent of 2007</u>	<u>2007 Taxable Value</u>
Centrally assessed values:	\$ 253,380,078	3.19%	\$ 231,473,586
Real property:			
Primary residential	4,946,700,572	62.28%	4,416,061,300
Other residential	1,109,740,149	13.97%	943,700,174
Commercial and industrial	1,368,416,686	17.23%	1,202,747,813
FAA	18,675,483	0.24%	18,711,744
Unimproved non FAA	128,216,446	1.61%	144,686,559
Total real property	<u>7,571,749,336</u>	<u>95.33%</u>	<u>6,725,907,590</u>
Personal property:			
Primary and secondary mobile homes	18,234,784	0.23%	18,939,113
Other business personal	369,081,519	4.65%	323,167,084
Total personal property	<u>387,316,303</u>	<u>4.88%</u>	<u>302,164,048</u>
Fee-in-lieu property (F-I-L):	<u>725,012,748</u>	<u>9.13%</u>	<u>683,019,532</u>
Total assessed properties:	<u><u>8,937,458,465</u></u>	<u><u>112.53%</u></u>	<u><u>7,942,564,756</u></u>

Source: Utah State Tax Commission

**Tables 8, 9 & 10 Financial Information
WEBER SCHOOL DISTRICT**

Tax Collection Record of the District

<u>Tax Year End 12/31</u>	<u>Total Taxes Levied</u>	<u>Current Collections</u>	<u>Percent Current Collections</u>	<u>Collections for Prior Years</u>	<u>Total Collections</u>	<u>Percent of Total Collections</u>
2008	\$ 48,348,720	\$ 44,217,465	91.46%	\$ 1,663,335	\$ 45,880,800	94.90%
2007	44,819,274	43,024,997	96.00%	1,561,340	44,586,337	99.48%
2006	40,525,883	38,372,265	94.69%	1,391,529	39,763,794	98.12%
2005	37,531,741	35,632,124	94.94%	1,208,077	36,840,201	98.16%
2004	34,993,743	33,354,846	95.32%	1,343,336	34,698,182	99.16%

Schedule of Property Tax Rates

	<u>Tax Year Ended December 31,</u>				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
State required	0.001250	0.001311	0.001720	0.001800	0.001825
Voted Iceway	0.000918	0.000960	0.000625	0.000625	0.000625
Board Iceway	0.000355	0.000352	0.000400	0.000407	0.000400
Transportation	0.000146	0.000153	0.000184	0.000165	0.000141
Recreation	0.000096	0.000100	0.000120	0.000122	0.000121
Tort liability	0.000035	0.000037	0.000071	0.000062	0.000050
Capital outlay	0.000775	0.000811	0.000974	0.000992	0.000985
Debt service	0.001343	0.001343	0.001343	0.001400	0.001415
10% Additional	0.000419	0.000438	0.000845	0.000549	0.000499
Tax comm judge	0.000000	0.000000	0.000026	0	-
Board reading levy	0.000121	0.000121	0.000119	0	-
Total	<u>0.005458</u>	<u>0.005626</u>	<u>0.006427</u>	<u>0.006245</u>	<u>0.006061</u>

Historical Property Tax Collections by Fund

<u>Fiscal Year Ending 6/30</u>	<u>Total Funds</u>	<u>General Fund</u>	<u>Special Revenue Programs</u>	<u>Capital Projects</u>	<u>Debt Service</u>
2008-2009	46,747,931	24,196,209	822,243	10,226,645	11,502,835
2007-2008	44,243,690	23,073,407	786,415	9,822,319	10,561,549
2006-2007	40,897,938	22,110,876	744,430	9,272,724	8,769,908
2005-2006	37,339,281	19,146,631	697,170	10,387,838	7,107,642
2004-2005	35,197,325	18,730,937	687,602	8,685,201	7,093,585
2003-2004	34,031,365	18,164,621	674,704	8,189,364	7,002,676

**Table 11 Financial Information
WEBER SCHOOL DISTRICT
Five Year General Fund Financial Summary**

Five-Year Financial Summary

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
REVENUES:					
Local revenue:					
Property tax	\$ 24,196,209	\$ 23,073,407	\$ 22,110,876	\$ 19,146,631	\$ 18,730,937
Earnings from investments	1,289,036	2,160,220	1,854,015	1,559,276	600,362
Other	1,945,614	1,646,712	5,826,012	5,197,376	5,290,596
State	130,537,918	136,721,857	115,760,786	105,625,957	102,586,851
Federal	19,961,961	8,673,492	8,533,842	9,459,953	9,741,001
Total revenues	<u>177,930,738</u>	<u>172,275,688</u>	<u>154,085,531</u>	<u>140,989,193</u>	<u>136,949,747</u>
EXPENDITURES:					
Instruction	120,422,380	115,485,198	105,743,286	99,673,322	98,673,402
Support services					
Students	6,246,437	6,377,189	5,419,763	5,068,450	4,691,394
Instructional staff	3,507,188	3,065,472	2,440,522	2,243,998	2,475,417
District general administration	5,911,120	5,613,457	5,390,608	5,199,522	5,296,887
School administration	11,115,485	10,787,292	10,316,582	9,422,249	9,244,841
Operations and maintenance	16,693,174	15,706,689	14,651,645	14,569,611	13,662,331
Student transportation	6,561,513	6,472,520	5,552,978	5,169,688	4,918,553
Central	2,841,768	3,884,496	2,414,054	1,882,109	1,763,998
Total expenditures	<u>173,299,065</u>	<u>167,392,313</u>	<u>151,929,438</u>	<u>143,228,949</u>	<u>140,726,823</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,631,673</u>	<u>4,883,375</u>	<u>2,156,093</u>	<u>(2,239,756)</u>	<u>(3,777,076)</u>
Other financing sources (uses):					
Interfund transfer	<u>2,049,115</u>	<u>2,072,294</u>	<u>2,121,514</u>	<u>3,648,397</u>	<u>2,118,327</u>
Total other financing sources	<u>2,049,115</u>	<u>2,072,294</u>	<u>2,121,514</u>	<u>3,648,397</u>	<u>2,118,327</u>
Excess(deficiency) of revenues and other financing sources (uses) over (under) expenditures	6,680,788	6,955,669	4,277,607	1,408,641	(1,658,749)
Fund balance, beginning of year, as restated	<u>13,594,304</u>	<u>6,638,635</u>	<u>7,176,420</u>	<u>13,306,895</u>	<u>9,029,288</u>
Fund balance, end of year	<u>\$ 20,275,092</u>	<u>\$ 13,594,304</u>	<u>\$ 11,454,027</u>	<u>\$ 14,715,536</u>	<u>\$ 7,370,539</u>

Source: The District's Basic financial statements.

**Table 12 Financial Information
WEBER SCHOOL DISTRICT
Balance Sheet - General Fund**

Five-Year Financial Summary

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
ASSETS:					
Cash and investments	\$ 57,238,519	\$ 47,817,213	\$ 40,068,189	\$ 31,414,851	\$ 31,133,910
Accounts receivable:					
Categorical funding	25,409,176	25,233,427	24,530,460	20,291,219	17,652,343
Other	233,432	452,663	95,431	180,575	223,862
Inventory, at cost or fair value	822,490	892,579	764,795	548,733	643,225
Prepaid expenses	68,105	93,808	21,254	31,917	20,723
Other assets	68,764	34,753	-	-	654,879
Total assets	<u>\$ 83,840,486</u>	<u>\$ 74,524,443</u>	<u>\$ 65,480,129</u>	<u>\$ 52,467,295</u>	<u>\$ 50,328,942</u>
LIABILITIES & FUND BALANCE:					
Liabilities					
Account payable	\$ 3,462,258	\$ 3,175,081	\$ 2,558,737	\$ 3,102,515	\$ 2,306,237
Accrued wages payable	22,347,947	21,920,113	19,702,764	14,062,742	17,566,386
Termination benefits	3,593,137	3,614,212	3,296,569	2,868,556	2,345,976
Deferred revenue	34,162,052	32,221,733	28,468,032	25,246,698	22,342,564
Total liabilities	<u>63,565,394</u>	<u>60,931,139</u>	<u>54,026,102</u>	<u>45,280,511</u>	<u>44,561,163</u>
Fund balances:					
Reserved	493,386	205,806	333,504	96,076	441,276
Designated	11,753,436	9,789,167	10,611,426	8,483,401	7,568,633
Unreserved, undesignated	8,029,270	3,599,331	509,097	(1,392,693)	(2,242,130)
Total fund balance	<u>20,276,092</u>	<u>13,594,304</u>	<u>11,454,027</u>	<u>7,186,784</u>	<u>5,767,779</u>
Total liabilities & fund balance	<u>\$ 83,841,486</u>	<u>\$ 74,525,443</u>	<u>\$ 65,480,129</u>	<u>\$ 52,467,295</u>	<u>\$ 50,328,942</u>

Source: The District's Basic financial statements.